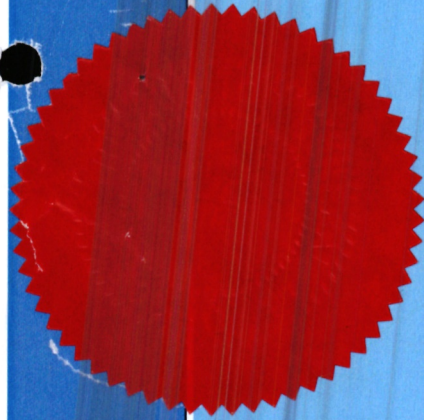
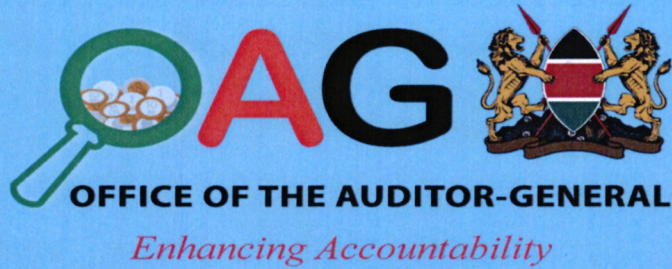


REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY	
REPORT	
DATE:	01 AUG 2023
	TUE
TABBED BY:	Hon Naomi Wago, MP
CLERK AT THE TABLE:	Deputy Majority Inzofu Mwale

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2022**



DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FOR THE PERIOD ENDED 30 JUNE 2022

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

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I. KEY DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE INFORMATION AND MANAGEMENT

(a) Background information

Dr. Daniel Wako Murende Technical and Vocational College started training programmers on 10th, February 2020 after deployment of the principal by the Ministry of Education, State Department for Vocational and Technical Training.

Dr. Daniel Wako is currently the only government TVET College in Matayos sub-county, Matayos constituency in Busia County. It is the only Institution offering Food Science and Processing Technology (Agricultural Value Addition) in Busia County as well as a Centre of excellence. The college is located within the slopes of Murende Hills along Busia-Kisumu Highway in Matayos Sub-county, Matayos Constituency, Nongoma Location and Murende Sub-location. It stands on 7 1/2 acres of piece of land which was donated by Hon. Amos Wako. The Institution was funded by the Government of Kenya (National Government and Constituency Development Fund).

Dr. Daniel Wako Murende Technical and Vocational College is aligned with the Ministry of Education Vision, Mission, Objectives and in line with the National TVET policy and Vision 2030. The college admit students for Artisan, Craft and Diploma Courses.

(b) Principal Activities

The mandate of Dr. Daniel Wako Murende Technical and Vocational College encompasses the following:

-
Training and developing middle level manpower for national development, advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-employment and the National production system. Offering courses leading to the award of Artisan, Craft and Diploma Certificates in TVET programmes in collaboration with other tertiary institutions and appropriate 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.

(c) Fiduciary Management

No.	Designation	Name
1.	Principal	Mr. Wilberforce B. Musumba
2	Deputy principal Academics	Mrs. Beatrice Mathu
3	Registrar (Ag)	Mr. Kevin Maliga
4	Dean of students(Ag)	Mr. Ibrahim Tiema
5	Head of Finance	Ms. Celestine omollo

(d) Fiduciary Oversight Arrangements

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

DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2022

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

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

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

Telephone: +2547078772451/+254721226269
E-mail: drdanielwakomurendetvc@gmail.com
Website: www.drdanielwakomurendetvc.ac.ke

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

i. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square
002

Nairobi, Kenya

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

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

(h) Independent Auditors

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

(i) Principal Legal Adviser

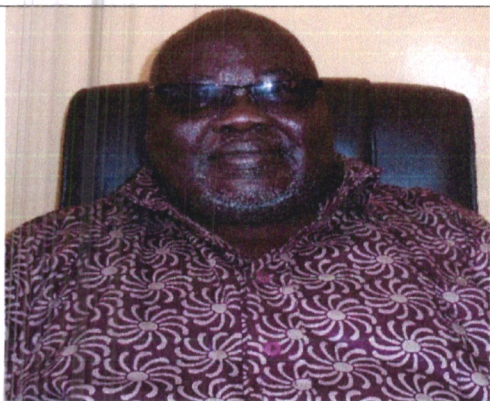
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. THE BOARD OF GOVERNORS



Mr. Charles Wako
Chairman of the Board of Governors.
Tel. +254705149300
Self employed-chairman SAX Airline




Date of Birth 1950
M.A Degree (marketing option)
Thesis on cost analysis. B.A in business administration



Prof. John O. Shiundu
Board member
Tel. +254723 333 560
Lecturer Masinde Muliro University of science
and technology.
Box 190-50100 Kakamega
E-Mail: jshiundu@mmust.ac.ke

Date of birth. 1948
Professor of education at Masinde Muliro University of
Science and Technology, Kakamega
Chairperson audit and risk committee.


DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2022

 <p>Ms. Ruth Anyango Ouko Member of the Board Tel.+254737633422 B.Sc. Agriculture (University of Nairobi)</p>	<p>Date of birth.1964</p> <p>Quality inspector, Mumias Sugar Co. Ltd Busia zone</p> <p>Member of Finance , Planning and Development committee</p>
 <p>Mrs. Patricia C. Okello Member of the Board Tel.+254724238841 M.A in labour management,B.A in business Management (HR OPTION)</p>	<p>Date of birth 1972</p> <p>Chairperson human resource committee</p>
 <p>Mr. Wanzala Dancun</p>	<p>Date of birth 1980</p> <p>Director Seahawk General LTD Chairperson finance committee</p>



DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2022

<p>Member of the Board Tel.+254720118647 B.A in commerce marketing option Diploma in ICT CPA5</p>	
 <p>Mr. Zakayo I. Amayi Board member Tel 0724160617 BA (Hons),MPhil,PhD</p>	<p>DATE OF BIRTH 1975 Member human resource committee</p>
 <p>Rev. Charles Orodi Board member Tel: 0723572054 Masters in Public administration</p>	<p>Date of birth:26 january 1955 Member of audit and risk management committee</p>
 <p>Mr. Lawrence Oteba Board member Representantive from Governor's office</p>	<p>Date of Birth 1968 Member of Human Resource committee</p>

DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2022

<p>Tel:0714674004 Masters in Public Health and epidemiology</p>	
 <p>MR. Wilberforce Barasa Musumba Secretary to the Board</p>	<p>Date of Birth. 1963</p> <p>Diploma in Technical Education (Building and Civil Engineering) KTTC.</p>

III. MANAGEMENT TEAM

	<p>PRINCIPAL/SECRETARY B.O.G</p> <p>Diploma in Technical Education (Building and Civil Engineering) KTTC.</p>
	<p>DEPUTY PRINCIPAL</p> <p>Bachelor of science (clothing textile & interior design)</p>

IV. CHAIRMAN'S STATEMENT

Following the appointment of the Board of Dr. Daniel Wako Murende Technical and Vocational College and its individual members in February 2021, I'm pleased, proud and satisfied that the Board has moved in quickly to discharge its functions. In February 2021 there was inaugural of the Board of Governors' meeting, where stakeholders from Matayos Sub-county, Senator of Busia county, county commissioner representative and principal of the mentor institution (Bumbe TTI) attended and they were extremely happy for the occasion. With the experience of the Board members witnessed, they will guide all the aspects of the activities in the Management of the institution. Board and committee meetings have taken place as prescribed and scheduled in Government regulations. Within the first full Board meeting the three committees were mandated to carry on their duties as required. On 3rd May 2021 the finance, planning and development committee met and deliberated on important issues of the institutions. And they approved the FY 2020/2021 Budget since they were assigned by the full Board members.

On 4th May, 2021 the Human Resource, academics and welfare committee met and deliberated on defined issues of the institution concerning recruitment of personnel which they approved

The audit and Risk committee are in the process of conducting the meeting under the chairmanship of Prof. John O. Shiundu.

Proper guidance was made to the Principal and the Mentor Principal to organize for the handover exercise which took place smoothly.

CHALLENGES

The college has faced several constraints especially COVID-19 PANDEMIC which required many things to be put in place,

Landscaping is to be done so that the college can have play field for students.

COVID-19 protocol is to be followed therefore the budget has to be honoured and the Ministry has not released the funds for the same.

Reliance on part-time trainers with issues in the regulation and the burden of paying them falls on the Board of Governors and support staff inclusive

The ministry promised to equip computer Lab. with desktops for full implementation of ICT programmers in the institution but up to date nothing has taken place. Managing expectations of the college and the surrounding community-instant transformation was expected therefore a handle to reckon with.

WAY FORWARD

With good political will and opportunities from institutions within Busia County and beyond the college stands a good chance for getting sponsors since the institution is a Centre of excellence in technical and vocational education.

The Board of Governors have already come up with strategic plan which will attract more students as per their marketing strategy at 300 students within 2020/2021

The Board of Governors have come up with performance contract with the Ministry whereby negotiation for vetting exercise took place

A resourceful mobilization strategy to attract funding for identified priority projects for instance dairy farming as well fish farming development. For proper planning of the institution concerning infrastructure, master plan has been developed by county Architect also the institution land was valued by the Government valuer therefore the current market rate stands at acost of ksh. 10,000,000

The Board of Governors will also approve business models to make the college self-sustaining.

ACKNOWLEDGEMENT

The Board and in particular as the chairman, iam grateful to Board members for quickly bonding and providing a mature and rational outlook when transacting Board business. Therefore, the Board wishes to thank Matayos NG-CDF for undertaking key crucial projects namely: Construction of kitchen and by extension dining hall at a cost of ksh. 5,500,000/= in the same appreciation the Board also thank the area MCA Matayos South Ward fund donating 2 chary animals to the institution. The Board also thanks the principal and the staff for their dedication, commitments and collaboration. The Regional TVET office has been supportive and we say thank you. Lastly the Ministry leadership of the Department of TVET at the national level, we are grateful to acknowledge the installation of the switch gear at a cost of Ksh. 18,000,000/=..installation of electricity to the institution, posting 5 trainers, deputy principal by public service commission and operational support for mentoring Dr. Daniel Wako Murende Tvc.

Signature.....



Date.....

