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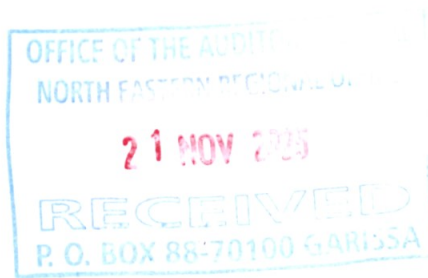
THE AUDITOR-GENERAL

ON

WAJIR EAST TECHNICAL AND VOCATIONAL  
COLLEGE

FOR THE YEAR ENDED  
30 JUNE, 2025

WAJIR COUNTY



*Wajir East Technical & Vocational College*  
P.O BOX 32-70200, Wajir.  
Email: wajireastvc@gmail.com  
Tel: +254 700 201 920  
*Learning the practical value of Knowledge*



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## WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2025

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

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**Table of Contents**

1.	Acronyms and Definition of Key Terms.....	ii
2.	Key Entity Information and Management.....	iii
3.	The Board of Governors .....	ix
4.	Key Management Team .....	xiii
5.	Chairman's Statement .....	xiv
6.	Report of the Principal .....	xv
7.	Statement of Performance against Predetermined Objectives .....	xvi
8.	Corporate Governance Statement.....	xix
9.	Management Discussion and Analysis .....	xx
10.	Environmental and Sustainability Reporting Statement .....	xx
11.	Report of the Board of Governors.....	xxii
12.	Statement of Board of Governors Responsibilities .....	xxiii
13.	Report of the Independent Auditor on Wajir East Technical and Vocational College ...	xxiv
14.	Statement of Financial Performance for the Year Ended 30 June 2025 .....	1
15.	Statement of Financial Position as At 30th June 2025.....	2
16.	Statement of Changes in Net Asset for the Year Ended 30 June 2025 .....	4
17.	Statement of Cash Flows for the Year Ended 30 June 2025 .....	5
18.	Statement of Comparison of Budget & Actual amounts for Year Ended 30 June 2025.....	6
19.	Notes to the Financial Statements.....	7
19	Inventories .....	23
21	Trade and Other Payables .....	25
20.	Appendices .....	26

## **1. Acronyms and Definition of Key Terms**

### **A. Acronyms**

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

### **B. Definition of Key Terms**

**Fiduciary Management** - Members of Management directly entrusted with the Wajir East TVC financial resources.

**Comparative Year**- Means the prior period.

**2. Key Entity Information and Management**

**(a) Background information**

Wajir East technical and vocational College is one of the technical institution which was established by the government in the year 2011. The College is situated in wajir east constituency within Wajir County. It is position 5 kilometres away from wajir town.

**(b) Principal Activities**

**Mandate**

Provide Technical, Vocational Education and Entrepreneurship Training geared towards Self-Reliance to meet the Labour Market needs.

**Vision Statement**

A centre of excellence in technical and vocational training.

**Mission Statement**

To provide quality technical industrial vocational training that promote innovation and creativity to meet social economic challenges.

**Core values**

- Customer satisfaction
- Courtesy and confidentiality
- Quality Service Delivery
- Teamwork and collaboration
- Honesty and Integrity
- Professionalism
- Innovation and creativity

**College Motto**

Learning the practical value of knowledge

**Objectives**

1. To develop skills and expertise among trainees.
2. To encourage trainees to consider self-employment as a career option.
3. To involve the trainees on matters of tree planting to compact climatic change.
4. To mainstream national values and national cohesion in the institution operations.
5. To diversify the existing curriculum for artisan, craft and diploma courses that are in line with national market demand.
6. To raise enrolment to higher status.
7. To provide continuous upgrading of skills and knowledge to meet the labour market demand national development agenda.
8. To create collaboration linkages with industry and other relevant institution for continuous transfer of technology.

