

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

REPORT

PARLIAMENT  
OF KENYA  
LIBRARY

OF

THE AUDITOR-GENERAL

ON

WEBUYE WEST TECHNICAL AND  
VOCATIONAL COLLEGE

FOR THE YEAR ENDED  
30 JUNE, 2022

THE NATIONAL ASSEMBLY

DATE: 09 AUG 2023

WTA

BY: Hon Owen Bayas MP  
Deputy Leader, majority

PREPARED BY: Ahmed Kadhi



MINISTRY OF EDUCATION



**WEBUYE WEST TECHNICAL AND  
VOCATIONAL COLLEGE**

P. O. Box 444 - 50205 Webuye | Tel: 0736 681542 | 0768 253216  
| webuyewestvc@gmail.com



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WEBUYE WEST TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30<sup>TH</sup> JUNE 2022

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**Webuye West Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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**Webuye West Technical and Vocational College**  
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**I. KEY ENTITY INFOORMATION AND MANAGEMENT**

**background information**

Webuye West Technical and Vocational College, registration number TVETA/PUBLIC/TVC/0005/2020, under the Ministry of Education, was formally registered as Machakha Vocational College in 2015 by Webuye CDF on acquisition of its first parcel of land by area MP Hon. Dan Wanyama. Over the years, the college has gone through different phases: In September 2019 the college enrolled 147 students as its first admission batch; its first principal (Mr. Barrack Muharo) was posted in 2016; it was registered as an examination centre in February 2021. Currently it has 26 PSC Lecturers, 18 B.O.M Lecturers and 9 workers and support staff. The college is located in Bungoma County, Webuye west sub-county, Bokoli Division, Miendo location, Machakha village. It is situated on 5 acres of land with Title deed. The student enrolment as per now stands at 418 Students. The institution is managed by Board of Governors made up of the Chairman, Secretary, County Director of Education (TVET), and other seven professionals.

**(a)Principal Activities**

The principle's mandates of the Institute are to;

1. To promote positive corporate image;
2. To enhance capacity in TVET and research;
3. To inculcate entrepreneurial culture in trainees;
4. To improve institutional corporate governance; and
5. To promote strategic collaboration and linkages with industry and other institutions.

**(b)Key Management**

**(i)Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

<i>No.</i>	<i>Designation</i>	<i>Name</i>
1.	Principal	-Mr.Barrack Muharo
2.	Deputy principal Finance	-Mr.Moses Kiiza Sakwa
4	Registrar	-Mrs Celestine Manyasi
5	Dean of students	-Mr.Cosmas Kirwa
6	Head of Finance	-Mr. Daniel Simiyu Saya
7	Head of Procurement	-Ms Rinah Apiyo

**(a) *Fiduciary Oversight Arrangements***

(Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- Audit and risk committee activities
- Finance and operations committee activities
- Academic committee activities
- Development partner oversight activities
- Other oversight activities

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Webuye West Technical and Vocational College Headquarters  
P.O. Box 444-50205  
7km off Webuye-Bungoma Road,  
WEBUYE  
KENYA

**(b) Webuye West Technical and Vocational College Contacts**

Telephone: +254 768253216/0736681542

Email: [webuyewesttvc@gmail.com](mailto:webuyewesttvc@gmail.com)

Website: [www.webuyewesttvc.ac.ke](http://www.webuyewesttvc.ac.ke)

**(c) Entity Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

**(d) Webuye West Technical Bankers**

Kenya Commercial Bank

Moi Avenue, Bungoma

KENYA.

General account- 1270349953

**(e) Independent Auditors**

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

**(c) Principal Legal Adviser**

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

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**II. THE COUNCIL/BOARD OF GOVERNORS**

**1. MURAMBI NJIBWAKALE**



Born in December 1955. Holds an MBA in Business Administration (Finance Option) from the University of Birmingham, UK, Certified Public Secretaries (CPS K) from Kenya Secretaries Examination Board, Diploma in Education from Kenya Teachers College and Personal Secretarial Qualifications from Kenya National Examination Council. Worked as a lecturer at Moi University and Eldoret and Government Training Institute. Has also worked as a personal assistant to the Chief executive officer and recruitment at Mumias Sugar Company.

**2. PETER KHAKINA**



Born in 1973. Holds PHD in structural Engineering from HIT China, a masters in technology Education from Moi University and a Bachelor's degree in Technology from Moi University. Has served as a lecturer, principal research scientist and member of BCPSB. He is currently a lecturer at Kibabii University.

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<p>3. <b>MS. MARTHA WEKESA</b></p> 	<p>Martha Wekesa was born on 03/06/1966. Joined in 13<sup>th</sup> June 2019 as a member of Board of Governors. She is a career civil servant currently serving as the Bungoma County Director TVET and represents the Principal Secretary, State Department of Vocational and Technical Training in the Governing Council from 2015 to date. She has previously worked at the Ministry of Education headquarters from 2011 to 2015. She has a Master's degree in Food Science and Technology, Strategic Leadership Development Program. She has trained in the Senior Management Course. She has previously worked under TSC from 1997 to 2010. She has PGDE from Maseno University.</p>
<p>4. <b>FOZIA RAJAB</b></p> 	<p>Born in October 1975. Holds a PHD in Procurement and Supply chain from Jomo Kenyatta University of Science and Technology, MBA in Strategic Management from Kisii University and a degree in Purchasing and Marketing from Moi University. Possess a higher diploma in Procurement. Worked as a branch manager at Mega mart Holdings Credit sales, Sales Representative at Safaricom Limited, senior assistant administrative officer at Moi University Eldoret, Purchasing manager at Nzoia Sugar Company and Lecturer, school of Business at Kibabii University, Umma University and KAFUCO University.</p>
<p>5. <b>COLLINS OCHIENG</b></p> 	<p>Born in November 1986. Holds a masters in Computer Systems from Jomo Kenyatta University of Science and Technology, a degree in Computer Science from Catholic University of Eastern Africa, Diploma in Technical education from Kenya Technical teachers College and a diploma in Information Technology from North eastern Province Technical Training Institute. Worked as an It and Education professional at Nairobi Muslim Academy, Ramogi Institute of advanced technology, Norwegian Refugee Council, Swiss Contact, Jesuit refugee services and UNHCR-Kakuma.</p>

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**6. TERESA ANYANGO**



Born in June 1976. Holds a Masters in Professional accountancy from University of London, Postgraduate diploma in Business Administration from Oxford Brookes University, UK, and a degree in bachelor of commerce from Kenyatta University. She is an experienced Senior finance manager who has worked with Mumias Sugar company, Bamburi cement Ltd, Strathmore University, M-Kopa Solar Ltd and East Africa Packaging Industries.