28/Sept/2022

V. REPORT OF THE PRINCIPAL

Dr. Daniel Wako Murende Technical and Vocational College sited in Murende village, Murende sub location, Nangoma location Matayos sub-county and Busia County. It is a public institution with a registration No. TVETA/PUBLIC/TVC/00028/2020. The College was mentored by Bumbere technical training institute. The (7 ½) acre college land registration No. Bukhayo/Matayos/5117 was donated by Hon. Amos Wako. The one storey building that was constructed by GOK houses twin workshops for food science and processing technology (Agricultural value addition) 4 classrooms, 4 laboratories, library space and office. The college opened its doors for students in february2020 with thine first intake 54.

1.0 Human Resource

The college currently is managed by Board of Governors' led by Mr. Charles B. Wako. The Board of Governors inaugurated in February 2021 led by Mr. Charles B. Wako. The Board of Governors administer all the relevant functions of the institution in collaboration with the accounting officer/principal. Currently, there are nineteen trainers in the college, seven deployed by the Ministry and twelve on Board employment.

The college has seventeen Board employees for support service.

2.0 Courses and Enrolment

The college is a Centre of excellence in agriculture value addition (food science and processing technology). other courses include, building & civil engineering (building technology option), civil engineering, water and sanitation engineering, plumbing and masonry, ICT, sales and marketing, human resource management, general agriculture, supply chain management, and social work and community development, food and beverage lastly textile and garment making. The total enrolment as at June 2021 was 196 trainees across the courses

3.0 Projects Undertaken

With the support of the CDF-NGO Matayos sub-county, the college has undertaken various projects though currently they are constructing kitchen by extension dining hall.

With the support of MCA Matayos South Ward fund two dairy animals were donated to the institution

Currently the college has a master plan and the land was valued by the Government valuer

The Board of Governors approved the construction of cowshed which was designed by the county architect

4.0 Strengths

- The college is strategic because it is the only of its kind in Busia County
- The college is close to Busia-Kisumu Highway, next to Bumala hence there is opportunity to begin town campus.
- There is a good political will as well as the community

5.0 Challenges

- I. The college is in dire need of Public service trainers to ease the burden on B.O.G
- II. Installation of 630KVA transformer so that equipment and machinery of milk processing products can be functional
- III. Construction of power house
- IV. Backup generator of 660kva
- V. Hostels to attract students from all over the country
- VI. Landscaping for development of the fields for co-curriculum activities

DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2022

- . VII. Equipment and tools for technical courses i.e building and civil engineering, water and sanitation engineering, food and beverage, textile and garment making as well as technical drawing equipment for hands on training.
- VIII. Transportation –double cabin and bus for mobility and training
- IX. E-library, computers, laptops, printers, tablets for resource and innovation needs
- X. Well-equipped computer lab with modern computers, providing LAN and internet connectivity and other resources
- XI. Full administration position for efficient operation of the college.

Signature.....



Date.....

28/9/2022.....

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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

Dr. Daniel Wako Murende Technical and Vocational College has five (5) strategic pillars and objectives within its draft Strategic Plan. These strategic pillars are as follows:

Pillar 1: Establish Infrastructure that will promote Quality training

Pillar 2: To Establish Linkages

Pillar 3: Mounting of Market Driven Courses/Tailor made Courses

Pillar 4: Food Security

Pillar 5: Establish and Promote Good Governance and Corporate Image

The college 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 college achieved its performance targets set for the 1st July 2020 to 30 June 2021 period for its strategic pillars, as indicated in the diagram below

Strategic Pillars	Strategic Objectives	Strategic Activities	Key Performance Indicator	Achievement
Establish Infrastructure that will promote Quality training	To promote Quality Education in Technical Training	Scheduling Board Meetings	Board Minutes Available.	Held two meetings to Brainstorm on the Infrastructure.
			Calling Letter to the Meeting Available	
To Establish Linkages	To Collaborate with the industries and	Board Meetings,	Signed M.O.U	Signed two M.O.U

DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2022

	other TVET Institutions			
		Reconnaissance visits	Board Minutes	1) With Bumble TTI
		Drafting of official letter		2) With Helb Loans Board
Mounting of Market Driven Courses/Tailor made Courses	To Provide Employment to citizens both as trainers and support staff.	Board Meeting	Board Minutes	Filed Board Minutes
		Calling Letter.	Calling letter.	Filed Calling Letters.
		Interviews.	Shortlisting	Employment letters.
Food Security	To promote Value addition to sustain food in food science and processing Technology	Acquiring of Raw materials.	Well Equipped Twin Workshop.	Well Equipped Twin Workshop.
			Electricity available	Electricity.
				Lab Technicians in place.
Establish and Promote good	To Provide Quality Management	Hiring Expert.	Establish a Quality Assurance office	In the Process.
		Procurement of Computers.		
Governance and Corporate Image	system in the Institution	Connect Internet and Network	and Appoint an Officer. Form QS Committee	Provide Training and Induction to the Officer in-charge

VII. CORPORATE GOVERNANCE STATEMENT

Dr Daniel Wako Murende Technical and Vocational College is driven by its mission to be a Centre of research and innovation by providing excellence in technical services which ensures food security and sustainable development. to ensure production of competent human personnel with the requisite skills. The college shall be governed by the Board of governors appointed by the cabinet secretary in the ministry of education.

