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OF

THE AUDITOR-GENERAL

ON

**DR. DANIEL WAKO MURENDE TECHNICAL
AND VOCATIONL COLLEGE**

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



DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

Dr.Daniel Wako Murende Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)

2. Key Entity Information and Management

(a) Background information

Dr. Daniel Wako Murende Technical and Vocational College began training programmers on 10th February 2020, following the deployment of the principal by the Ministry of Education, State Department for Vocational and Technical Training. The college is the only government TVET institution in Matayos Sub- County, Matayos Constituency, Busia County, and it holds the unique distinction of being the sole provider of Food Science and Processing Technology (Agricultural Value Addition) in Busia County, also serving as a Centre of Excellence in this field.

Nestled within the scenic slopes of Murende Hills along the Busia-Kisumu Highway in Matayos Sub- County, the college is located in Nongoma Location, Murende Sub-location. The institution occupies 7 1/2 acres of land generously donated by Hon. Amos Wako and has been funded by the Government of Kenya through both the National Government and the Constituency Development Fund.

Dr. Daniel Wako Murende Technical and Vocational College aligns its operations with the Vision, Mission, and Objectives of the Ministry of Education, as well as the National TVET policy and Vision 2030. The college offers a range of courses, admitting students for Artisan, Craft, and Diploma programs.

(b) Principal Activities

The Mandate of Dr. Daniel Wako Murende Technical and Vocational College encompasses the following key objectives:

- 1. Training and Development:** To train and develop middle-level manpower crucial for national development. This includes advancing, transmitting, and enhancing technical and entrepreneurial skills and knowledge to support both self-employment and the broader national production system.
- 2. Educational Collaboration:** To offer courses that lead to the awarding of Artisan, Craft, and Diploma Certificates in TVET programs, in collaboration with other tertiary institutions and relevant industries across the board

(i) Vision

To be Centre of excellence in technical and vocational education.

(ii) Mission

To promote technical and vocational education through relevant innovative training, research and community service.

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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/ Principal
- Management...;

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Mr. Francis Miheso
2.	Deputy principal Academics	Mrs. Beatrice Mathu
3	Registrar	Mr. Levi Nyabuto
4	Dean of students	Mr. Ibrahim Tiema
5	Procurement Officer	Mr. Castoria Ouma Wafula
6	Finance Officer	Miss Cellestine Akoth Omollo

(e) Fiduciary Oversight Arrangements

- Finance, planning and Development committee
- Academic, human resource and welfare committee
- Audit and Risk committee

(f) Dr. Daniel Wako Murende Technical and Vocational College Headquarters

P.O Box 149-50400
College Building
Off Kisumu - Busia Road
Busia (Kenya)

(g) Dr.Daniel Wako Murende Technical and Vocational College Contacts

Telephone: +254708772451/+254722791595
E-mail: drdanielwakomurendetvc@gmail.com
Website: www.drdanielwakomurendetvc.ac.ke

(h) Dr.Daniel Wako Murende Technical and vocational college Bankers

i. Central Bank of Kenya

**Dr.Daniel Wako Murende Technical And Vocational College
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Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

ii. National Bank of Kenya
P.O Box 264-50400
Busia (Kenya)

iii. Equity bank
P.O Box 553-50400
Busia (Kenya)

(i) Independent Auditors




Auditor-General
Office of Auditor General
Anniversary Towers, University 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

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3.The Board of Governors

 <p>Mr. Charles Wako Chairman of the Board Tel.+254705149300 Self employed-chairman SAX Airline</p>	<p>Date of Birth 1950 Key Qualifications: M.A Degree (Marketing Option) Work Experience:47 yrs Mr. Charles Wako is the chairman of the Board of Governors</p>
 <p>C.P.A. Emilly Mweche Simiyu Board member Tel. +254711229999 Head of accounting section Bomet University College. Box 1696-50205 webuye E-Mail: emilysim39@gmail.com</p>	<p>Head of accounting section Bomet University College Key Qualifications: Masters in Accounting Kibabii University, BCOM Finance MMUST, Certified Public Accountants of Kenya (CPAK), and CIFA Part 2. Work Experience:21yrs CPA. Emily chairs the Finance and Development Committee and a member of Human Resource and Academics Committee of the Board.</p>
 <p>Mr. Charles Lagat Tel.+254724469171 B.Sc. Technology(B.Tech)textile engineering Email: chrslagt@gmail.com</p>	<p>Ag. Strategy and planning manager Rivatex East Africa Ltd, Moi University facility Key Qualifications: BTC Work Experience:16Yrs Mr. Lagat is member of Finance and development and Audit and Risk Committee.</p>




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 <p>Dr. Jared Isaboke Mose Member of the Board Tel.+254726776990 Senior Lecture-Moi University Eldoret</p>	<p>Key Qualifications: Doctor of philosophy in Agricultural Economics and Resource Management.</p> <p>Work Experience:36Yrs</p> <p>Mr. Isaboke is member of Finance and development and Human Resource and academics Committee.</p>
 <p>Mr. Gervas Wasike Member of the Board Tel.+254722-933480 Teachers Service Commission E-Mail: Wasikemgervas@yahoo.com</p>	<p>Key Qualifications: Bachelor of Education, Leadership and policy studies</p> <p>Work Experience:38Yrs</p> <p>Mr. Gervas is the Chairperson of Human Resource and academics Committee.</p>
 <p>Rev.Charles Orod Board member Tel: 0723572054 Masters in Public administration</p>	<p>KeyQualifications: Masters in Public administration</p> <p>Work Experience:50 Yrs</p> <p>Member of Audit and Risk Management Committee</p>
 <p>Robina Andia Itubako Board member Tel: 0721643230 (LLB HONS)</p>	<p>Key Qualifications: Bachelor of Laws (LLB HONS)</p> <p>Work Experience:19 Yrs</p> <p>Chairperson of Audit and Risk Management Committee</p>




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 <p>Mr.Francis Miheso</p> <p>Principal/ Secretary to the Board Phone;072279159</p>	<p>Born 1968 Specialist in building and civil engineering Masters from UON Lindelhrem PHD-IN P.P.D</p>
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4. Key Management Team

 <p>Mr.Francis Miheso</p> <p>Principal/ Secretary to the Board Phone;072279159</p>	<p>Principal</p> <p>Provides innovative and visionary leadership, creates and sustains highly motivated, participatory management team, coordinated the implementation of BOG strategies, promotes academic excellence and efficient administrative and governance practices, maintains public relations as well as linkages among other</p>
 <p>Beatrice Mathu</p> <p>Bachelor of science(clothing textile & interior design)</p>	<p>Deputy Principal</p> <p>Bachelor of science(clothing textile & interior design)</p> <p>Supports the principal to manage finances, human resource and college inventory.</p>
 <p>Levi Ogati Nyabuto</p> <p>Bachelor of Commerce-Banking \$Finance</p>	<p>Registrar</p> <p>In-charge of Academic and Enrolment of students and student's records</p>

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 <p>Ibrahim Tiema Bachelor of science in Agriculture Economics</p>	<p>Dean Of Trainees In-charge of student affairs</p>
 <p>Cellestine Akoth Omollo Certified Public Accountants of Kenya (CPAK) Bachelor of Commerce-Finance</p>	<p>Finance Officer In-charge of financial and accounting duties including financial statements and financial records of the Institution</p>
 <p>Castoria Ouma Wafula Bachelor of Commerce- Purchasing and supply chain management Diploma Banking and Finance</p>	<p>Procurement Officer In-charge of all procurement duties, and maintaining an inventory record of the college</p>

5. Chairman's Statement

It is with great honour that I present the first report of the Board of Governors for Dr. Daniel Wako Murende Technical and Vocational College. The Board members were officially appointed on 8th March 2024, and the inauguration took place on 10th April 2024. Since then, the Board has been committed to overseeing the strategic direction and governance of the institution.

Following the appointment of the Board members, we held our inauguration ceremony on 10th April 2024. During this important event, three key committees were established to guide our work: Finance Committee: The Finance Committee is tasked with overseeing the financial management of the college, ensuring transparency, accountability, and the efficient use of resources.