**7. LINDA OTIENO**



Born in March 1986. Has pursued undergraduate studies in Civil Engineering at the University of Nairobi. A member of the Engineers Board of Kenya. Has worked for Kinconsult Associates Ltd Consulting Engineers and its associate firm Apex Systems Consulting Group.

**8. BARRACK MUHARO**



Born in March 1971. Holds a Master's degree in Education from Kenyatta University, PGDE from Kenyatta University and Degree in Science from Kenyatta University. Worked as a trainer at Wajir Girls Secondary school, North Eastern TTI, Dean of students and Deputy principal at Butere TVC. Currently the Principal of Webuye west TVC.

**Webuye West Technical and Vocational College**  
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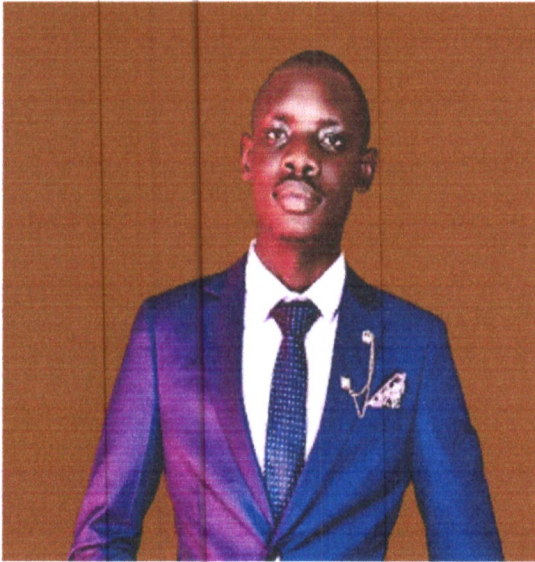
**III MANAGEMENT TEAM**

<p><b>1. BARRACK MUHARO</b></p>  <p><b>PRINCIPAL</b></p>	<p>Born in March 1971. Holds a Master's degree in Education from Kenyatta University, PGDE from Kenyatta University and Degree in Science from Kenyatta University. Worked as a trainer at Wajir Girls Secondary school, North Eastern TTI, Dean of students and Deputy principal at Butere TVC. Currently the Principal of Webuye West TVC.</p>
<p><b>2. MOSES SAKWA</b></p>  <p><b>DEPUTY PRINCIPAL AMINISTRATION &amp; FINANCE</b></p>	<p>Born in 1969. Holds a bachelor degree in Agriculture education and Extension from Egerton University. Possess certificates in Curriculum Management, ICT integration in Education Management, Financial Management for school mangers and Competence Based Assessment. Worked at Sang'alo institute as Guiding and Counselling officer, industrial Liaison Officer and Examination officer.</p>
<p><b>3. CELESTINE MANYASI</b></p> 	<p>Born in July 1984. Holds a masters in crop protection from Masinde Muliro University and a bachelor degree in Horticulture from Egerton university. Possesses wide experience in crop breeding, floriculture, community empowerment and has worked as a trainer in agriculture and Value addition.</p>

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**REGISTRAR**

**4. SIMIYU SAYA DANIEL**



Born in 1996. Holds a bachelor's degree in Commerce Accounting option from Multimedia University of Kenya. He is a Certified Public Accountant (K). Previously worked with the County Government of Bungoma as a junior accountant and Bungoma West Hospital.

**FINANCE OFFICER**

**5. RINAH APIYO**



Born in 1995. Holds a bachelor's degree in purchasing and supplies from Kisii University of Kenya. A member of KISM (Kenya Institute of Supplies Management).

**PROCUREMENT OFFICER**

**Webuye West Technical and Vocational College**  
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**IV CHAIRPERSON'S STATEMENT**

On behalf of The Board of Governors of Webuye West Technical and Vocational College, I am pleased to present the annual report for the financial year 2021/22. I am proud to be associated with the dynamic team at the institution. Webuye West Technical and Vocational College remains committed to all its stakeholders in executing its mandate as outlined in the 2020-2024 Strategic Plan.

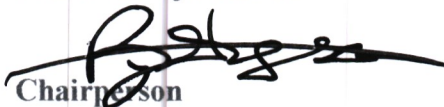
**Financial performance**

During the FY 2021/22 the institute recorded better financial performance. This is attributed to Government capitation and increased HELB sponsorship due to increase in student enrolment. Due to prudent financial management, we were able to meet our entire financial obligation particularly payment of creditors.

**Challenges**

Among the challenges facing Webuye West Technical and Vocational College is acute shortage of classrooms, land, labour and task force, unavailability of hostels, administration offices and workshops. The Ministry's target is that the institute should have an enrolment of 3000 students by the year 2023. With an increased number of students, these challenges have to be addressed beforehand to accommodate the large numbers. We, therefore, appeal to the government to help us alleviate this problem.

**Murambi Njibwakale**



Chairperson

Board of Governors

**Webuye West Technical and Vocational College**  
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**V REPORT OF THE PRINCIPAL**

The Financial Year 2021/2022 is a year that saw the Webuye West TVC get its grounding since its inception in September 2019. This is the period during which the college opened its bank account and therefore started operating independently from its mentor. During the period, the college constructed its first ablution block that had been a major requirement especially following the emergence of the Covid – 19 pandemic whose containment required a lot of space between any two people in any given facility.

The 2021/2022 financial year also saw the expansion of the ICT department that started with an initial five computers against an increasing population of students. The ICT department increased its computer tally to 15, and the number of computer laboratories to two. This has greatly eased the pressure initially seen in the department as a number of students were forced to use one computer during lessons. The number of ICT trainers also increased as one more ICT trainer was posted to the college in September 2020.

The college succeeded in opening its website through which it could be accessed by external stakeholders during the financial year. To ensure internet connectivity by students and staff alike, the college purchased and installed its Wi-Fi for internal use. Despite the disruption of learning during the financial year, the college was able to, through vigorous advertisement campaigns, increase its population from 264 to 284.

Given that much of the groundwork necessary for the smooth running of the college was laid during the 2021/2022 financial year, the Webuye West Technical and Vocational College can be said to be ready for take-off. We look forward to more development in the current financial year, especially in infrastructure development.