Functions of the Board of Governors

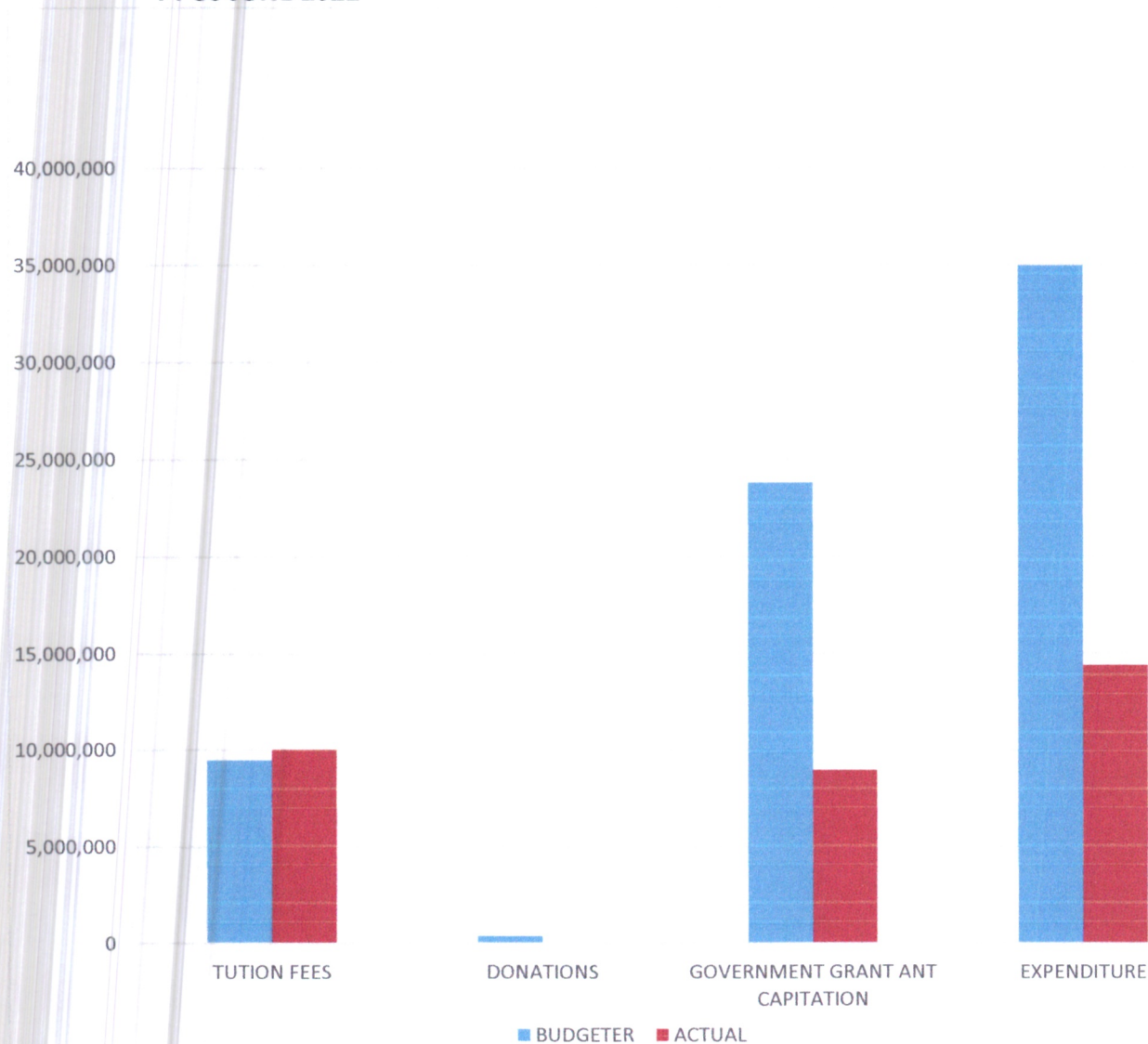
The functions of the BOG include:

1. Fostering the college's objective and developing policies and strategies conducive to the attainment of the college objective, vision and mission;
2. Managing the college's funds for the college best interests;
3. Receiving on behalf of the institution gifts, donations, grants or other monies and make disbursements to other bodies or persons;
4. Provide for welfare of the staff and students of the college;
5. Make regulations governing college's conduct and discipline of the staff and students;
6. Appoint trainers and non-trainers upon such terms and conditions of service as approved;
7. Overseeing the conduct of education and training in the institution in accordance with the provision of this act and any other written laws;
8. Promoting and maintaining standards, equality and relevance in education and training in the institution in accordance with this act and any other written laws;
9. Preparing annual estimates of revenue and expenditure on behalf of the institution and incurring expenditure on behalf of the institution;
10. Mobilizing resources for the institution;
11. Developing and reviewing programmes for training and to make representations thereon to the Board;
12. Regulating the admission and exclusion of the students from the institution, subjects to a qualification framework and the provisions of this act;
13. Approving collaborations or associations with other institutions in and outside Kenya;
14. Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institution;
15. Administering and managing the property of the institution;
16. Developing and implementing the institution strategic plan;
17. Determine the fees payable and prescribing condition under which the fees maybe remitted;
18. Recruiting and appointing trainers from among qualified professionals and practicing trade persons in relevant sector of industry;
19. Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institution;
20. Preparing comprehensive annual reports on all areas of their mandate, including training services and submit the same to the Board;
21. Discharging all other functions conferred upon it by the Act or any other written law;
22. The second schedule of the TVET Act allows the CS to appoint members of the Board of Governors consisting of not less than seven and not more than nine members. Other members of the Board include the Regional County Direct TVET and the principal who is the secretary to the