Human Resource and Academics Committee: This committee focuses on the human resource and academic policies, ensuring that the college attracts and retains qualified staff and provides quality education to our students.

Audit and Risk Management Committee: The Audit and Risk Management Committee is responsible for monitoring the college's compliance with regulatory requirements and managing potential risks to safeguard the institution's integrity and assets.

Board Activities and Achievements: Since our formation, the Board has met regularly to discuss and approve various policies and initiatives aimed at enhancing the college's operations. We have worked closely with the college administration to align our goals with the Ministry of Education's vision and the National TVET policy.

Financial Oversight:

The Board, through the Finance Committee, has diligently reviewed and approved the financial statements for the fiscal year. We have ensured that the financial reporting is accurate and complies with the relevant accounting standards and regulations. The financial performance of the college, despite the challenges faced, has been managed prudently, and we continue to explore ways to improve our financial sustainability.

Way forward:

As we move forward, the Board remains committed to supporting the growth and development of Dr. Daniel Wako Murende Technical and Vocational College. We will continue to work collaboratively with the college management and stakeholders to achieve our strategic objectives and provide quality technical and vocational education to our students.

I would like to thank my fellow Board members, the college administration, staff, and all stakeholders for their dedication and hard work. Together, we will ensure that Dr. Daniel Wako Murende Technical and Vocational College continues to thrive and fulfill its mandate of training and developing skilled professionals for national development.

Signature: _____



Date: 20/9/2024

6. Report of the Senior Principal

Dr. Daniel Wako Murende Technical and Vocational College, located in Murende Village, Matayos Sub- County, Busia County, continues to fulfill its mandate of providing quality technical education. As the only government TVET College in Matayos constituency, the institution plays a critical role in equipping students with practical skills necessary for Kenya's growing industries. The college opened its doors in February 2020 with the first intake, and since then, significant progress has been made in infrastructure development, course offerings, and student enrolment.

1.0 Human Resources

The college is managed by a competent Board of Governors, chaired by Mr. Charles Wako, inaugurated in April 2024. The institution is currently supported by 22 Public Service trainers, significantly easing the burden on Board of Governors' employment. The total number of Board of Governors employees remains at 38, who support the institution's day-to-day operations.

2.0 Student Enrolment

As of the close of this financial year, the college's enrolment has grown significantly, with 865 trainees enrolled across various programs. These include our flagship course, Food Science and Processing Technology (Agricultural Value Addition), as well as other technical programs like Building & Civil Engineering, ICT, and Fashion Design.

3.0 Infrastructure Development

During the year under review, the College made substantial progress in infrastructure development. The total investment in property, plant and equipment amounted to **Kshs. 4,038,942**, as disclosed in Note 17 of the financial statements.

Below are selected highlights of key development projects completed during the year, amounting to Kshs. 3,551,380, showcasing some of our most impactful initiatives:

Project/Item	Cost (Kshs.)
Landscaping	353,575
Construction of 2 Workshops	736,970
Painting of the Tution Block	207,500
Wall Construction	160,000
Ceiling Board Repair	176,740
Flooring Repair	56,490
Roofing Repair	36,150
Electrical Installations	14,440
Rebranding	43,000
Environmental Conservation Initiatives	46,450
Water Harvesting Systems	40,129
Administrative/Staff Rooms, Computer Lab, Furniture	522,300

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Tools for Water Processing and Yoghurt Production	106,178
Beauty Therapy Equipment	94,780
Sewing Machines for Fashion and Design	117,000
Purchase of 6 Computers	172,000
Library Books	178,598
Printers	149,000
Lecture Chairs (100 seats)	290,000
Plastic Chairs	50,080

The balance of **Kshs. 487,562** includes additional capital items such as minor equipment, fixtures, and fittings not listed above but fully accounted for under property, plant and equipment. In addition, the college successfully installed a 650 KVA transformer, which has enabled the smooth operation of equipment in the Food Processing Lab. The NG-CDF Matayos also pledged to fund the construction of student hostels, which are expected to commence in the next financial year.

4.0 New Initiatives

The college has also ventured into water bottling as a revenue-generating project. This initiative, started in the 2023/2024 financial year, is still in its initial stages as we seek to strengthen our presence in the market. We have also successfully started yoghurt production, which aligns with our mission of adding value to local agricultural products.

5.0 Challenges

Despite the positive strides, several challenges remain. These include:

1. The need for a double-cabin vehicle and a bus for transportation and field training.
2. Further investment in technical equipment and tools for hands-on training in key courses like Civil Engineering, Food and Beverage, Automotive Engineering, Electrical Engineering and Textile and Garment Making.
3. Expanding the computer lab to include more modern devices and improve LAN and internet connectivity for both students and staff.
4. Building hostels to accommodate the increasing student population, especially those from other regions.

6.0 Financial Performance

The institution's financial performance was marked by prudent use of available funds. While capitation from the government was received, additional revenues were generated through internal initiatives such as the water bottling project. However, the need for more robust infrastructure and learning resources remains a priority.

Dr. Daniel Wako Murende Technical and Vocational College continues to make steady progress toward becoming a leading institution in technical education. With continued support from the government, the Board of Governors, and our partners, we are confident that the institution will achieve its full potential and make a significant contribution to the national skills agenda.

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7. Statement of Performance against Predetermined Objectives

Dr. Daniel Wako Murende TVC has 5 strategic pillars and objectives within current Strategic Plan for the FY 2023- FY 2024. These strategic pillars are as follows:

- Pillar 1: Academic Excellence
- Pillar 2: Research and Innovation
- Pillar 3: Community Outreach
- Pillar 4: Guaranteed financial flows and proper management
- Pillar 5: Institutional Capacity Strengthening

Dr. Daniel Wako Murende TVC develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis.

The Dr. Daniel Wako Murende TVC achieved its performance targets set for the FY 2023/2024 period for its 5 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Academic Excellence	1. To offer Quality and relevant programmes	<ul style="list-style-type: none"> - Number of new programs developed - Percentage of programs aligned with industry needs 	1. Establish new market-driven and relevant programmes	<ul style="list-style-type: none"> - Introduced two new market-driven programs in Food Processing and ICT - Increased student enrolment by 250 - Launched an online learning platform - Signed dual training MOU with 2 companies - Established Quality Assurance Committee
			2. Integrate ICT in training	
			3. Enhance practical training	
			4. Carryout Dual training	
			5. Establish a quality assurance committee	
			6. Promote innovative teaching methods	
	2. To gradually implement a mechanism to recruit and maintain trainees and staff.	<ul style="list-style-type: none"> - Number of dual training collaborations - Quality assurance feedback 	1. Improve trainee to trainer ratio	
			2. Enhance a reward system for good performance by trainers	
			3. Recruit qualified and committed staff	

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				with 9 active members
Research and Innovation	To Institutionalize research and development to enhance performance and production.	-Number of research publications - Amount of funds allocated to research -Number of policies developed	1. Develop policy on research and innovation	-Published 5 research papers - Allocated Kshs 418,140 for research projects -Completed and approved the Research and Innovation Policy
			2. Establish a committee for research and innovation	
			3. Establish research fund	
			4. Conduct Research to benefit collaborating institutions	
Community Outreach	To establish collaborations with industry, community and international partners for sustainable development	-Number of collaborations established - Percentage of students attached to industries	1. To Identify and establish collaborations with Industry, community and international partners for sustainable development and attachment places for student	Established partnerships with 2 local industries for student internships - Increased community engagement
			2. Sensitise the community on the presence and role of the college.	
Guaranteed financial flows and proper management	To establish means to increase gross income	Percentage increase in student enrollment - Income from IGUs - HELB application success rate	1. Increase student enrolment	Enrollment increased by 250 - Income from water bottling unit increased by 20% - 90% HELB approval rate
			2. Establish income generating Units (IGUs)	
			3. Lobby for more GoK funds	
			4. Empower the Dean's and Registrar's offices to Support Trainees' HELB applications process	
Institutional Capacity Strengthening	To Develop infrastructure for expansion of technical training.	Percentage increase in ICT infrastructure - Number of safety improvements	1. To provide security and safety	Expanded ICT infrastructure by 30% - Upgraded safety measures in lab
			2. Optimise use of available land	
			3. Repair and maintain equipment	

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			4. Expand ICT infrastructure	Developed land-use plan to optimize available space for agriculture training
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8. Corporate Governance Statement

Dr. Daniel Wako Murende Technical and Vocational College is dedicated to its mission of becoming a Centre of research and innovation by providing excellence in technical services. This mission aims to ensure food security, sustainable development, and the production of competent human personnel with requisite skills. The governance of the College is entrusted to a Board of Governors, appointed by the Cabinet Secretary in the Ministry of Education.