**Thank you**



**Lilian Simali**

**Principal**



**Webuye West Technical and Vocational College**  
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**VI CORPORATE GOVERNANCE STATEMENT**

The members of board have committed themselves to the service of Webuye West Technical and Vocational College and to uphold the tenets of good corporate governance by being innovative, transparent, accountable, persons of integrity, socially responsive, as well as promote excellence and exercise fairness in all their dealings.

**The Board of Governance**

The Board of Governance consists of nine members inclusive of the Principal as the secretary. The Board of Governance members and their meeting attendance are indicated below;

NO.	NAME	ANNUAL			
		DATE	DATE	DATE	DATE
		31/08/2021	14/12/2021	29/03/2022	23/07/2022
1.	Murambi Njibwakale	✓	✓	✓	✓
2.	Peter Khakina	✓	✓	✓	✓
3.	Fozia Rajab	✓	✓	✓	✓
4.	Martha Wekesa	✓	✓	✓	
5.	Caroline Cherotich		✓	✓	✓
6.	Collins Ochieng	✓		✓	
7.	Linda Otieno	✓			✓
8.	Teresa	✓	✓	✓	
9.	Barrack Muharo	✓	✓	✓	✓

The biographies of the Board Members are published on page vi-vii. These Board Members possess a broad range of skills, qualifications and experiences required to direct the affairs of the Institute.

**Webuye West Technical and Vocational College**  
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**Board Responsibilities**

The board undertakes the following responsibilities;

1. The BoG is the governing body of the Institute through which the Institute acts and undertakes the following;
  - a) Administers the property and funds of the Institute in a manner and for the purposes which promotes the interest of the Institute; but the Board of Governance does not charge or dispose of immovable property of the Institute except in accordance with the procedures laid down by the Government of Kenya;
  - b) Receives, on behalf of the Institute, donations, endowments, gifts, grants or other moneys and make disbursements there from to the Institute or other bodies or persons;
  - c) Provides for the welfare of the staff and students of the Institute;
  - d) May enter into association with other universities, Institute's or other institutions of learning, whether within Kenya or otherwise, as the Board of Governance may deem necessary and appropriate; and
  - e) May, after consultation with the Academic Board, make regulations governing the conduct and discipline of the students of the Institute.
2. All documents, other than those required by law to be under seal, made on behalf of the Board of Governance, and all decisions of the Board of Governance may be signed under the hand of the Chairman, the Principal or any other members of the Board of Governance generally or specifically authorized by the Board of Governance in that behalf.
3. Ensures that a proper management structure is in place and that the structure functions to maintain corporate integrity, reputation and responsibility.

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4. Monitors and evaluates the implementation of strategies, policies, and management criteria and plans of the Institute.
5. Constantly reviews the viability and financial sustainability of the Institute, and does so once every year.
6. Ensures that the Institute complies with all the relevant laws, regulations, governance practices, accounting and auditing standards.

**Board of Governance Committees**

The Board of Governance Committees facilitate decision-making to assist the Board of Governance in the execution of its duties, powers and authority, however delegation of authority to the Committees does not in any way mitigate or dissipate the discharge by the Board of Governance of its duties and responsibilities. Board of Governance Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Board of Governance.

In the financial year 2021/2022 the Board of Governance approved the following committees;

**1. AUDIT, RISK AND COMPLIANCE COMMITTEE**

Membership is as below listed:

NO.	NAME	ANNUAL			
		DATE	DATE	DATE	DATE
		12/3/2022	26/4/2022	17/6/2022	
1.	Dr. Fozia Rajab	✓	✓	✓	
2.	Linda Otieno	✓	✓	✓	
3.	CPA Janet Barasa	✓	✓	✓	

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**Mandate**

**1. To Examine.**

- Compliance with labour laws and regulations.
- Compliance with security, health and safety regulations.
- Compliance with Government of Kenya (GoK) Policy.
- Compliance with Board of Governors Policy.
- Compliance with established professional standards.
- Compliance with ISO guidelines and standards.
- Compliance with contractual obligations and statutory requirements.
- Compliance with approved Procurement Plan and Budget.

**2. To evaluate.**

- Achievement of targets and as set in the strategic and work plan.
- The application of ethical standards and core values in the pursuit of vision goals.
- Overall efficiency and effectiveness.
- Financial records and reporting.
- Benefits of the use of technology.
- Application of the value for money principles and due diligence measures.
- The benchmarking standards being applied in each area of operation.
- The cost of doing business.
- The level of utilization of existing capacity all round
- Achievement of revenue targets.
- The level of financial discipline.
- Risk associated with non- optimal stock levels.
- Risk associated with non – compliance with statutory and contractual obligations.
- Cash in transit systems.
- Relations with and levels of satisfaction of key stakeholders.
- Spread and diversification of risks.
- Litigation risks and costs.
- And to identify insurable and no insurable risks.

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**2. STRATEGY, FINANCE AND DEVELOPMENT COMMITTEE**

Membership is as below:

NO.	NAME				
		DATE	DATE	DATE	DATE
		25/12/2021	12/2/2022	15/4/2022	
1.	Teresa Anyango	✓	✓	✓	
2.	Peter Khakina	✓	✓	✓	
3.	Carolyne Cherotich	✓	✓	✓	

**Mandate**

1. Oversight of annual operating plan and budget development including recommendation to the management for Board s approval.
2. Oversight of the structure with assistance of staff to develop the fee structure.
3. To ensure the solvency of the Institute – finance mobilization.
4. To safeguard the Institute assets.
5. To ensure the effective and efficient use of resources.
6. To ensure that the funds provided by GoK and any other funding body are used in accordance with the terms and conditions specified.
7. To ensure that financial control systems are in place and are working effectively.
8. To facilitate the preparation of the Institute Strategic Plan for Board approval.
9. To identify and recommend to the Board the Institutes internal auditors.
10. Ensuring accurate and timely report to the Board on all administrative and financial issues.
11. Implementation and supervision of Institutions projects and other Institute projects (internal and external).
12. Ensure compliance with all statutory and labour laws in management of staff.
13. Mentor other training institutions on behalf of GoK.