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

Dr. Daniel Wako Murende Technical and Vocational College received total revenue amounting to **KshS. 19,062,331**, comprising **KshS. 10,019,831** collection from trainees/sponsors/parents as college fees, **KshS. 42500** from donation from people with public interest, sale of tenders **kshs. 5000** and **KshS. 8,995,000** from Ministry of Education as Government grants. The resources expended amounted to **Kshs. 14,403,689.20**

**DR. DANIEL WAKO MURENDE TVC FINANCIAL PERFORMANCE CHART
FY 30 JUNE 2022**



IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

1. Sustainability strategy and profile –

Dr. Daniel Wako Murende technical Training Institute is one of the government tertiary college in Kenya. It stands on a 71/2-acre plot and is located within the slopes of Murende Hills along Busia-Kisumu Highway in Matayos sub-county, Matayos constituency, Nongoma location, Murende sub-location. The institute has a total enrolment of 70 students distributed in various courses and it has established 14 trainers and 18 non trainers. The community around the institute practice farming and quarrying.

The management has put in place incentives to attract more trainees. For instance, there is a mutual understanding between the management, the area MP and the county representative to pay training fees for all learners willing to be trained at the institution. This shall not only increase the number of students but also the institute's financial base for sustainable development.

As an institution we are expecting to receive Government capitation for development of the institution especially for self-generating projects especially fish farming, as well as utilization of equipment of value addition for production.

2. Environmental performance

- The environment department has an elaborate plan on cleaning, planting of trees and general maintenance of the compound.
- The area MCA has promised to do landscaping to the institution very soon

3. Market place practice

A. Work at Dr. Daniel Wako Murende tvc is done in strict observance of the rule of law, without undue political influence and in a transparent manner. The college observes the Constitution of Kenya 2010; Ministry of Education policy guidelines as may be made from time to time. The public service code of conduct and regulations help to give direction in the way services are offered at the work place. In our dealings with the political class we deal with those who add positive value to the college. For instance, the management links with the MCAs, MPs, county senator and the County women representative for bursary funds provision to our needy trainees to be trained in various fields.

B. The user department comes up with procurement requisitions that go through multi-stage approvals before resources are availed for the program or project implementation to kick off. Similarly, in accordance with the public procurement and asset disposal regulations all relevant rules are followed right from the invitation for tender bids until award of the tenders. All this is done in cognizance of the fact that affirmative action requirements safeguarding the marginalized such as the youth, women and PWDs are given an equal opportunity to access supply of equipment and services hence no discrimination based on any of the listed groups.

C. Dr. Daniel Wako Murende tvc applies a number of marketing practices to endear herself to the prospective clients. Some of these strategies include but not limited to:

- ☑ Sign posts at strategic places along Bumala – Busia, Busia-Nambale
- ☑ School visits
- ☑ Church visits
- ☑ Email
- ☑ website

Brochures

4. Community Engagements-

In the wake of COVID-19 PANDEMIC the college undertook a training to the neighbouring landlords and ladies on how to mitigate against the corona virus at their homes and rental houses.

The college has provided water kiosks to the local community and to learning institution (Murende Mixed Secondary School and by extension to Murende Primary School).

The college has also provided two path roads to the community and soon electricity after installation of 630kva transformer.

REPORT OF THE BOARD OF GOVERNORS

The Board members submit their audited financial statements report for the year ended JUNE 30, 2022 which show the state of the Dr. Daniel Wako Murende Technical and Vocational College affairs.

Principal activities

The mandate of Dr. Daniel Wako Murende TVC encompasses the following: -

Training and developing middle level manpower for national development, advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-employment and the National production system. Offering courses leading to the award of up to diploma certificates in TVET programmers in collaboration with other tertiary institution and appropriate industries across the board

Results

The results of the Entity for the year ended JUNE 30 2022 are set out on (page 1-4)

BOARD OF GOVERNORS

The members of the Board who served during the period are shown on pages VI, VII & VIII. During the period 1 July 2021 to 30 June 2022 there was no Board of Governor who retired or resigned.

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 1 July 2021 to 30 June 2022 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

Dr. Daniel Wako Murende tvc

Principal/Secretary Board of Governors

P.O Box 149-50400

Busia (K) 28 september 2022

I. 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 2021 to 30 June 2022.

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 2021 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.

Approval of the financial statements

The Dr. Daniel Wako Murende Technical and Vocational College financial statements were approved by the Board on 28/9 2022 and signed on its behalf by:

Name CHARLES WAKO

Signature 

Chairperson of the Board

Name MIL- KILIBOROLE B. MUMUNSA

Signature 

Accounting Officer/Principal

REPUBLIC OF KENYA

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



Enhancing Accountability

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, 2022

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 28 which comprise of the statement of financial position as at 30 June, 2022, and statement of financial

Report of the Auditor-General on Dr. Daniel Wako Murende Technical and Vocational College for the year ended 30 June, 2022

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, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Avoidable Expenditure

The statement of financial performance reflects an amount of Kshs.5,053,106 in respect of employee costs which, as disclosed in Note 10 to the financial statements, includes Kshs.555,872 relating to employee related costs – contributions to pensions and medical bills. However, the amount of Kshs.555,872 includes payments totalling Kshs.184,944 arising from late remittance of statutory dues to the Kenya Revenue Authority and the National Social Security Fund. No satisfactory explanation was provided for the delay in remitting statutory dues which resulted to the penalties.