Board of Governors:

Functions of the Board:

The Board of Governors (BOG) plays a critical role in guiding the College towards achieving its objectives and mission. The key functions of the BOG include:

1. **Strategic Oversight:** Developing and implementing policies and strategies aligned with the College's vision and mission.
2. **Financial Management:** Managing the College's funds to ensure financial health and sustainability.
3. **Fund Management:** Receiving and managing gifts, donations, grants, and other financial contributions, including disbursements.
4. **Welfare Provision:** Ensuring the welfare of staff and students through appropriate policies and support systems.
5. **Regulation and Discipline:** Establishing regulations for the conduct and discipline of staff and students.
6. **Appointments:** Appointing trainers and non-trainers with approved terms and conditions.
7. **Educational Oversight:** Overseeing educational and training activities in compliance with relevant laws and standards.
8. **Standards and Relevance:** Maintaining high standards and relevance in education and training.
9. **Budgeting:** Preparing and managing annual estimates of revenue and expenditure.
10. **Resource Mobilization:** Mobilizing resources to support the College's activities and growth.
11. **Program Development:** Developing and reviewing training programs and making recommendations to the Board.
12. **Admissions Regulation:** Regulating student admissions and exclusions in line with qualification frameworks and laws.
13. **Collaborations:** Approving partnerships and collaborations with other institutions both within and outside Kenya.
14. **Democratic Culture:** Promoting democratic culture, dialogue, and tolerance within the College.
15. **Property Management:** Administering and managing the College's property and assets.
16. **Strategic Planning:** Developing and implementing the College's strategic plan.
17. **Fee Structure:** Determining fees and conditions for fee payment and remission.
18. **Staff Recruitment:** Recruiting qualified trainers and support staff, and setting suitable terms and conditions of service.
19. **Annual Reporting:** Preparing comprehensive annual reports on all areas of the College's mandate and operations.

Compliance:

Discharging functions as conferred by the Act and relevant laws.

The Board consists of 9 members, including the Regional County Director of TVET and the Principal, who serves as the Secretary to the Board.

Board Governance Framework:

Board Charter:

The Board operates under a formal Board Charter that outlines the governance framework, including roles, responsibilities, and procedures for appointment and removal of members.

- **Appointment and Removal:** Members are appointed by the Cabinet Secretary and can be removed following the procedures specified in the Board Charter.
- **Succession Plan:** A succession plan is in place to ensure smooth transitions in Board membership and continuity in governance.

Conflict of Interest:

Procedures are established to identify, disclose, and manage any potential conflicts of interest among Board members to ensure transparency and integrity in decision-making.

Induction and Training:

New Board members undergo an induction program to familiarize themselves with the College's operations, governance expectations, and regulatory requirements. Ongoing training is provided to keep members updated on governance best practices and changes in regulations.

Board and Member Performance:

The performance of the Board and its members is regularly evaluated to ensure effectiveness in governance and adherence to the College's strategic goals.

Board Remuneration:

Board members are compensated in accordance with the provisions set out in the Board Charter and applicable regulations.

Ethics and Conduct:

The Board adheres to high ethical standards and codes of conduct, ensuring that all members act with integrity and in the best interests of the College.

Governance Audit:

A governance audit is conducted to assess the effectiveness of the Board's governance practices. The audit findings are reviewed, and necessary actions are taken to address any identified areas for improvement.

The Board of Governors remains committed to guiding Dr. Daniel Wako Murende Technical and Vocational College towards achieving its mission and strategic objectives. We are dedicated to maintaining the highest standards of governance, transparency, and accountability in all our operations.

9. Management Discussion and Analysis

This MD&A provides a detailed analysis of the financial and operational performance of Dr. Daniel Wako Murende Technical and Vocational College for the financial year 2023/2024. The report also covers key projects, compliance with statutory requirements, risks facing the institution, material arrears, and other relevant information.

1. Operational Performance

During the period under review, the college continued to operate its regular academic programs, expanded its revenue-generating activities, such as water bottling, and pursued various development projects,

Key operational milestones:

- Expansion of the Water Bottling project despite ongoing market entry struggles.
- Launch of tree planting as part of the environmental sustainability directive.
- Participation in KATTI Sports, reflecting the institution's active involvement in extracurricular activities.

2. Financial Performance

The financial position of the college as of the end of the financial year is summarized in the table below:

Financial Summary	Amount (KShs)
Total Assets	186,182,399
Cash & Cash Equivalents	977,213
Receivables	15,162,606
Inventories	3,169,722
Total Liabilities	746,410
Accumulated Surplus	10,428,686
Capital Fund	175,007,303

- i. Total Assets: KShs 186.2million, consisting mainly of non-current assets (KShs 168.63 million) in property, plant, and equipment.
- ii. Current Assets: The college has cash and cash equivalents of KShs 977,213, and receivables amounting to KShs 15.16 million, a significant portion representing student fee arrears.
- iii. Liabilities: The college's current liabilities stand at KShs 746,410, with no non-current liabilities reported.
- iv. Capital Reserves and Net Assets: The total net assets and liabilities match at KShs 186.2million million, supported by a capital fund of KShs million. 175.00

3. Key Projects and Investments

Several key projects were either initiated or ongoing:

- The Dining Hall and Kitchen Construction project, funded by the NG-CDF Matayos, is complete
- The Water Bottling Plant started operations in the financial year 2023/2024, though the project continues to face market entry challenges.

4. Compliance with Statutory Requirements

The college continues to adhere to statutory regulations, including:

- Public Procurement and Asset Disposal Act (PPADA) 2015: Ensuring compliance with procurement laws.
- Public Finance Management Regulations (PFMR) 2015: Monitoring financial management to align with these regulations.

Despite financial pressures, the college has managed to remain compliant with its statutory obligations, though arrears related to student fees pose a concern.

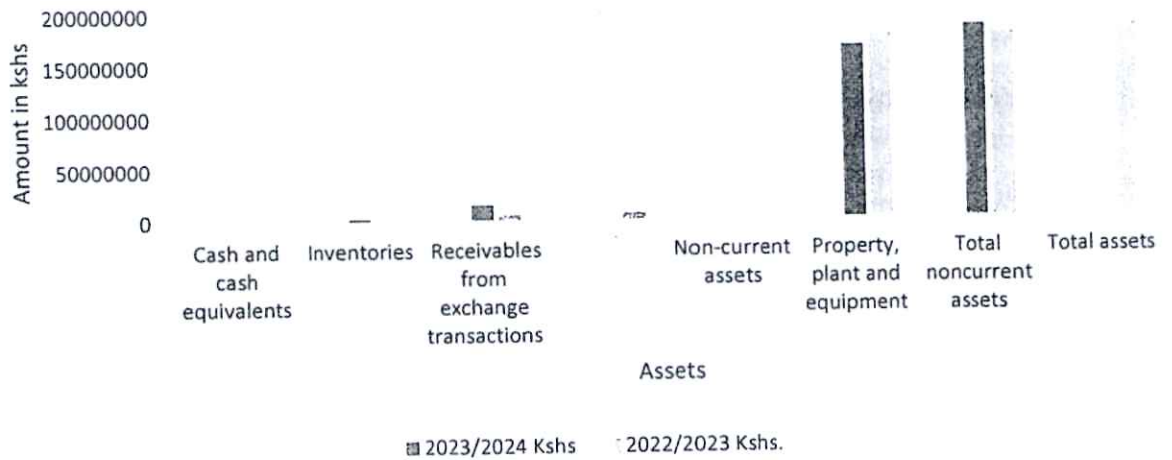
5. Major Risks Facing the Institution

1. **Low Student Fee Collection:** The collection rate for student fees stands at 88.78%, leading to significant arrears amounting to KShs 15,162,606 million. This continues to put financial strain on operations and future planning.
2. **Capitation Delays:** Recurrent delays in capitation from the government have created cash flow challenges, affecting service delivery and project execution.
3. **Market Penetration Risk for Water Bottling:** The inability to break into the competitive water bottling market continues to impact the potential profitability of the college's new income-generating activity.