**Webuye West Technical and Vocational College**  
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**3. HUMAN RESOURCE COMMITTEE**

NO.	NAME				
		DATE	DATE	DATE	DATE
		17/7/2021	27/8/2021		
1.	Collins Ochieng	✓	✓		
2.	Peter Khakina	✓	✓		
3.	Fozia Rajab	✓	✓		

**Webuye West Technical and Vocational College**  
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**VII MANAGEMENT DISCUSSION AND ANALYSIS**

**Key Projects the Institute is Implementing**

The Institute is did not implement projects during the year 2021/2022 . The projects to be implemented the year under review were as below;

Purchase of Management Information System	Kshs 1,000,000.00
Purchase of College land	Kshs 2,000,000.00
Construction of College fence	Kshs 1,500,000.00
Landscaping College Compound	Kshs. 100,000.00
Installation of Electric Pump	Kshs. 600,000.00
Construction of temporary Classrooms	Kshs. 700,000.00
Purchase of Electronic Books	Kshs. 600,000.00
Dairy Cattle Structure	Kshs. 500,000.00
Temporary Dining Hall	<u>Kshs. 400,000.00</u>
<b>TOTAL</b>	<b><u>Kshs. 7,400,000.00</u></b>

**Webuye West Technical and Vocational College**  
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## **VIII ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

Financial year ending 30<sup>th</sup> June, 2022

Our approach to Environmental and sustainability reflects the steps that we are taking to ensure we are, and remain, a good corporate citizen. Social responsibility encompasses everything we do that has an impact on society around us – it is our values and behaviour as a Public Entity.

Our role in supporting education, training and research makes a valuable contribution to the continuing development of a training society. As a TVET Institution that champion's competency based for our trainees, and online research and learning resources and services, we also support our members to deliver against their environmental priorities.

We are committed to ensuring that Webuye West Technical and Vocational College is a responsible corporate citizen. To do this, we must:

- Minimise the environmental impact of our corporate activities;
- Identify and address issues of equality, diversity and inclusion amongst our current and future workforce;
- Ensure that employees are supported in their mental and physical health and treated with dignity, respect and in accordance with basic human rights;
- Enhance our fundraising and volunteering activities for third party good causes;
- Understand our suppliers' commitments to CSR issues and practices and ethical approaches to business in our investment strategy.

### **Our achievements:**

In 2021 - 2022 we demonstrated our commitment:

- To the wellbeing of our employees – by participating in reproductive health days at the Institution and training peer counsellors.
- To supporting staff in volunteering – by giving employees an opportunity to raise funds for the bereaved staff.

In 2021-2022 we also:

- Spaces to write to minimise use of flipcharts/magic paper, getting as much natural light into the building as possible, Recycling existing office furniture/assets, Energy efficient appliances, Worked with suppliers to ensure products such as tea, coffee, cleaning products etc. are as low-impact as possible.

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- On supply chain management, we require the suppliers in our supply chain to conform their adherence to environmental regulations.
- Increase our focus on how we address disability gaps.
- Values, behaviours and supporting staff during celebrations such as weddings and funerals.
- Fundraising and volunteering.

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**IX REPORT OF THE BOARD/BOARD OF GOVERNORS**

The Board/Board members submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of the Webuye West Technical and Vocational College affairs.

**Principal activities**

The principal activities of the Webuye West Technical and Vocational College are,

1. To enhance capacity in TVET and research;
2. To inculcate entrepreneurial culture in trainees;
3. To improve institutional corporate governance; and
4. To promote strategic collaboration and linkages with industry and other institutions

**BOARD OF GOVERNORS**

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

**Auditors**

The Auditor General is responsible for the statutory audit of the *Webuye West 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 the *Webuye West Technical and Vocational College* for the year/period ended June 30, 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  
Lilian Simali

Board of Governance Secretary

Signature..



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**X STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)*) require the board members to prepare financial statements in respect of that *Webuye West Technical and Vocational College* , which give a true and fair view of the state of affairs of the *Webuye West Technical and Vocational College* at the end of the financial year/period and the operating results of the *Webuye West Technical and Vocational College* for that year/period. The board members are also required to ensure that the *Webuye West Technical and Vocational College* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Webuye West Technical and Vocational College* . The board members are also responsible for safeguarding the assets of the *Webuye West Technical and Vocational College* .

The board members are responsible for the preparation and presentation of the *Webuye West Technical's* financial statements, which give a true and fair view of the state of affairs of the *Webuye West Technical and Vocational College* for and as at the end of the financial year (period) ended on June 30, 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 *Webuye West Technical and Vocational College* ; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *Webuye West*

**Webuye West Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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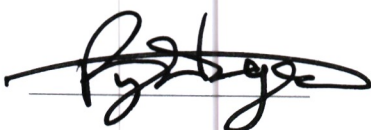
*Technical and Vocational College* ; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for the *Webuye West Technical's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*) – entities should quote applicable legislation as indicated under). The board members are of the opinion that the Webuye West Technical and Vocational College's financial statements give a true and fair view of the state of Webuye West Technical and Vocational College's transactions during the financial year ended June 30, 2022, and of the Webuye West Technical and Vocational College's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the *Webuye West Technical and Vocational College* , which have been relied upon in the preparation of the *Webuye West Technical's* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the board members to indicate that the *Webuye West 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 Webuye West Technical and Vocational College's financial statements were approved by the Board on Tuesday 12<sup>th</sup> April 2023 and signed on its behalf by:



Board Chairperson



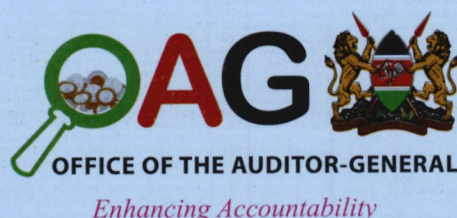
Board Member



Principal

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON WEBUYE WEST TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022**

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### **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 Webuye West Technical and Vocational College set out on pages 1 to 31, which comprise of the statement of financial position as at 30 June, 2022, statement of financial performance, statement of changes in net assets statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all

the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of the Webuye West 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. Inaccuracy of Comparative Balances**

The financial statements reflect comparative balances under seven (7) components with balances which are at variance with the corresponding closing balances shown in the audited financial statements for the year ended 30 June, 2021 as shown below

<b>Details</b>	<b>Comparative Balance in 2021/2022 Financial Statements (Kshs.)</b>	<b>Closing Balances in 2020/2021 Financial Statements (Kshs.)</b>	<b>Variances (Kshs.)</b>
Compensation of Employees	2,504,780	2,864,780	(360,000)
Depreciation and Amortization Expense	24,642,847	24,528,568	114,279
General Expenses	5,757,330	5,960,795	(203,465)
Receivables from Exchange Transactions	3,961,385	5,813,995	(1,852,610)
Intangible Assets	46,998	186,562	(139,564)
Trade and other Payables from Exchange Transactions	1,641,361	1,563,465	77,896
Rendering of Services – Fees from Students	8,277,616	8,222,616	55,000

In the circumstances, the accuracy of the financial statements could not be confirmed.