In the circumstances, the propriety and regularity of the payments totalling Kshs.184,944 could not be confirmed.

2. Long Outstanding Trade Payables

The statement of financial position reflects a balance of Kshs.928,278 in respect of trade and other payables from exchange transactions which, as disclosed in Note 18 to the financial statements, includes 503,927 relating to other payables. The balance of Kshs.503,927 includes Kshs.232,700 owed to Bumbe Technical Training Institute which has remained outstanding since July, 2019. No satisfactory explanation was provided for the failure to settle the long outstanding amount.

In the circumstances, the fair valuation of the trade and other payables balance of Kshs.928,278 could not be confirmed.

3. Inaccuracy of Property, Plant and Equipment

The statement of financial position reflects a balance of Kshs.175,755,044 in respect of property, plant and equipment which, as disclosed in Note 17 to the financial statements, includes additions during the year of Kshs.3,812,075. However, records to support the additions, including invoices and delivery notes, were not provided for audit review. Further, the College did not maintain a fixed assets register to record details on date of

purchase, cost, supplier, location, accumulated depreciation and net book values of the assets.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.175,755,044 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs.33,273,000 and Kshs.19,062,331 respectively, resulting to under-funding of Kshs.14,210,669 or 43% of the budget. Similarly, the statement reflects actual expenditure of Kshs.12,701,986 against approved budget of Kshs.34,950,933 resulting to under-performance of Kshs.22,248,947 or 64% of the budget.

The under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in 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

Stalled Construction of Dining Hall and Kitchen

The College awarded a contract for construction of a dining hall and kitchen to a local construction company at a contract sum of Kshs.5,353,761. The contract was awarded

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on 17 August, 2021 and according to the certificate of payment dated 16 December, 2021, work certified amounted to Kshs.3,314,587. However, as at 30 June, 2022, the project had stalled and the contractor abandoned site

In the circumstances, value for money was not obtained from the project.

The audit was conducted in accordance with 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Information Technology Internal Controls

During the year under review, the college did not have an approved IT Policy and a Disaster Recovery Plan. The College did not also have a backup and retention strategy.

In the circumstances, the College may not be able to recover its information and data in case of a disaster.

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

Responsibilities of Management and those Charged with Governance

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 control 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management either intends to terminate the Institute or to 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the College's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 July, 2023

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XIII.STATEMENT OF FINANCIAL PERFORMANC FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021/2022	2020/2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants	5	8,995,000	2,287,500
Public contributions and donations	6	42,500	
		9,037,500	2,287,500
Revenue from exchange transactions			
Rendering of services- Fees from students	7	10,019,831	6,696,985
Other income sale of tenders	8	5000	57148
Revenue from exchange transactions		10,024,831	6,754,133
Total revenue		19,062,331	9,041,633
Expenses			
Use of goods and services	9	3,318,424	1,943,353
Employee costs	10	5,053,106	2,411,000
B.O.G allowances	11	452,010	124,000
Depreciation	12	1701704	1,601,502
Repairs and maintenance	13	293540	403,876
building of dining hall	14	3,584,906	
Total expenses		14,403,689	6,483,731
Net Surplus for the year		4,658,642	2,557,902

The notes set out on pages 6 to 23 form an integral part of the Annual Financial Statements.

**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2022**

IV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2021/2022	2020/2021
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	851,028	108,458
Receivables from exchange transactions	16	6,546,054	5,965,445
		7,397,082.45	6,073,903
Non-current assets			
Property, plant and equipment	17	175,755,044	177,039,218
Total noncurrent assets		175,755,044	177,039,218
Total assets		183,152,126	183,113,121
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	928,278	1,649,786
		928,278	1,649,786
Non-current liabilities			
Total liabilities			
Net assets			
Revaluation			5,500,000
Accumulated surplus		7,216,545	956,032.00
Capital Fund		175,007,303	175,007,303.00
Total net assets and liabilities		182,223,848	181,463,335.00
Total liabilities and capitals reserves		183,152,126	183,113,121.00

The Financial Statements set out on pages 1 to 26 were signed on behalf of the Institute Board of Governors by:

CHARLES WAKO


Chairman Board of Governors

Date: **28/Sept/2022**



JAMES OPIYO

Finance Officer

ICPAK No 27909

Date: **28/09/2022**

MR. KILBERNDE B. MURUMBI



Principal

Date: **28/9/2022**

XV.STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022

	Revaluation reserve	Retained earnings	Capital/	Total
			Development Grants/Fund	
At July 1, 2020		2,557,903		2,557,903
Revaluation gain		-	-	
Capital/Development grants received during the year	-	-	175,007,303.00	175,007,303.00
At June 30, 2021		2,557,903	175,007,303	177,565,206
At July 1, 2021		2557903	175,007,303	177,565,206
	-	-		
surplus for the year	-	4,658,642		4,658,642
At June 30, 2022	-	7,216,545	175,007,303	182,223,848

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XVI.STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