6. Material Arrears and Financial Obligations

- **Student Debtors:** KShs 15.16 million in receivables from exchange transactions is largely attributed to outstanding student fees, which remain a major challenge for the college's financial health.
- **Creditors:** Total current liabilities amount to KShs 746,410, which include trade payables and obligations from exchange transactions.

Clustered column chat showing comparison of assets for
 FY2023/2024-2022/2023



10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

Dr. Daniel Wako Murende Technical and Vocational College is committed to sustainability, guided by top management and aligned with international best practices and governmental directives

Political and Macroeconomic Trends:

1. **Government Initiatives:** The College actively follows national policies on environmental conservation, including recent presidential directives on sustainability.
2. **Economic Conditions:** Economic fluctuations influence our sustainability investments, but we remain committed to integrating these practices into our operations.

Key Achievements:

Water Bottling Initiative: Incorporates environmentally friendly practices, including recycling and reducing plastic waste.

Shortcomings and Failures:

1. **Market Entry Challenges:** Difficulties in penetrating the water bottling market and achieving all sustainability targets.
2. **Resource Constraints:** Limited resources affecting full implementation of some sustainability initiatives.

Environmental Performance

Environmental Policy: Our policy focuses on minimizing environmental impact through waste management, energy conservation, and sustainable resource use. The policy is documented and reviewed regularly.

Successes:

Waste Management: Effective waste segregation and recycling programs.
Biodiversity Efforts: Maintenance of green spaces and support for local conservation.

Shortcomings:

Limited Resources: Constraints impacting full policy implementation.

Presidential Directive:

Tree Planting Campaign: In line with a presidential directive, the College has launched a campaign encouraging each staff member to plant at least 30 trees. This initiative aims to enhance our commitment to environmental sustainability and contribute to reforestation efforts.

Dr. Daniel Wako Murende Technical and Vocational College is dedicated to advancing sustainability through strategic initiatives and compliance with environmental policies. We strive to continuously improve our practices and contribute positively to the environment and community.

Employee welfare

1. Hiring Process and Gender Ratio

Hiring Policies:

1. **Recruitment Guidelines:** The College follows a structured hiring process designed to ensure fairness, transparency, and merit-based selection. Job vacancies are advertised publicly, and candidates undergo a rigorous selection process involving interviews and assessments.
2. **Gender Ratio:** Our hiring policies promote gender equity, aiming for a balanced gender ratio across all levels of the organization. We strive to eliminate biases and provide equal opportunities regardless of gender.

Stakeholder Engagement:

1. **Engagement:** The College engages various stakeholders, including current employees, community representatives, and industry experts, to gather input on hiring practices and employee welfare. Feedback is collected through surveys, focus groups, and consultations.
2. **Review and Improvement:** The hiring policies are reviewed annually to incorporate stakeholder feedback and adapt to changing needs. Improvements are made based on evaluations and emerging best practices.

2. Skill Improvement and Career Management

Skill Development:

1. **Training Programs:** The College offers a range of training and development programs to enhance employees' skills and competencies. These include workshops, seminars, and continuing education opportunities.
2. **Career Management:** Career development plans are established for employees, including regular career counselling and guidance to support professional growth and progression.

Appraisal and Reward Systems:

1. **Performance Appraisal:** Employees undergo annual performance appraisals to assess their achievements and areas for improvement. The appraisal process is designed to be fair and objective, involving self-assessment, peer reviews, and supervisory evaluations.
2. **Rewards and Recognition:** The College has a structured reward system that includes financial incentives, promotions, and non-monetary recognition to acknowledge and motivate high-performing employees.

3. Safety and Compliance

Safety Policy:

1. **Policy Overview:** The College is committed to ensuring a safe and healthy work environment. Our safety policy outlines procedures for maintaining workplace safety, handling emergencies, and promoting health and wellness among employees.
2. **Compliance with OSHA:** We comply with the Occupational Safety and Health Act of 2007 (OSHA), adhering to its standards and regulations. Regular safety audits and inspections are conducted to ensure ongoing compliance and address any issues promptly.

Implementation and Monitoring:

1. **Safety Training:** Employees receive training on safety protocols and procedures to prevent accidents and injuries.
2. **Reporting and Response:** There are established channels for reporting safety concerns, and prompt responses are ensured to address any issues that arise.

Dr. Daniel Wako Murende Technical and Vocational College is dedicated to fostering a supportive and equitable work environment. Our policies and practices in hiring, skill development, appraisal, and safety are designed to enhance employee welfare and ensure compliance with relevant regulations. We continuously seek to improve these practices based on stakeholder feedback and evolving best practices.

Market place practices-

a) Responsible Competition Practice:

- **Anti-Corruption:** The College maintains strict anti-corruption policies and practices, ensuring transparency and integrity in all operations. We have established mechanisms for reporting and addressing any unethical conduct.
- **Responsible Political Involvement:** The College avoids any undue political influence or involvement. Our operations are strictly aligned with legal and ethical standards, ensuring impartiality and fairness.
- **Fair Competition:** We adhere to fair competition principles, respecting the rights of competitors and avoiding practices that could harm competition. This includes transparent procurement processes and ethical business practices.

- **Respect for Competitors:** We foster a culture of respect for competitors by engaging in ethical business conduct and refraining from actions that could undermine their operations or reputation.

b) Responsible Supply Chain and Supplier Relations:

- **Business Practices:** The College is committed to maintaining high standards in its business practices, ensuring that our operations are ethical and compliant with relevant regulations.
- **Supplier Responsibility:** We honor contracts with suppliers and respect payment practices. Timely payments and fair treatment are fundamental to our relationships with suppliers.
- **Contractual Obligations:** We ensure that all contractual obligations are met and that suppliers are treated fairly throughout the duration of their engagement with the College.

c) Responsible Marketing and Advertisement:

- **Ethical Marketing:** The College adheres to ethical marketing practices, ensuring that all marketing and advertising activities are truthful and not misleading. We avoid making exaggerated claims and ensure that our promotional materials are accurate and honest.
- **Transparency:** Our marketing practices are transparent, and we provide clear information about our programs, services, and products to avoid any potential misinformation.

c) Product Stewardship:

- **Consumer Rights and Interests:** We are committed to safeguarding consumer rights by ensuring the quality and safety of our products and services. We provide clear and accurate information to consumers and address any concerns or complaints promptly.
- **Feedback Mechanisms:** We have established channels for receiving and addressing consumer feedback, ensuring that their interests are protected and that any issues are resolved effectively.

Corporate Social Responsibility (CSR) and Community Engagements
CSR Activities:

- **Water Kiosk:** The College operates a water kiosk that provides clean and safe drinking water to the local community, supporting public health and improving access to essential resources.
 - **Sports Department:** Our active sports department participates in all KATTI Sports events, promoting physical fitness and community engagement through sports
 - **Education and Training:** We promote education and staff development through training programs and workshops, enhancing skills and professional growth.
- Community Engagements:**

Dr. Daniel Wako Murende Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Dr. Daniel Wako Murende Technical and Vocational College is dedicated to responsible marketplace practices and robust corporate social responsibility. We strive to uphold ethical standards in competition, supply chain management, marketing, and product stewardship, while actively contributing to the community through various CSR initiatives. Our commitment to education, sports, and community support reflects our broader goal of making a positive impact on society.