### **2. Unsupported Capital Reserves**

The statement of financial position reflects a balance of Kshs.257,990,179 in respect of reserves. However, the balance has not been analysed and disclosed in Notes to the financial statements.

In the circumstances, the accuracy and completeness of the reserves balance of Kshs.257,990,179 could not be confirmed.

### **3. Unsupported Receivables**

The statement of financial position and as disclosed in Note 11 to the financial statements, reflects a balance of Kshs.8,904,120 in respect of receivables from exchange transactions which relates to student debtors. However, during the year under review, the College did not provide updated ledgers, debtor's register and debtors' policy. In addition, an ageing analysis was not provided.

In the circumstances, the accuracy and completeness of the student debtors of balance Kshs.8,904,120 could not be confirmed.

### **4. Unsupported Board Expenses**

The statement of financial performance and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.537,000 in respect of remuneration of directors out of which an amount of Kshs.161,000 was not supported with payment vouchers and related supporting documents.

In the circumstances, the propriety of the expenditure of kshs.161,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Webuye West Technical and Vocational College in accordance with ISSAI 30 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**

#### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects actual expenditure of Kshs.12,701,872 against approved budget of Kshs.24,852,000 resulting to under-performance of Kshs.12,150,128 or 49% of the budget.

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

#### **2. Unresolved Prior Year Issues**

In the audit report of the previous year, several matters were raised under the Report on Financial Statements and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or explained its failure to report on the progress made in resolving the issues as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board.

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

### **Basis for Conclusion**

#### **Lack of Approved Budget Estimates**

The annual budget estimates of the College for the year review was not approved by the Cabinet Secretary responsible for technical and vocational education. This was contrary to Section 13(3) of Technical and Vocational Education and Training Act, 2013 which provides that the annual estimates shall be submitted to the Cabinet Secretary for approval before the commencement of the financial year to which they relate.

In the circumstances, Management was in breach of the law

## 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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that, nothing else has come to my attention to cause me believe that internal controls, risk management and governance were not effective.

### **Basis for conclusion**

#### **Lack of Human Resource Policies**

Review of records maintained revealed that the College did not have a Human Resource Policy document, code of ethics and staff establishment showing the optimum number of staffs per cadre and the available vacant positions.

In the circumstances, the existence of an effective human resource management systems could not be established.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires 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 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 misstatements, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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 controls 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 going concern 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 as a going concern. 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 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 College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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**

**18 July, 2023**

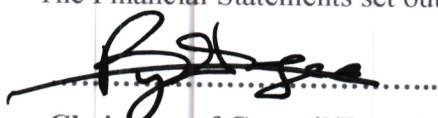
**Webuye West Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**XIII. Statement of Financial Performance for the year ended 30 June 2022**

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants/ gifts in kind	1	8,767,500	7,290,000
<b>Total Revenue from non-exchange transactions</b>		<b>8,767,500</b>	<b>7,290,000</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	2	14,980,170	8,277,616
Other income	3	13,990.00	27,000
<b>Revenue from exchange transactions</b>		<b>14,994,160</b>	<b>8,304,616</b>
<b>Total revenue</b>		<b>23,761,660</b>	<b>15,594,616</b>
<b>Expenses</b>			
Use of goods and services	4	9,315,822	102,400
Compensation of employees	5	2,777,050	2,864,780
Remuneration of directors	6	537,000	554,000
Depreciation and amortization expense	7	24,466,380	24,528,568
Repairs and maintenance	8	72,000	195,560
General expenses	9	0	5,960,795
<b>Total expenses</b>		<b>37,168,252</b>	<b>34,206,103</b>
<b>Net Surplus for the year</b>		<b>(13,406,592)</b>	<b>-18,611,487</b>

*(The notes set out on pages 6 to 28 form an integral part of the Annual Financial Statements).*

The Financial Statements set out on pages 1 to 32 were signed by:



Chairman of Council/Board



Finance Officer

ICPAK No 22024



Principal

Date 16/06/2023

Date 16/06/2023

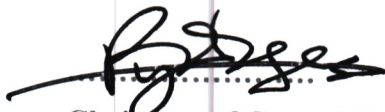
Date 16/06/2023

**Webuye West Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**III. Statement of Financial Position as at 30th June 2022**

	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	98,664	137,346
Receivables from exchange transactions	11	8,904,120	3,961,385
Receivables from non-exchange transactions		0	1,980,000
Inventories	12	497,489	172,521
<b>Total Current Assets</b>		<b>9,500,273</b>	<b>6,251,252</b>
<b>Non-current assets</b>			
Property, plant and equipment	13	209,057,419	233,523,799
Intangible assets	14	0	186,562
<b>Total Non-current Assets</b>		<b>209,057,419</b>	<b>233,710,361</b>
<b>Total assets</b>		<b>218,557,692</b>	<b>241,814,223</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	15	1,750,384	1,563,465
Payments received in advance	16	156,020	343,038
<b>Total Current Liabilities</b>		<b>1,906,404</b>	<b>1,906,503</b>
<b>Non-current liabilities</b>			
<b>Total Non-current liabilities</b>		<b>0</b>	<b>0</b>
<b>Total liabilities</b>		<b>1,906,404</b>	<b>1,906,503</b>
<b>Capital and Reserves</b>			
Reserves		257,990,179	249,730,925
Accumulated surplus		(41,338,891)	(9,823,205)
Capital Fund		-	-
<b>Total Capital and Reserves</b>		<b>216,651,288</b>	<b>239,907,720</b>
<b>Total Liabilities and Capital &amp; Reserves</b>		<b>218,557,692</b>	<b>241,814,223</b>

The Financial Statements set out on pages 1 to 32 were signed by:

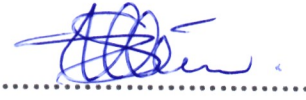


Chair man of Council/Board



Finance Officer

ICPAK No 22024



Principal

Date 16/06/2023

Date 16/06/2023

Date 16/06/2023

**Webuye West Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**v. Statement of Changes in Net Asset for the year ended 30 June 2022**

	Revaluation reserve	Retained earnings	Capital/Development Grants/Fund	Total
<b>Balance b/f as at July 1, 2020</b>	257,990,179	-	-	257,990,179
Total comprehensive income		(27,932,299)		(27,932,299)
Capital/Development grants received during the year			-	
<b>Balance c/d as at June 30, 2021</b>	257,990,179	(27,932,299)	-	230,057,880
<b>Balance b/f as at July 1, 2021</b>	257,990,179	(27,932,299)	-	230,057,880
Total comprehensive income		(13,406,592)		(13,406,592)
<b>Balance c/d as at June 30, 2022</b>	257,990,179.00	(41,338,891)		216,651,288