**(c) Key Management**

The College Day-day management is under the following key organs:

- i. The principal
- ii. Deputy principal

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Adan Hassan Ahmed
2	Deputy principal	Abdi Bashir Osman

**Key Entity Information and Management (Continued)**

**(e) Fiduciary Oversight Arrangements**

**Finance committee of the BOG**

The Committee shall exercise all the powers of Board of Governors in financial matters except in relation to the items which are reserved to Board of Governors in these Standing Orders, on which the Committee shall advise Board of Governors.

**Terms of Reference**

The role of the Committee shall be to monitor the financial status of the College on behalf of Board of Governors. In addition to advising Board of Governors on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the College's strategy with regard to financial matters.
- b) To receive reports from the Principal and the Finance Officer.
- c) To monitor implementation of the strategy for the College estate.
- d) To receive reports of the extent and condition of the College estate including the efficiency of space utilisation, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the College estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for College services and facilities.
- g) To supervise the financial administration of the College and make recommendations to Board of Governors where appropriate.
- h) To supervise the arrangements for safeguarding the College's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the College's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the College's intellectual property.
- l) To make recommendations to Board of Governors on the financing of projects.

- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the College.
- n) To supervise the College's purchasing procedures and practices.
- o) To submit an annual statement on its activities to Board of Governors.
- p) To keep under review the activities of the College 's various department

#### **Academic committee activities**

The academic committee of the Board is entrusted with the following roles and functions:

- a. To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Board.
- b. To propose regulation for consideration by the Board regarding the eligibility of persons for admission to a course of study,
- c. To propose regulations for consideration by the Board regarding the standard of proficiency to be gained in each examination for a Diploma, certificate or other award.
- d. To approve programs of study, regulate admission of persons to WJRETCV and determine their continuance or discontinuation in such programs.
- e. To determine the Academic policy of WJRETCV and to advice the Board on the provision of facilities to carry out that policy,
- f. To direct and regulate the teaching and instruction within the College subject to the powers of the Board.

#### **Management Committee Activities**

The main purpose of the Senior Management Team is to:

- 1) Ensure that WJRETCV Board of Governors is able to take strategic decisions relating to WJRETCV activities
- 2) Provide leadership in communicating WJRETCV mission, values, plans and achievements effectively and consistently to Board of Governors Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- 3) Be accountable for the development and implementation of WJRETCV strategic, corporate and business plans in line with the mission and values;
- 4) Take a strategic overview of performance in all areas of WJRETCV activities.

Specifically, the Senior Management Team:

- 1) Makes recommendations to the Council on the implementation and achievement of the Board of Governors' Strategic Framework;
- 2) Agrees WJRETCV Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- 3) In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- 4) Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of WJRETCV, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- 5) Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organisation and regularly reviewing the corporate risk register;
- 6) Oversees and monitors WJRETCV joint work with the other stakeholders

- 7) Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Board of Governors and/or its relevant Committees.
- 8) Leads all senior managers in motivating and developing WJRETCV staff to deliver the highest standards of performance and customer service.

#### **Audit Committee**

The activities of the Audit Committee include:

- a. **Governance initiatives:**  
Review and provide oversight on governance initiatives established by the BOG and maintained by the organization.
- b. **Risk management:**  
Review and provide oversight on the establishment, implementation, maintenance, and effectiveness of risk assessment, risk management, and risk reporting practices.
- c. **Internal control framework:**  
Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk, and control assurance providers.
- d. **Audit activity:**  
Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments.
- e. **Follow up on management action plans:**  
The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.
- f. **Financial statements and public accountability reporting:**  
The audit committee shall review and provide advice to the BOG on the key financial management and performance reports and disclosures issued to the public.

#### **Government oversight activities**

The Government of Kenya's oversight role include provision of Grants for both Operations and Development as well as provision of the regulatory framework.

The audit of the Instructional activities is undertaken by the Office of the Auditor general.