		2021/2022	2020/2021
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	15	8,995,000	2,287,500
Public contributions and donations	6	42500	
Rendering of services- Fees from students		10,019,831	6,696,985
Other income	8	5000	57148
less: current portion of receivables from exchange transactions		-6,546,054	-5,965,445
Total Receipts		12,516,277	3,076,188
Payments			
Employees cost	10	5,053,106.00	2,411,000
Use of goods and services	14	3,318,424	1,943,353
bog allowances	11	452,010	124,000
repair and maintenance	13	293,540	403,876
donation			17148
less: trade and other payables		-928,278	-1649786
Total Payments		8,188,801.60	3,249,591
Net cash flows from operating activities		4,327,476.00	-173,403
Cash flows from investing activities			
Purchase of property, plant, equipment		-3,584,906	-102,500
Net cash flows used in investing activities		-3,584,906	-102,500
Cash flows from financing activities			
Capital/development grants/transfers			167300
Net cash flows used in financing activities			167300
Net increase/(decrease) in cash and cash equivalents		742,570.00	-108,603
Cash and cash equivalents at 1 JULY2021		108458	217061
Cash and cash equivalents at 30 JUNE 2022		851,028.00	108,458

XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilisation Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other Govt entities Govt grants	23,800,000	-	23,800,000	8,995,000	14,805,000	37.8%
Public contributions and donations	-	-	-	42500	-	100%
Rendering of services- Fees from students	9,473,000	-	9,473,000	10,019,831	-546,831	5.8%
Other Income	-	-	-	5000	-	100%
Total income	33,273,000	-	33,273,000	19,062,331	14,258,169	-
Expenses						
Compensation of employees	5,335,080	-	5,335,080	5,053,106.00	281,974	94.7%
Use of Goods and services	11,358,153		11,358,153	3,318,424	8,039,729	29.2%
RMI	899,700		899,700	293,540	606,160	32.6%
B.o.g allowances	1,730,000		1,730,000	452,010	1,277,990	26.1%
Purchase of property plant and equipment	15,628,000	-	15,628,000	3,584,906	12,043,094	23%
Total expenditure	34,950,933		34,950,933	12,701,986	22,248,947	-
Surplus for the period	(1,677,933)		(1,677,933)	6,360,346	(7,990,778)	-

XVIII. NOTES TO THE FINANCIAL STATEMENTS

➤ **GENERAL INFORMATION**

Dr. Daniel Wako Murende Technical and Vocational College is established by and derives its authority and accountability from TVET Act. The Dr. Daniel Wako Murende Tvc is wholly owned by the Government of Kenya and is domiciled in Kenya. The Dr. Daniel Wako Murende Tvc's principal activity is The mandate of Dr. Daniel Wako Murende Tvc encompasses the following:

1. Training and developing middle level manpower for national development,
2. Advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-employment and the national production system,
3. Offering courses leading to the award of up to diploma certificates in TVET programmes in collaboration with other tertiary institutions and appropriate industries across the board.

Quality policy statement

Dr. Daniel Wako Murende Tvc is committed to be a centre of excellence in research, innovation & technical training by providing research driven technical & entrepreneurial training for self-reliance in a competitive market and national production system.

In pursuit of this commitment, the institute shall comply with all applicable requirements and continually improve its effectiveness by implementing a quality management system based on ISO 9001:2008.

➤ **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.

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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.

➤ **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Dr. Daniel Wako Murende TVC; (b) The key features of the operation of those social benefit schemes; and

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Standard	Effective date and impact:
	(c) The impact of such social benefits provided on the Dr. Daniel Wako Murende TVC's financial performance, financial position and cash flows.
Other Improvements to IPSAS	<p>Applicable: 1st January 2013:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of</p>

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Standard	Effective date and impact:
	accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

ii. Early adoption of standards

The Dr. Daniel Wako Murende TVC adopted new standards in financial year 2018-2019.

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the DR. Daniel Wako Murende TVC and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

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The 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.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

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 2021/2022 was approved by the Board on 3/5/2021.

The 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 a 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 period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Dr. Daniel Wako Murende Tvc 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

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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	25%
iv)	Computers	33 $\frac{1}{3}$ %
v)	Land	0%
vi)	Buildings	2.5%
vii)	Borehole	2.5%
viii)	Vehicles	25%
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.

d) Research and development costs

The Dr. Daniel Wako Murende Tvc expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the 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

e) Changes in accounting policies and estimates

The 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

f) Related parties

The 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 Dr. Daniel Wako Murende Tvc, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the principal and Head of Department.

j) Service concession arrangements

The 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, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, 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.

i) Comparative figures

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

j) 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, 2022.

➤ **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 Tvc
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE
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5. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2021/2022	2020/2021
Unconditional grants		
Operational grant	1,000,000	1500000
Capitation	4,245,000	787500
Conditional grant		
Construction of dining hall	3,300,000	
Water pump	450,000	
Total Government Grants and Subsidies	8,995,000	2,287,500

6. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2021/2022	2020/2021
	KShs	KShs
Other donations	42500	57148
Total donations and sponsorships	42500	57148

**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE
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7. RENDERING SERVICES

Description	2021/2022	2020/2021
	Kshs.	Kshs.
Personal emolument	910,760	187,070
LT&T	272,930	54,400
RMI	155,241	31,330
Medical	109,810	22,590
E.W&C	160,890	32,000
Activity	187,196	79,200
Library fund	153,040	30,580
Contingencies	105,830	21,100
Student council	89,340	16,800
Development	251,320	60,800
Fees arrears	6,546,054	5,965,445
Student cover	126,030	31,990
Registration	126,900	73280
Caution money	45,590	17050
Student id	28,400	10,800
Attachment	244,050	29,750
Computer	75,500	32,800
exams	430,950	
Total	10,019,831	6,696,985