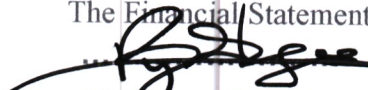
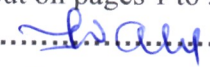

**vi. Statement of Cash Flows for the year ended 30 June 2022**

	Note	2021-2022 Kshs	2020-2021 Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants	1	8,767,500	7,290,000
Rendering of services- Fees from students	2	3,881,700	8,277,616
Other income, rentals and agency fees	3	13,990	27,000
<b>Total Receipts</b>		<b>12,663,190</b>	<b>15,594,616</b>
<b>Payments</b>			
Use of goods and services	4	(9,315,822)	(102,400)
Compensation of employees	5	(2,777,050)	(2,504,780)
Remuneration to Governors	6	(537,000)	(554,000)
Repairs & Maintenance	8	(72,000)	(195,560)

**Webuye West Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

General Expense	9		(4,115,969)
<b>Total Payments</b>		<b>(12,701,872)</b>	<b>(7,472,709)</b>
<b>Net cash flows from operating activities</b>		<b>-38,682</b>	<b>8,121,907</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	13	-	(8,259,254)
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>(8,259,254)</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows used in financing activities</b>		<b>0</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-38,682</b>	<b>137,347</b>
Cash and cash equivalents at 1 July 2021		137,346	
<b>Cash and cash equivalents at 30 June 2022</b>		<b>98,664.35</b>	<b>137,346</b>
<b>Cash and cash equivalents at 30 June</b>		<b>98,664.35</b>	<b>137,346</b>

The Financial Statements set out on pages 1 to 32 were signed by:

 Chairman of Board	 Finance Officer ICPAK No 22024	 Principal
Date 16/06/2023	Date 16/06/2023	Date 16/06/2023

**Webuye West Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**vi. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022**

	Original budget	Adjusted amounts	Final budget	Actual on comparable basis	Performance difference	% variance	Explanation of material variance
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022		
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs		
Transfers from other Govt entities Govt grants	18,000,000	9,000,000	9,000,000	8,767,500	232,500	3	Not all student received capitation
Rendering of services- Fees from students	15,852,000	15,852,000	15,852,000	14,980,170	871,830	5	Increase in student population
Sale of goods	0	0	0	0	0	0	
Rental income from equipment	0	0	0	0	0	0	Under budgeting
Other incomes	0	0	0	13,990	-13,990	0	
Gains on disposal, rental income and agency fees	0	0	0	0	0	0	
<b>Total income</b>	<b>33,852,000</b>	<b>24,852,000</b>	<b>24,852,000</b>	<b>23,761,660</b>	<b>-39,974</b>		
<b>Expenses</b>							
Employee Costs	4,796,520	4,796,520	4,796,520	2,777,050	2,019,470	42	Staff establishment still going on
Use of Goods and services	28,205,480	19,205,480	19,205,480	9,315,822	9,889,658	51	Poor fee payment/not all students received capitation
Remuneration of directors	300,000	300,000	300,000	537,000	-237,000	-79	under budgeting
Repairs and maintenance	550,000	550,000	550,000	72,000	478,000	87	Repairs minimized due to poor fee payment
Grants and subsidies paid	0	0	0	0	0		

**Webuye West Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

<b>Total expenditure</b>	33,852,000	-	9	24,852,000	12,701,872	12,463,400	
		,	0				
		,	0				
		,	0				
		,	0				
		,	0				
		,	0				
<b>Surplus for the period</b>	0	0		0	11,059,788	-12,503,374	

**Notes to the Financial Statements**

**1. General Information**

Webuye West Technical and Vocational College is established by and derives its authority and accountability from TVET Act, 2013. Webuye West Technical and Vocational College is wholly owned by the Government of Kenya and is domiciled in Kenya.

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Webuye West Technical and Vocational College.

**Webuye West Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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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.

**Webuye West Technical and Vocational College**  
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**Notes to the Financial Statements (Continued)**

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

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.**

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

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

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

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Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></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 accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><i>Applicable 1<sup>st</sup> January 2023</i></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b> Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul>
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

**iii. Early adoption of standards**

Webuye West Technical and Vocational College adopted new or amended standards in year 2022.

**2. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. 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**

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

**iii) 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.

**iv) 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.

**v) Dividends**

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

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**vi) 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 Webuye West Technical and Vocational College.

**vii) 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.

**viii) Dividends**

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b)Budget information**

The original budget for FY 2021/2022 was approved by the Board on *21<sup>st</sup> December 2021*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Webuye West Technical and Vocational College upon receiving the respective approvals in order to conclude the final budget.

Webuye West Technical's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on 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.

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 under section .xxx of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c Taxes (continued)**

*Sales tax/ Value Added Tax*

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

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

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

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of .xxx years.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition.

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

**e) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Webuye West Technical and Vocational College 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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Webuye West Technical and Vocational College. 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. Webuye West Technical and Vocational College 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 so as 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 Webuye West Technical and Vocational College 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 Webuye West Technical and Vocational College. 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

**h) Research and development costs**

The Webuye West Technical and Vocational College expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Webuye West Technical and Vocational College 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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Financial instruments**

*Financial assets*

*Initial recognition and measurement*

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Webuye West Technical and Vocational College determines the classification of its financial assets at initial recognition.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

*Held-to-maturity*

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when Webuye West Technical and Vocational College has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

*Impairment of financial assets*

Webuye West Technical and Vocational College assesses at each reporting date whether there is objective evidence that a financial asset or Webuye West Technical and Vocational College of financial assets is impaired. A financial asset or a Webuye West Technical and Vocational College of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or Webuye West Technical and Vocational College of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Financial instruments (Continued)**

*Financial assets (Continued)*

*Impairment of financial assets (Continued)*

- The debtors or Webuye West Technical and Vocational College of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

*Financial liabilities*

*Initial recognition and measurement*

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. Webuye West Technical and Vocational College determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

*Loans and borrowing*

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Inventories (Continued)**

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 the Webuye West Technical and Vocational College.

**k) Provisions**

Provisions are recognized when the Webuye West Technical and Vocational College has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Webuye West Technical and Vocational College expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

***Contingent liabilities***

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

***Contingent assets***

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l) Nature and purpose of reserves**

The Webuye West Technical and Vocational College creates and maintains reserves in terms of specific requirements.