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**(f) Entity Headquarters**  
P.O. Box 32-70200 wajir  
Wajir east technical and vocational College Building  
Wajir, KENYA

**(g) Entity Contacts**  
**Wajir east technical and vocational College**  
P.O. Box 32-70200  
Wajir, Kenya  
Telephone: 0700201920  
E-mail: wajireastvc@gmail.com

**(h) Entity Bankers**  
  
Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

KCB –Garissa Branch  
A/C NO: 1293057428

**(i) Independent Auditors**  
  
Auditor-General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**Key Entity Information and Management (Continued)**

**(j) Principal Legal Adviser**



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

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**


**3.The Board of Governors**

S.No	Governor	Title	Photograph	Responsibility	Date of birth qualifications and work experience
1	Heshim Musa Yussuf	Chairman		Overall management of the board of governors activities	
2	Adan Hassan Ahmed	Principal/secretary, BOG		In charge of the overall management of the COLLEGE	D.O.B :1981 <b>Qualifications</b> <ul style="list-style-type: none"> <li>✓ Bachelor of Education (Agriculture)</li> <li>✓ Diploma in Agriculture</li> <li>✓ Craft certificate in General Agriculture</li> <li>✓ Certificate in agriculture value addition</li> </ul> <b>Experience</b> <ul style="list-style-type: none"> <li>✓ : Principal wajir east tvc</li> <li>✓ Deputy principal wajir south tvc</li> <li>✓ Trainer at wajir south tvc</li> <li>✓ <b>Deputy farm manager</b></li> </ul>
3	Halima Adow Abdille	Member		Independent member	D.O.B:1962 <b>Qualification</b> <ul style="list-style-type: none"> <li>✓ <i>Bachelor of Education (Early Childhood development)</i></li> </ul>

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

					<ul style="list-style-type: none"> <li>✓ <i>Diploma in Early Childhood Development</i></li> <li>✓ <i>Primary Teacher Certificate (PTE Experience)</i></li> <li>❖ Worked with Teachers Service Commission (TSC) as Curriculum Support Officer, Hodhan Zone, Wajir East Sub-county</li> </ul>
4	Mohamed Ali Shallow	Member		Independent member	BBA(Finance option) CPA II
5	Mohamed Abdullahi Bare	Member			BBM Accounting
6	Bishar Adan Eymoi	Member			<b>Qualifications</b> <ul style="list-style-type: none"> <li>✓ University of Nairobi (Bachelor of</li> </ul>

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**



					<p>Arts Education)</p> <ul style="list-style-type: none"> <li>✓ Emoji Teachers Training College- Diploma in Education</li> </ul> <p><b>Experience</b></p> <ul style="list-style-type: none"> <li>✓ County Chief Officer, Wajir County</li> <li>✓ Teachers Service Commission, Sub-County Director Nzaini sub-County</li> <li>✓ District Staffing Officer Chalbi District</li> </ul>
7	Mohamed Farah Mohemud	Member			BSc Water Environmental Engineering
8	Ahmed Ali Adan	Member		Independent member	<p>D.O.B.1987</p> <p><b>Qualifications</b></p> <p>JAN 2014- DEC 2017:  <b>MOUNT KENYA UNIVERSITY</b></p> <p>BACHELOR IN BUSSINESS MANAGEMENT</p> <p>SEP 2009- SEP 2010:  <b>THE UNIVERSITY OF NAIROBI.</b></p> <p>DIPLOMA IN</p>


**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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					<p><b>BUSSINESS MANAGEMENT Experience</b></p> <ul style="list-style-type: none"><li>• HEAD OF TAXPAYERS EDUCATION-wajir county</li><li>• ADMINISTRATOR-zamil construction and transporters</li><li>• LOGISTIC OFFICER-waso resource development</li></ul>
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**4. Key Management Team**

1. PASSPORT, NAME & QUALIFICATION	DESIGNATION
<p>MR. ADAN HASSAN AHMED</p> <p><b>Qualifications</b>                      Bachelor Education (Agriculture), Diploma in agriculture &amp; Craft Certificate in General Agriculture.</p> 	<p>PRINCIPAL</p>
<p>2. MR.ABDI BASHIR OSMAN</p>  <p><b>Qualifications</b>                      Bachelor Business Information Technology</p>	<p>D/PRINCIPAL</p>
<p>3.MR. JOEL KYATHA ZAKAYO</p>	<p>FINANCE OFFICER</p>