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8.OTHER INCOME

Description	2021/2022	2020/2021
	KShs	KShs
Income from sale of tender	5000	-
Total other income	5000	-

9.USE OF GOODS AND SERVICES

Description	2021/2022	2020/2021
	KShs	KShs
Teaching and learning materials	799748	111,760
Industrial attachment costs	52900	-
Ewc	150581	500
Advertising	80,000	5000
Examination fees	486956	16000
Audit fees	20,000	-
Travelling and accommodation	727604	412,263
Insurance	18250	-
Penalty kra	20,000	-
administration	719979	1,326,641
contigencies	95787	66,100
Bank charges	12937	4,789
Stundents id	14100	
medical	700	300
bookfund	36432	-
Student council	52950	-
Biological asset purchase cow	16500	-
activity	13000	-
Total good and services	3,318,424	1,943,353

**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE
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10.EMPLOYEE COSTS

	2021/2022	2020/2021
	KShs	KShs
Salaries and wages	4,497,234	2,411,000
Employee related costs - contributions to pensions and medical aids	555,872	-
Employee costs	5,053,106	2,411,000

11.BOARD OF GOVERNERS ALLOWANCES

Description	2021/2022	2020/2021
	KShs	KShs
BOG allowances	452,010	124,000
Total director emoluments	452,010	124,000

12.DEPRECIATION

Description	2020/2021	20220/2021
	Kshs	Kshs
Buildings and structures	1,263,085	1,263,085
Computer/printer	102,231	20,979
Furniture and fittings	336,388	317,438
Total Depreciation	1,701,704	1,601,502

13.REPAIRS AND MAINTENANCE

Description	2021/2022	2020/2021
	KShs	KShs
General repairs	293540	403876
Total repairs and maintenance	293540	403876

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14. NG CDF PROJECT

Description	2021/2022	2020/2021
	KShs	KShs
construction of dining hall	3,584,906	-
Total contracted services	3,584,906	-

15. DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

DETAILS		2021/2022	2020/2021
a) Current accounts	ACCOUNT NO.		Kshs
National bank	01022225645200	732,983.40	89,292
Equity bank	780279492531	75,907.05	179
Sub- total		808,890.45	89,471
b) Others			
Cash in hand		42138	18,987
Sub- total		42138	18,987
Grand total		851,028.45	108,458

16. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2021/2022	2020/2021
	KShs	KShs
Current receivables		
Student debtors	6,546,054	5,965,445
Total current receivables	6,546,054	5,965,445



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Net book value	10,000,000	116,475	1,630,230	183,790	104,459,558	59,364,991	175,755,044
At 30 june2022	10,000,000	116,475	1,630,230	183,790	104,459,558	59,364,991	175,755,044

18. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2021/2022	2020/2021
	KShs	KShs
Other payables	503,927	361,788
Refundable deposits	64,351	15,998
Unpaid salaries	360,000	1,272,000
Total trade and other payables	928,278	1,649,786

19. RELATED PARTY

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Ministry of Education-State Department of TVET;
- iii) Students
- iv) Suppliers
- v) The community
- vi) Key management;
- vii) Board of Governors
- viii) Employees
- ix) Financial Institutions-Banks

20. EVENTS AFTER THE REPORTING PERIOD

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

21. ULTIMATE AND HOLDING ENTITY

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

22. CURRENCY

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR 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)
DWKT/2019/2020(9)	Property plant and equipment The institution did not have affixed asset register and the valuation of assets was not done	The issue was resolved. The asset register is available with the correct values of assets	resolved	
DWKT/2019/2020(9)	Cash and equivalent. The institution did not have board of survey committee and bank reconciliations	Bank certificate was collected from the bank and board of survey committee formed. All the bank reconciliations done and submitted to the treasury	resolved	
DWKT/2019/2020(9)	Trade and other payables.	Explanation and reconciliation provided for the variances. all the supporting documents are available	resolved	
DWKT/2019/2020(9)	Lack of approved budget	The budget for the FY2019/2020 was prepared and approved by the board	resolved	

Guidance Notes:

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

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Principal
Secretary of the Board of Governors

Date 28/7/22

**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE
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APPENDIX III: INTER-ENTITY TRANSFERS

DR.DANIEL WAKO MURENDE TECHNICAL VOCATIONAL COLLEGE			
Break down of Transfers from the State Department of TVET			
FY 2021/2022			
a. Capitation grant			
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	19/7/2021	562,500	FY2021/2022
	19/11/2021	1,185,000	FY2021/2022
	19/11/2021	500,000	FY2021/2022
	19/11/2021	500,000	FY2021/2022
	3/3/2022	1,185,000	FY2021/2022
	3/6/2022	1,312,500	FY2021/2022
	Total	5,245,000	
b. Development Grants NG CDF			
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	1/7/2021	1,300,000	FY2021/2022
	23/11/2021	450,000	FY2021/2022
	23/11/2021	2,000,000	FY2021/2022
	Total	3,750,000	

The above amounts have been communicated to and reconciled with the parent Ministry

Principal
Dr. Daniel Wako Murende Tvc

Sign



Head of Accounting Unit
Ministry of Education
State Deptms of TVET

Sign