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

Webuye West Technical and Vocational College recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**n) Employee benefits**

**Retirement benefit plans**

Webuye West Technical and Vocational College provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which Webuye West Technical and Vocational College pays fixed contributions into a separate Webuye West Technical and Vocational College (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.

**o) 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.

**p) 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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**q) Related parties**

Webuye West Technical regards a related party as a person or Webuye West Technical and Vocational College with the ability to exert control individually or jointly, or to exercise significant influence over Webuye West Technical and Vocational College, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

**r) Service concession arrangements**

Webuye West Technical 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, Webuye West Technical and Vocational College 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 Webuye West Technical and Vocational College also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**s) 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.

**t) Comparative figures**

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

**u) 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.

## **5.SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION**

### **UNCERTAINTY**

The preparation of Webuye West Technical's 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. Webuye West Technical 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 Webuye West Technical and Vocational College. 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 Webuye West Technical and Vocational College
- 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 xxx.

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

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**Notes to the Financial Statements (Continued)**

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

Description	2021-2022	2020-2021
	KShs	KShs
<b>Unconditional grants</b>	<b>2021-2022</b>	
Capitation	8,767,500	7,290,000
<b>Total Government grants and subsidies</b>	<b>8,767,500</b>	<b>7,290,000</b>

**2. Rendering of Services**

Description	2021-2022	2020-2021
	KShs	KShs
Tuition fees	7,546,484	2,549,463
Activity fees	434,714	317,167
Library fees		64,367
Administrative income	2,704,183	2,193,973
RMI	252,022	173,680
Robotics, Tvet fair and Autpmtion		163,433
EWC	579,652	
Student ID		39,600
Student Union		10,000
Attachment and insurance	303,880	122,285
Local transport and travel	932,140	735,514
Personal Emolument	2,227,095	1,908,134
<b>Total Rendering of Services</b>	<b>14,980,170</b>	<b>8,277,616</b>

**2b.**

Rendering of Services-Tuition Inflows	2021-2022	2020-2021
	KShs	KShs
<b>Rendering of Services-Tuition Fee Recognised in the Statement of Financial Performance</b>	<b>14,980,170</b>	<b>8,277,616</b>
<b>Add:-</b>		
Increase in prepaid fees/Tuition Fee to be Earned in Future But Received During the Year		
<b>Less:-</b>		
Actual Uncollected Tuition Fees	8,548,686	-
Increase in Receivable from Non Exchange Transaction/Income Earned During the Year But Not Received		-
Increase in receivables from non exchange transaction		

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<b>Amount Recognised in the Statement of Cashflows</b>	<b>6,431,484</b>	<b>8,277,616</b>
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**Notes to the Financial Statements (Continued)**

**3. Other Income**

Description	2021-2022	2020-2021
	KShs	KShs
Income from Sale of Tender		27,000
Fees arrears received	10,990	
Accommodation	3,000	
<b>Total other income</b>	<b>13,990</b>	<b>27,000</b>

**4. Use of Goods and Services**

Description	2021-2022	2020-2021
	KShs	KShs
Electricity Water & Conservancy	252,000.00	102,400
Tuition	1,388,229.00	
Administration	4,014,376.00	
LTT	2,644,600.00	
Activity		
Medical/insurance/Attachment	56,837.00	
Student union	31,600.00	
Robotics and TVET fair	604,180.00	
Security services	324,000.00	
<b>Total good and services</b>	<b>9,315,822.00</b>	<b>102,400</b>

**4b**

<b>Use of goods and services for cashflow</b>		
Description	2021-2022	2020-2021
	KShs	KShs
<b>General Expenses-Amount Recognised in the Statement of Financial Performance</b>	9,315,822	
<b>Less</b>		
Trade Payables	1,334,454	
<b>Amount Recognised in the Statement of Cashflows</b>	<b>7,981,368</b>	-

**Webuye West Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**Notes to the Financial Statements (Continued)**

**5. Compensation of Employee**

Description	2021-2022	2020-2021
	KShs	KShs
Salaries and wages	2,777,050	2,504,780
<b>Total Employee costs</b>	<b>2,777,050</b>	<b>2,504,780</b>

**6. Board/Council Expenses**

Description	2021-2022	2020-2021
	KShs	KShs
Chairman's Honoraria	98,000	106,000
Directors emoluments	439,000	448,000
<b>Total director emoluments</b>	<b>537,000</b>	<b>554,000</b>

**7. Depreciation and Amortization expense**

Description	2021-2022	2020-2021
	KShs	KShs
Property, plant and equipment	24,466,380	24,466,380
Intangible assets	-	-
<b>Total depreciation and amortization</b>	<b>24,466,380</b>	<b>24,466,380</b>

**8. Repairs and Maintenance**

Description	2021-2022	2020-2021
	KShs	KShs
RMI	72,000	195,560
<b>Total Repairs and Maintenance</b>	<b>72,000</b>	<b>195,560</b>

**9. General Expenses**

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition	-	1,994,657.00
Local Transport and Travel	-	469,800.00
Attachment, Insurance and Medical	-	2,451.00
Library	-	177,243.00
Administrative	-	2,731,039.00
Student Union	-	-
Robotics & TVET Fare	-	382,140.00
<b>Total</b>		<b>5,757,330.00</b>

**Webuye West Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**Notes To the Financial Statements (Continued)**

**10. Cash and Cash Equivalents**

Description	2020-2021	2020-2021
	KShs	KShs
Cash at hand	-	-
Current account	98,664	89,547
Mpesa		47,799
<b>Total cash and cash equivalents</b>	<b>98,664</b>	<b>137,346</b>

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

Financial Institution	Account Number	KShs	KShs
KCB	1270349953	98,664	11,341,891
<b>Sub-total</b>		<b>98,664</b>	<b>0</b>
			<b>11,341,891</b>
<b>Others</b>			
MPESA (PAYBILL)		0	47,799
Cash at hand		0	0
<b>Sub-total</b>		<b>0</b>	<b>47,799</b>
<b>TOTAL</b>		<b>98,664</b>	<b>11,389,690</b>

**11. Receivables from Exchange transactions**

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

Description	2021-2022	2020-2021
	KShs	KShs
<b>Current receivables</b>		
Student debtors 2020/2021	3,961,385	3,961,385
Student Debtors 2021/2022	4,942,735	-
<b>Total receivables</b>	<b>8,904,120</b>	<b>3,961,385</b>

**Webuye West Technical and Vocational College**  
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**Notes to the Financial Statements (Continued)**