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, 2024, which show the state of Dr. Daniel Wako Murende TVC affairs.

Principal activities

Dr. Daniel Wako Murende Technical and Vocational College is dedicated to the following mandate:

- **Training and Development:** We focus on training and developing middle-level manpower essential for national development. Our programs are designed to advance, transmit, and enhance technical and entrepreneurial skills and knowledge, preparing individuals for self-employment and contributing to the national production system.
- **Educational Offerings:** The College offers a range of courses leading to the award of Artisan, Craft, and Diploma Certificates in various Technical and Vocational Education and Training (TVET) programs. We collaborate with other tertiary institutions and industry partners to ensure that our courses are relevant and aligned with industry standards and needs.

Results

The results of Dr. Daniel Wako Murende TVC for the year ended JUNE 30TH 2024 are set out on (page 1-5)

Board of Governors

The members of the Board who served during the year are shown on pages vii-ix. As of 30 June 2024, no members of the Board of Governors retired or resigned during the year.

Auditors

The office of the Auditor General is responsible for the statutory audit of the Dr. Daniel Wako Murende Technical And Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Certified Public Accountants were nominated by the Auditor General to carry out the audit of Dr. Daniel Wako Murende Technical And Vocational College for the period 1st July 2023 to 30th June 2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



Secretary of the Board of Governors
Dr. Daniel Wako Murende TVC
Date:20/9/2024

12. Statement of Board of Governors Responsibilities

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

The Board members are responsible for the preparation and presentation of financial statements, which give a true and fair view of the state of affairs of Dr. Daniel Wako Murende TVC for and as at the end of the financial period 1 June 2023 to 30 June 2024.

This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Dr. Daniel Wako Murende Technical and Vocational College 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 section 29 of scheduled 2 of the technical and vocational Education and training Act 2013. The Board members are of the opinion that Dr. Daniel Wako Murende Technical and Vocational College financial statements give a true and fair view of the state of college's transactions during the financial year ended June 30th 2024 and of the college's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Dr. Daniel Wako Murende technical and vocational college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.


Nothing has come to the attention of the Board members to indicate that Dr. Daniel Wako Murende Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.

Dr. Daniel Wako Murende Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Approval of the financial statements

Dr. Daniel Wako Murende Technical and Vocational College financial statements were approved by the Board on 20/9/2024 and signed on its behalf by:


Name **CHARLES WAKO**
Chairperson of the Board of Governors


.....
Name **FRANCIS W. MURENDE**
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

REPORT OF THE AUDITOR-GENERAL ON DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Dr. Daniel Wako Murende Technical And Vocational College set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial

Report of the Auditor-General on Dr. Daniel Wako Murende Technical and Vocational College for the year ended 30 June, 2024

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Dr. Daniel Wako Murende Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical, Vocational and Educational Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.Unconfirmed Balances

1.1 Property, Plant and Equipment

The statement of financial position reflects property, plant, and equipment balance of Kshs.166,646,483 and as disclosed in Note 17 to the financial statements. However, Management did not provide valuation report of the assets held by the College for audit review. Further, Notes 17 and 12 to the financial statements on property, plant and equipment, and depreciation and amortization expense respectively, indicate depreciation in respect to plant and equipment amount of Kshs.13,057,445 for the year ended 30 June, 2024 and Nil amounts for the comparative year ended 30 June, 2023. No explanation was provided for failure to depreciate plant and equipment during the year ended 30 June, 2023.

1.2. Depreciation and amortization Expense

The statement of financial performance reflects depreciation and amortization expense of Kshs.15,193,978 and as disclosed in Note 12 to the financial statements. However, Management did not provide valuation report of the assets held by the College for audit review.

In the circumstances, the accuracy and completeness of property, plant, and equipment balance of Kshs.166,646,483 and depreciation and amortization expense of Kshs.15,193,978 could not be confirmed.

2. Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.15,162,606 in respect to student debtors as disclosed in Note 15 to the financial statements. However, review of ageing analysis provided for audit review revealed that students debtors balance of Kshs.4,548,782 had been outstanding for over one (1) year and there was no evidence that the Management had put in place mechanisms to recover the long outstanding debts.

In the circumstances, the accuracy and recoverability of receivables from exchange transactions balance of Kshs.4,548,782 could not be confirmed.

3. Unconfirmed Biological Assets Balance

The statement of financial position reflects biological assets balance of Kshs.116,475 as disclosed in Note 18 to the financial statements. However, valuation report for the biological assets was not provided for audit review.

In the circumstances, the accuracy and completeness of biological assets balance of Kshs.116,475 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects actual capital expenditure of Kshs.4,195,942 against approved budget of Kshs.1,825,000, resulting in over-expenditure of Kshs.2,370,942 or 130% of the approved budget. The source of the excess funds has not been explained.

In the circumstances, the excess capital expenditure of Kshs.2,370,942 was irregular as it was not budgeted for.

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 Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Issues

In the audit report of the previous year, several issues were raised under Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Management has indicated in appendix 1 to the financial statements on implementation status of Auditor-General recommendations that the issues have not

been resolved. However, no satisfactory explanation was provided on the delay in resolving the issues.

Other Information

The Management is responsible for the other information set out on page iii to xxx which comprise of Key Entity Information and Management, the Board of Governors, Key Management Team, Chairman's Statement, Report of the Senior Principal, Corporate Governance Statement, Management Discussion and Analysis, Report of the Board of Governors, Statement of Performance Against Predetermined Objectives, Statement of Board of Governors' Responsibilities and Environmental and Sustainability Reporting Statement. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Law on Staff Ethnic Diversity

Analysis of the payroll and staff list provided for audit review revealed that during the year under review, the College had sixty (60) employees, both teaching and non-teaching and on permanent and pensionable and contractual terms. However, out of the total number, forty-three (43) employees or 72% were from one ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that no public establishment shall have more than one third of its staff from one ethnic community.

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

2. Lack of Imprest Register

Review of Imprest records revealed that Management did not maintain an imprest register detailing the name of applicant, amount applied, due date, date of surrender and any outstanding balances contrary to Regulation 93(4) (c) of the Public Finance Management (National Government) Regulations 2015 which states that before issuing temporary imprests, the Accounting Officer shall ensure that the applicant has been recorded in the imprest register including the amount applied for.

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

3. Unexplained Financial Performance

Review of financial statements for the year ended 30 June, 2024 revealed the following anomalies:

- i. Note 7 to the financial statements reflects rendering of services revenue-fees from students amount of Kshs.23,868,876, which includes caution money of Kshs.19,000. However, the caution money decreased by Kshs.15,800 from Kshs.34,800 received in the previous year ended 30 June, 2023. No justification was provided for the decrease in caution money despite an increase in students enrolment during the year under review.
- ii. Note 7 to the financial statements reflects examination fees revenue of Kshs.831,270. However, Note 9 to the financial statements reflects corresponding expenditure of Kshs.1,438,569 in respect of examination fees, resulting to unexplained loss of Kshs.607,299.
- iii. Note 8 to the financial statements reflects water bottling revenue of Kshs.30,000. However, Note 9 to the financial statements reflects corresponding expenditure of Kshs.214,438 resulting to unexplained loss of Kshs.184,438.

In the circumstances, the effectiveness of revenue collection management could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The Standard requires 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, except for the effects of the matter described in the Basis for

Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Operating Without an Approved Staff Establishment

The statement of financial performance reflects an amount Kshs.5,244,407 in respect of employee costs. However, audit verification carried out revealed that the College did not have an approved staff establishment during the year, and therefore the optimal staffing levels for all cadres of staff had not been established.

In the circumstances, the effectiveness of human resource management could not be confirmed.

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

Responsibilities of the Management and the Board of Governors

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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention terminate the College or cease its 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

Report of the Auditor-General on Dr. Daniel Wako Murende Technical and Vocational College for the year ended 30 June, 2024

systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 May, 2025

Dr. Daniel Wako Murende Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants	6	12,878,585	5,118,500
		12,878,585	5,118,500
Revenue from exchange transactions			
Rendering of services- Fees from students	7	23,868,876	4,366,430
Other income -Water Bottling	8	30,000	-
Revenue from exchange transactions		23,898,876	4,366,430
Total revenue		36,777,461	9,484,930
Expenses			
Use of goods and services	9	11,407,112	4,969,618
Employee costs	10	5,244,407	5,223,606
B.O.G allowances	11	696,755	860,850
Depreciation	12	15,193,978	1,759,056
Repairs and maintenance	13	988,234	291,540
Total Operating expenses		33,530,486	13,104,670
Net operating Surplus/deficit for the year		3,246,975	-3,619,740

(The notes set out on pages 7 to 37 form an integral part of the Annual Financial Statements).

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

C. HARLES WAKO

Chairman of Board



Date 20/9/2024


Jeanes W. Muna

Principal



Date 20/9/2024

GELLES TINE OMOLLO

Finance Officer 

ICPAK No 34170

Date 20/9/2024

Dr. Daniel Wako Murende Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs.
Assets			
Current assets			
Cash and cash equivalents	14	977,213	1,148,397
Receivables from exchange-transactions	15	15,162,606	5,498,031
Inventories	16	3,169,722	80,578
		19,309,541	6,727,006
Non-current assets			
Property, plant and equipment	17	166,646,483	177,754,419
Biological Assets	18	116,475	116,475
Intangible assets	19	109,900	
Total noncurrent assets		166,872,858	177,870,894
Total assets (A)		<u>186,182,399</u>	<u>184,597,900</u>
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	746,410	2,408,886
		746,410	2,408,886
Total liabilities (B)		746,410	2,408,886
Net assets (A-B)		185,435,989	182,189,014
Represented By			
Accumulated surplus		10,428,686	7,181,711
Capital Fund		175,007,303	175,007,303
Net assets		185,435,989	182,189,014

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

CAROLUS WAKO
Chairman of Board

Francis W. Murende
Principal

CELESTINE OMOLU
Finance Officer

[Signature]
Date 20/9/2024

[Signature]
Date 20/9/2024

ICPAK No 24170

Date 20/9/2024

16. Statement of Changes in Net Asset for the Year Ended 30 June 2024

Description	Accumulated Fund	Capital	Total
		Grants/Fund	
At July 1, 2022	10,801,451	175,007,303	185,808,754
Deficit for the year	-3,619,740		-3,619,740
At June 30, 2023	7,181,711	175,007,303	182,189,014
At July 1, 2023	7,181,711	175,007,303	182,189,014
Surplus for the year	3,246,975	-	3,246,975
At June 30, 2024	10,428,686	175,007,303	185,435,989

Dr.Daniel Wako Murende Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

17. Statement of Cash Flows for the Year Ended 30 June 2024

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. Grants	6	12,878,585	5,118,500
Rendering of services- Fees from students	7(a)	8,706,270	4,366,430
Other income	8	30,000	-
Total Receipts		21,614,855	9,484,930
Payments			
Use of goods and services	7(a)	10,660,701	4,095,651
Compensation of employees	10	5,244,407	4,148,070
Bog Expenses	11	696,755	778,850
Repair and maintenance	13	988,234	89,990
Total Payments		17,590,097	9,112,561
Net cash flows from operating activities		4,024,758	372,369
Cash flows from investing activities			
Purchase of property, plant, equipment		-4,195,942	-75,000
Net cash flows used in investing activities		-4,195,942	-75,000
Cash flows from financing activities			
Capital/development grants/transfers			
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		-171,184	297,369
Cash and cash equivalents at 1 JULY 2023		1,148,397	851,028
Cash and cash equivalents at 30 JUNE 2024		977,213	1,148,397

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

Description	Original budget	Adjustments	Final	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	10,500,000	-	10,500,000	12,878,585	(2,378,585)	122.65%
Rendering of services- fees from students	9,807,000	-	9,807,000	8,706,270	1,100,730	88.78%
Sale of goods	600,000	-	600,000	30,000	570,000	5.00%
Total Income	20,907,000	-	20,907,000	21,614,855	(707,855)	
Expenses						
Use of goods and services	12,358,700	-	12,358,700	10,660,701	1,697,999	86.26%
Employee costs	5,346,000	-	5,346,000	5,244,407	101,593	98.10%
Board Expenses	950,000	-	950,000	696,755	253,245	73.34%
Repairs and maintenance	427,300	-	427,300	988,234	(560,934)	231.27%
Total Expenditure	19,082,000	-	19,082,000	17,590,097	1,491,903	92.18%
Surplus For the Period	1,825,000	-	1,825,000	4,024,758	(2,199,758)	
Capital Expenditure	1,825,000	-	1,825,000	4,195,942	(2,370,942)	229.91%

Budget notes

- Transfers from National Government 122.65% (Overperformance) : The institution received Kshs 2,378,585 more than budgeted because delayed disbursements from previous periods being released within the year.
- Rendering of Services (Student Fees) 88.78% (Underperformance) : There was a shortfall of Kshs 1,100,730, caused by low fee payment rates
- Sale of Goods: The revenue from the water bottling project was minimal due to market penetration challenges, low sales uptake
- Use of Goods and Services: Lower utilization was mainly due to cash flow challenges resulting from delayed capitation disbursements and incomplete student fee payment

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- e. Employee Costs: Lower utilization was mainly due to cash flow challenges resulting from delayed capitation disbursements and incomplete student fee payment
- f. Board Expense: Underutilization due to limited sittings, due to delays in appointment of the new board members
- g. Repairs and Maintenance: on-going infrastructure and maintenance of critical equipment.

Note (7a)

Reconciliation Between Statement of Financial Performance and Budget Performance

Items	Amount in the statement of financial performance	Amount in the statement of budget performance	Difference	Explanation
Rendering of services – Fees from students	23,868,876	8,706,270	15,162,606	Student fee arrears on accrual basis
Use of goods & services	11,407,112	10,660,701	746,411	Trade payables
Total Operating Expenses	33,530,486	17,590,097	15,940,389	Depreciation non cash
Capital Expenditure (Actual)	4,038,942 as per the PPE	4,195,942	157,000	Cost of intangible asset recorded under note 19

19. Notes to the Financial Statements

1. General Information

Dr. Daniel Wako Murende Technical and Vocational College (TVET) is established under the Technical and Vocational Education and Training (TVET) Act of Kenya. The college is wholly owned by the Government of Kenya and operates within the country's jurisdiction.

The principal activities of Dr. Daniel Wako Murende Technical and Vocational College include:

1. **Training and Development:** The college is dedicated to training and developing middle-level manpower that is essential for national development.
2. **Skill Advancement:** It aims to advance, transmit, and enhance technical and entrepreneurial skills and knowledge, facilitating self-employment and contributing to the national production system.
3. **Academic Programs:** The institution offers courses that lead to the award of diploma certificates in TVET programs. These courses are provided in collaboration with other tertiary institutions and relevant industries across various sectors

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. 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 Dr. Daniel Wako Murende TVC's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Dr. Daniel Wako Murende TVC.

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

3. Adoption of New and Revised Standards

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

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

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

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

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

iii. Early adoption of standards

Dr. Daniel Wako Murende TVC did not early adopt any new or amended standards in year 2024.

4. Summary of Significant Accounting Policies

- a) Revenue recognition
- i) Revenue from non-exchange transactions

Transfers from other government entities

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

- ii) Revenue from exchange transactions

Rendering of services

Dr. Daniel Wako Murende TVC 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 Dr. Daniel Wako Murende TVC.

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Board of Governors on 30/1/2023. 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 Dr. Daniel Wako Murende TVC upon receiving the respective approvals to conclude the final budget. Accordingly, Dr. Daniel Wako Murende TVC budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 8 under section 18 of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per Schedule 2 of the Income Tax Act (Cap 470). Therefore, no provision for income tax is required in these financial statements

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 initially measured at cost, including transaction costs, with subsequent costs recognized only if they meet the recognition criteria. If acquired through a non-exchange transaction, they are measured at fair value on the acquisition date. After initial recognition, entities can either apply the cost model, where the asset is depreciated over a defined period, or the fair value model, where changes in value are recognized in surplus or deficit.