**12. Inventories**

<b>Description</b>	<b>2020-2021</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Consumable stores & central store	497,489	172,521
<b>Total Inventories</b>	<b>497,489</b>	<b>172,521</b>

**Webuye West Technical and Vocational College**  
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Notes to the Financial Statements (Continued)

**13. Property, Plant and Equipment**

Cost	Freehold Land	Motor vehicles	Furniture and fittings	Computers	Buildings	Library Books	Plant and equipment	Capital Work in progress	Total
<b>At 1 July 2021</b>	5,000,000	1,000,000	4,809,675	990,000	71,800,000	675,839	173,714,665	-	<b>257,990,179</b>
Additions		-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2020</b>	<b>5,000,000</b>	<b>1,000,000</b>	<b>4,809,675</b>	<b>990,000</b>	<b>71,800,000</b>	<b>675,839</b>	<b>173,714,665</b>	<b>-</b>	<b>257,990,179</b>
<b>Depreciation and Impairment</b>									<b>-</b>
At 1 July 2021	-	250,000	601,209	329,670	1,436,000	135,168	21,714,333	-	<b>24,466,380</b>
Depreciation	-	250,000	601,209	329,670	1,436,000	135,168	21,714,333	-	<b>24,466,380</b>
<b>At 30<sup>th</sup> June 2022</b>	<b>-</b>	<b>500,000</b>	<b>1,202,418</b>	<b>659,340</b>	<b>2,872,000</b>	<b>270,336</b>	<b>43,428,666</b>	<b>-</b>	<b>48,932,760</b>
<b>Net Book values at 30<sup>th</sup> June 2022</b>	<b>5,000,000</b>	<b>500,000</b>	<b>3,607,257</b>	<b>330,660</b>	<b>68,928,000</b>	<b>405,503</b>	<b>130,285,999</b>	<b>-</b>	<b>209,057,419</b>

**Webuye West Technical and Vocational College**  
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**Notes to the Financial Statements (Continued)**

**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). These amounts were adopted in the financial statements on xxx.

**13.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	5,000,000.00	-	5,000,000.00
Buildings	71,800,000.00	2,872,000.00	68,928,000.00
Plant And Machinery	173,714,665.00	43,428,666.00	130,285,999.00
Motor Vehicles including Motorcycles	1,000,000.00	500,000.00	500,000.00
Computers and Related Equipment	990,000.00	659,340.00	330,660.00
Library books	675,839.00	270,336.00	405,503.00
Office Equipment, Furniture, And Fittings	4,809,675.00	1,202,418.00	3,607,257.00
<b>Total</b>	<b>257,990,179.00</b>	<b>48,932,760.00</b>	<b>209,057,419.00</b>

**14. Intangible Assets**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Cost</b>		
At beginning of the year		0
Additions		223,465.00
<b>At end of the year</b>		<b>223,465.00</b>
<b>Amortization and impairment</b>		
At beginning of the year		
Amortization		176,467.00
<b>Amortization at end of the year</b>		<b>176,467.00</b>
<b>NBV</b>		<b>46,998.00</b>

**Webuye West Technical and Vocational College**  
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**Notes to the Financial Statements (Continued)**

**15. Trade and Other Payables from Exchange transactions**

Description	2020-2021	2020-2021
	KShs	KShs
Trade payables	1,334,454	1,641,361
Examination fee	415,930	-
<b>Total trade and other payables</b>	<b>1,750,384</b>	<b>1,641,361</b>

**16. Payments received in advance**

Description	2021-2022	2020-2021
	KShs	KShs
Student Fees	156,020	343,038
	<b>156,020</b>	<b>343,038</b>

**17. Cash generated from operations**

	2021-2022	2020-2021
	Kshs	Kshs
<b>Surplus for the year before tax</b>		
<b>Adjusted for:</b>	(13,406,592.00)	
Depreciation	24,466,380.00	24,466,380.00
Impairment		
<b>Working Capital Adjustments</b>		
Increase in Inventory	(324,968.00)	
Increase in Receivables	(4,942,735.00)	
Increase in Deferred Income		
Increase in Payables	109,023.00	
Increase in Payments received in advance	187,018.00	
<b>Net Cash Flow from Operating Activities</b>	<b>6,538,126.00</b>	

*There are no comparative figures because the College was audited first time FY 2020/2021.*

- **Events After The Reporting Period**

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

- **Ultimate And Holding Entity**

**Webuye West Technical and Vocational College**  
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The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

- **Currency**

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

**Webuye West Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**IV. Appendices**


**Appendix 1: Implementation Status of Auditor-General Recommendations**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
Report for the Year Ended 30/6/2021	1. Inaccuracies in Employee Costs	Management has revised Financial statements accordingly	Resolved	30.06.2022
	2. Unsupported receivables from Exchange Transactions	Management has revised Financial statements accordingly	Resolved	30.06.2022
	3. Unsupported Intangible assets	Management has revised Financial statements accordingly	Resolved	30.06.2022
	4. Unsupported Inventories	Management has revised Financial statements accordingly and supported value of Inventories	Resolved	30.06.2022
	5. Unsupported Trade and Other Payables	Management has revised Financial statements accordingly and supported value of Trade and other Payables	Resolved	30.06.2022
	6. Unsupported revaluation Reserves	Management has revised Financial statements accordingly	Resolved	30.06.2022
	7. Unsupported General expenses	Management has revised Financial statements accordingly and supported General expenses figure in the Revised Finance statements	Resolved	30.06.2022

**Webuye West Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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)
	8. Lack of Ownership and Supporting Documents for Property, Plant and Equipment	Management has prepared Assets Register for Property, Plant and Equipment and the title deed is available.	Resolved	30.06.2022
	9. Lack of Risk Management Policy and Strategy	Management has prepared Risk Management Policy and strategy document awaiting approval by the Board of Governors	Not Resolved	30 <sup>th</sup> June, 2023

  
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Lilian Simali  
 Accounting Officer/Principal

Date..16/06/2023

**Webuye West Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2022**

**Appendix III - Inter-Webuye West Technical Transfers**

The Webuye West Technical and Vocational College wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

**Amounts Disbursed by State Department, Ministry of Education (Kshs) as at 30th June 2022**

Reference Number	Date Disbursed	Amount Received by Webuye West TVC (KShs) as at 30 <sup>th</sup> June 2022	
		Recurrent	Recurrent
Q1	23/11/2021	Recurrent	2,805,000.00
Q2	02/03/2022	Recurrent	2,805,000.00
Q3	03/06/2022	Recurrent	3,157,500.00
<b>Totals</b>			<b>8,767,500.00</b>