Investment properties are derecognized when disposed of or when they no longer provide economic benefits. Gains or losses from disposal are recognized in the surplus or deficit. Transfers to or from investment property occur only when there is a change in use, such as shifting from rental or investment purposes to operational use, which would then classify the property under PPE.

Since Dr. Daniel Wako Murende TVC land and buildings are dedicated to learning activities, They are categorized under property, plant, and equipment (PPE) .

e) Property, plant and equipment

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

i)	Furniture & Fittings	12.5%
ii)	Office Equipment	12.5%
iii)	Motor Vehicles	15%
iv)	Computers	33⅓%
v)	Land	0%
vi)	Buildings	2.5%
vii)	Borehole	2.5%
viii)	Vehicles	15%
ix)	W.I. P	0%
x)	Plant & Machinery	12.5%
xi)	Library	30%
xii)	Software	30%

When an asset is acquired, full depreciation will be charged in the year of purchase and no depreciation will be charged in the year of disposal.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the DR. Daniel Wako Murende TVC. 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 DR. Daniel Wako Murende TVC 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

DR. Daniel Wako Murende TVC expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when DR. Daniel Wako Murende TVC 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. DR. Daniel Wako Murende 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, DR. Daniel Wako Murende TVC measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

Financial assets

Classification

DR. Daniel Wako Murende 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 cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

DR. Daniel Wako Murende TVC 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.

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 DR. Daniel Wako Murende TVC.

k) Provisions

Provisions are recognized when the DR. Daniel Wako Murende 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 the DR. Daniel Wako Murende 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

DR. Daniel Wako Murende 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

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

m) Nature and purpose of reserves

DR. Daniel Wako Murende TVC creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

DR. Daniel Wako Murende 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

DR. Daniel Wako Murende TVC provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior 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

DR. Daniel Wako Murende 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

DR. Daniel Wako Murende 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, the DR. Daniel Wako Murende 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, DR. Daniel Wako Murende 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 imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the DR. Daniel Wako Murende 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 Dr. Daniel Wako Murende TVCS.
- 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 in Note .

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	2023/2024	2022/2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	4,251,500	2,699,000
Operational Grant	2,000,000	2,000,000
Government Scholarship	4,320,253	
Total unconditional Grants	10,571,753	4,699,000
Conditional Grants		
Dinning hall grants from NG CDF Matayos	2,306,832	419,500
Total Government Grants and Subsidies	12,878,585	5,118,500

7. Rendering of Services

Description	2023/2024	2022/2023
	Kshs	Kshs
Tuition Fees	8,598,443	191,444
Activity Fees	1,094,500	421,440
Industrial Attachment Fees	954,816	249,893
Examination Fees	831,270	430,100
Book Fund	417,000	247,490
Registration Fees	272,800	75,980
Id number	50,000	22,350
Caution money	19,000	34,800
personal emolument	5,196,558	772,653
LT&T	2,022,497	322,040
Medical	530,120	204,417
EWC	1,063,986	247,490
RMI	1,612,895	243,348
Admin	221,600	-
Student council	291,900	197,790
development	123,090	288,907
insuarance	68,400	206,073
Contingency	500,001	210,215
TOTALS	23,868,876	4,366,430

8. Sale of Goods

Description	2023/2024	2022/2023
	Kshs	Kshs
Water Bottling	30,000	-
Total Revenue from Sale of Goods	30,000	-

In the financial year 2023/2024, the college initiated a new revenue-generating activity involving water bottling. The total revenue from this activity amounted to Kshs 30,000. For the previous financial year 2022/2023, there was no revenue recorded from water bottling as the activity had not yet commenced.

9. Use of Goods and Services

Description	2023/2024	2022/2023
	Kshs	Kshs
Teaching and learning materials	1,596,930	430,248
Industrial attachment costs	119,800	68,000
Electricity, water and sanitation	47,011	82,758
Advertising and publicity	378,540	187,820
Administration	2,683,978	1,069,304
Contingencies	-	8,400
Bank charges	5,498	2,950
Book fund	182,888	
Examination fees	1,438,569	1,154,358
Audit fees	10,000	
Student council	124,700	29,581
Travelling and accommodation	4,422,623	1,807,715
Medical	600	-
Insurance	10,585	20,584
Activity	134,952	108,000

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IGU Water bottling	214,438	-
Student ID	36,000	-
Total good and services	11,407,112	4,969,618

10. Employee Costs

Description	2023/2024	2022/2023
	KShs	KShs
Salaries and wages	5,244,407	5,223,606
Employee costs	5,244,407	5,223,606

11. Board Expenses

Description	2023/2024	2022/2023
	KShs	KShs
BOG allowances	696,755	860,850
Total director emoluments	696,755	860,850

12. Depreciation and Amortization expense

Description	2023/2024	2022/2023
	Kshs	Kshs
Buildings and structures	1,396,514	1,263,085
Computer/printer	248,733	123,333
Furniture and fittings	444,186	372,638
Plant and equipment	13,057,445	
Intangible assets	47,100	
Total depreciation and amortization	15,193,978	1,759,056

13. Repairs and Maintenance

Description	2023/2024	2022/2023
	Kshs	KShs
General repairs	988,234	291,540
Total repairs and maintenance	988,234	291,540

14. Cash and Cash Equivalents

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
a) Current Account			
National Bank of Kenya	01022225645200	977,213	1,071,795
Equity Bank,	780279492531	-	75,907
Sub- Total		977,213	1,147,702
b) Others			
Cash in Hand		-	695
Sub- Total		-	
Grand Total		977,213	1,148,397

15. Receivables from Exchange transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Receivables		
Student Debtors	15,162,606	5,498,031
Total Current Receivables	15,162,606	5,498,031

(a) Ageing Analysis of Receivables from Exchange transactions

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of the total
Less than 1 year	10,613,824	70%	3,817,732	70%
Between 1- 2 years	3,032,521	20%	1,118,199	20%
Between 2-3 years	1,516,261	10%	562,100	10%
Total	15,162,606	100%	5,498,031	100%

16. Inventories

Description	2023/2024	2022/2023
	Kshs	Kshs
Total Inventories at lower of Cost and Net Realizable Value	3,169,722	80,578

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17. Property, Plant and Equipment

Net book values	Land and buildings	Furniture and fittings	Computers	Plant and equipment	Buildings and structures	Total
		Shs	Shs	Shs		Shs
Cost		12.50%	33.30%	12.5%	2.00%	
At 1 July 2022	10,000,000	1,630,230	183,790	104,459,558	62,949,897	179,223,475
Additions		290,000	-	-	-	290,000
Disposals		-	-	-	-	-
Transfers/adjustments		-	-	-	-	-
At 30th June 2023	10,000,000	1,920,230	183,790	104,459,558	62,949,897	179,513,475
Additions		572,380	380,000	-	3,086,562	4,038,942
Disposals		-	-	-	-	-
Transfer/adjustments		-	-	-	-	-
At 30th June 2024	10,000,000	2,492,610	563,790	104,459,558	66,036,459	183,552,417
Depreciation and impairment		-	-	-	-	-
At 1 July 2022		372,638	123,333	-	1,263,085	1,759,056
Depreciation		-	-	-	-	-
Impairment		-	-	-	-	-
At 30 June 2023		372,638	123,333	-	1,263,085	1,759,056
Depreciation		444,186	248,733	13,057,445	1,396,514	15,146,878
Depreciation		-	-	-	-	-
Disposals		-	-	-	-	-
Impairment		-	-	-	-	-
Transfer/adjustment		816,824	372,066	13,057,445	2,659,599	16,905,934
At 30th June 2024						
Net book values						
At 30th June 2024	10,000,000	1,675,786	191,724	91,402,113	63,376,860	166,646,483
At 30th June 2023	10,000,000	1,547,592	60,457	104,459,558	61,686,812	177,754,419

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by A professional valuers on 2021. These amounts were adopted in the financial statements on 30/6/2024.

17 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	10,000,000		10,000,000
Buildings	66,036,459	2,659,599	63,376,860
Plant And Machinery	104,459,558	13057445	91,402,113
Computers and Related Equipment	563,790	372,066	191,724
Office Equipment, Furniture, And Fittings	2,492,610	816,824	1,675,786
Total	183,552,417	16,905,934	166,646,483

18. Biological Assets

	2023/2024	2022/2023
	Kshs	Kshs
Cattle	116,475	116,475
Total	116,475	116,475

A reclassification has been made in respect of an amount of KShs 116,475 that was previously recorded under *Property, Plant, and Equipment (PPE)* in the prior year's financial statements. To correct the error

19. Intangible Assets

Description	2023/2024	2022/2023
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	157,000	-
At end of the year	157,000	
Amortization and impairment		
At beginning of the year	-	-
Amortization @30%	47,100	-
At end of the year	47,100	-
NBV	109,900	-

20. Trade and Other Payables

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Trade payables	285,360		1,333,350	
Salary arrears	461,050		1,075,536	
Total Trade and Other Payables	746,410		2,408,886	
	2023/2024	% of the Total	2022/2023	% of the Total
Ageing analysis:				
Under one month	626,410	84%	-	-
Under one year	120,000	16.08%	2,111,236	88%
1-2 years	-	-	64,950	2%
2-3 years	-	-	232,700	10%
Total (to tie to totals above)	746,410	100%	2,408,886	100%

21. Cash generated from operations.

Surplus for the year before tax	2023/2024	2022/2023
	Kshs	Kshs
PBT	3,246,975	-3,619,740
Adjusted for		
Depreciation	13,434,922	1,759,056
Working Capital Adjustments		
Increase in Inventory	- 1,330,088	-80,578
Increase in Receivables	- 9,664,575	2,348,431
Increase in Payables	- 1,662,476	-34,800
Net Cash Flow from Operating Activities	4,024,758	372,369

22. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 2023				
Receivables from exchange transactions	5,498,031	3,817,732	1,118,199	562,100
Receivables from non-exchange transactions	-	-	-	-
Bank balances	1,148,397	1,148,397	-	-
Total	6,646,428	4,966,129	1,118,199	562,100
At 30 June 2024				
Receivables from exchange transactions	15,162,606	10,613,824	3,032,521	1,516,261
Receivables from non-exchange transactions	-	-	-	-
Bank balances	977,213	977,213	-	-
Total	16,139,819	11,591,037	3,032,521	1,516,261

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

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	2,111,236	64950	232,700	232,700
Total	2,111,236	64950	232,700	2,408,886
At 30 June 2024				
Trade Payables	626,410	120,000	-	746,410
Total	626,410	120,000	-	746,410

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

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

Foreign currency sensitivity analysis

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

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.

Management of interest rate risk

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

Sensitivity analysis

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

iv) Capital Risk Management

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

Description	2023/2024	2022/2023
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	10,428,686	7,181,711
Capital Reserve	175,007,303	175,007,303
Total Funds	185,435,989	182,189,014
Total Borrowings	0	0
Less: Cash & Bank Balances	-977,213	-1,148,397
Net Debt / (Excess Cash)	-977,213	-1,148,397
Gearing Ratio	0%	0%

23. Related Party Balances

Nature of related party relationships

The Government of Kenya is the principal shareholder of the *Dr. Daniel Wako TVC Murende* holding 100% of Dr. Daniel Wako Murende 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;
- v) Employees
- vi) Financial Institutions-Banks

24. Segment Information

In accordance with IPSAS 18 on Segmental Reporting, entities are required to present segment information to enable users to understand the entity's performance and the allocation of resources across different segments. However, Dr. Daniel Wako Murende Technical and Vocational College does not operate in multiple geographical regions or distinct operational departments that necessitate the disclosure of segmental information.

As such, the College does not have any segment information to report. All activities of the College are managed and reported as a single segment, and therefore, no further segmental analysis is provided in these financial statements.

Contingent Assets and Contingent Liabilities

25. Events After The Reporting Period

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

26. Ultimate And Holding Entity

Dr. Daniel Wako Murende TVC is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

27. Currency

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

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)
	Long outstanding payable to Bumble TTI	232, 700.but the institution has committed itself to be paying an amount of Kshs.50,000 every quarter starting from the 3 rd quarter FY 2022/2023.This is an undertaking by the new principa	Not Resolved	
3	Accuracy of property plant and equipment	Management has reviewed the records related to the additions of property, plant, and equipment. We confirm that the amounts recorded are accurate and supported by the necessary documentation. Specifically, we have attached the relevant receipts, invoices, and delivery notes for the additions amounting to Kshs. 3,812,075. These documents have been thoroughly cross-checked to ensure that all additions are appropriately accounted for and reflected in the financial statements.	Not Resolved	
4	Budgetary control and performance	The under-receipt of Kshs. 14,210,669 was primarily due to two factors: (1) the College did not receive the 4th quarter capitation (350 students x Kshs. 7,500 per student) amounting to Kshs. 2,625,000, and (2) fewer students were validated for quarters 1, 2, and 3, and not all students applied for and received Higher Education Loans Board (HELB) funding.	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
		As a result of the reduced receipts, the College had to adjust its spending accordingly, leading to under-spending of Kshs. 20,547,244. The institution managed its expenditures in line with the funds available, ensuring that essential operations were maintained despite the budget shortfall		
	Stalled construction of dining hall and kitchen	The dining hall and kitchen are part of an ongoing construction project fully funded by the National Government Constituencies Development Fund (NG-CDF) Matayos. The project is nearing completion, with only Kshs. 1,039,174 remaining outstanding, which is due to the contractor. The NG-CDF Matayos has already allocated the necessary funds to settle this outstanding payment, and once the contractor receives it, the project is expected to be completed promptly.	Not 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 the implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to the National Treasury.

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Name *Francis W. MUAFO*
Accounting Officer
Dr.Daniel Wako Murende Technical And Vocational College
Date

Appendix II: Projects Implemented by Dr.Daniel Wako Murende Technical and Vocational College

Projects

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

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1.Construction of Dinning hall/kitchen	CONTRACT NO. DR/DWMTVC/2020/2021 CERT.NO.04	NG-CDF Matayos	3 years	100%	No	no

Status of Projects completion

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Construction of dining hall/kitchen	5,353,730.60	5,353,730.60	100%	5,353,730.60	5,353,730.60	NG-CDF Matayos

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring Entity: Ministry of Education

Name of beneficiary Entity: Dr. Daniel Wako Murende TVC

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
SFRBASIC-152-000201	11/7/2023	500,000	-	500,000	
SFRBASIC-177-000201	3/10/2023	500,000	-	500,000	
SFRBASIC-178-000201	3/10/2023	801,500	-	801,500	
BASIC/188	23/1/2024	1,225,000	-	1,225,000	
BASIC/190	23/1/2024	500,000	-	500,000	
BASIC/193	7/2/2024	500,000	-	500,000	
BASIC/197	7/2/2024	1,400,000	-	1,400,000	
BASIC/200	20/2/2024	3,964,151	-	3,964,151	
BASIC/204	18/3/2024	356,102	-	356,102	
STVET/2	30/5/2024	825,000	-	825,000	
Total		10,571,753		10,571,753	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name CELESTINE OMOLLO Sign [Signature] Date 20/9/2024

Appendix IV: Reporting of Climate Relevant Expenditures

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

Nil Report:

During the financial year 2023/2024, the institution did not undertake any projects specifically categorized under climate-relevant expenditure

Appendix V: Reporting on Disaster Management Expenditure

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

Nil Report:
 During the financial year 2023/2024, the institution did not incur any expenditures related to disaster management, including response, recovery, mitigation, or preparedness.