 <p><b>Qualifications</b> CPA(K) Bachelor of Commerce (in progress)</p>	
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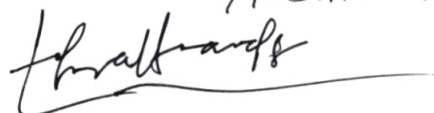
### **5. Chairman's Statement**

Wajir technical and vocational College was established as a TVET Institution in 2011. The aim was to offer technical courses to Form Four leavers. The College offers business and technical courses. It is managed by a Board of Governors and the government provides lecturers in the various fields of study.

It has been noted that the expected growth in students' enrolment at WJRETVC, and with regard to the national/global trends in education, research and technology the founders' vision has not been realized.

This Board is inaugural being the 1<sup>st</sup> after the College was opened. I appreciate the financial support given by the Government in the form of recurrent and development grants that has seen us achieve some notable development.

However, the government financial support is declined thus making the operations difficult. The College is in a semi-arid zone making the provisions of services quite difficult. We are struggling with the challenges of water and accommodation.

*Hashim Musa Gussut*  


**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**6. Report of the Principal**

WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE began operating in January 2011. We have tried our best to objectively align our core functions and objectives so that we become an integral part of the whole nation in realization of Vision 2030.

Our vision 'to be a centre for excellence in technology and Research in Kenya and beyond' is our driving force to spur skills into economic competitiveness and as one of our pillars in the vision 2030.

For a long time TVET institutions have had their books of accounts audited by the Kenya schools audit department until June 2019 when a circular from the Ministry instructed that the work would be taken over by the office of the auditor general.

It is our vision that through maximum utilization of school fees, production units, Government grants and other funds from development partners, we shall greatly improve the College's infrastructure and human capacity. This will facilitate tremendous expansion for more programs. It is our vision that WJRETVC is going to become a Technical University in the future.

*Adan Hassan Ahmed*

*AH*

*28<sup>th</sup> Aug 2025*

**7. Statement of Performance against Predetermined Objectives**

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

**WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE** has *three* strategic pillars and objectives within its Strategic Plan for the FY 20/21- 24/25. These strategic pillars are as follows:

Pillar 1: Access and equity

Pillar 2: Corporate governance

Pillar 3: Public, Private partnerships

**WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE** develops its annual work plans based on the above *three* pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The *COLLEGE* achieved its performance targets set for the FY 2024/2025 period for its three strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Access and equity	To promote access and equity with focus to youth, women and PLWDS	<ul style="list-style-type: none"> <li>Access to loans, bursaries and sponsorships</li> <li>Application of modern techniques in teaching</li> </ul>	<ul style="list-style-type: none"> <li>Increase access to relevant TVET education</li> <li>Enhance quality of curriculum delivery</li> </ul>	<ul style="list-style-type: none"> <li>Increased access to TVET programs</li> <li>Improved training methods</li> </ul>
Pillar 2:	Corporate governance	To enhance inclusivity in institutional corporate governance	<ul style="list-style-type: none"> <li>Involvement of both BOG and management in key decision-making process</li> </ul>	<ul style="list-style-type: none"> <li>Provide leadership in making key strategic decisions</li> </ul>	<ul style="list-style-type: none"> <li>Prudent results</li> </ul>
Pillar 3:	Public, private partnerships	To encourage collaboration and linkages with County Government and stakeholders	<ul style="list-style-type: none"> <li>Lobby for bursaries from the county government kit</li> <li>Create opportunities for provision of products and services</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with County Government in ensuring that youth access TVET.</li> <li>Partner with industry on areas of research, job</li> </ul>	<ul style="list-style-type: none"> <li>Higher access to TVET</li> <li>Efficient trainers equipped with skills</li> </ul>

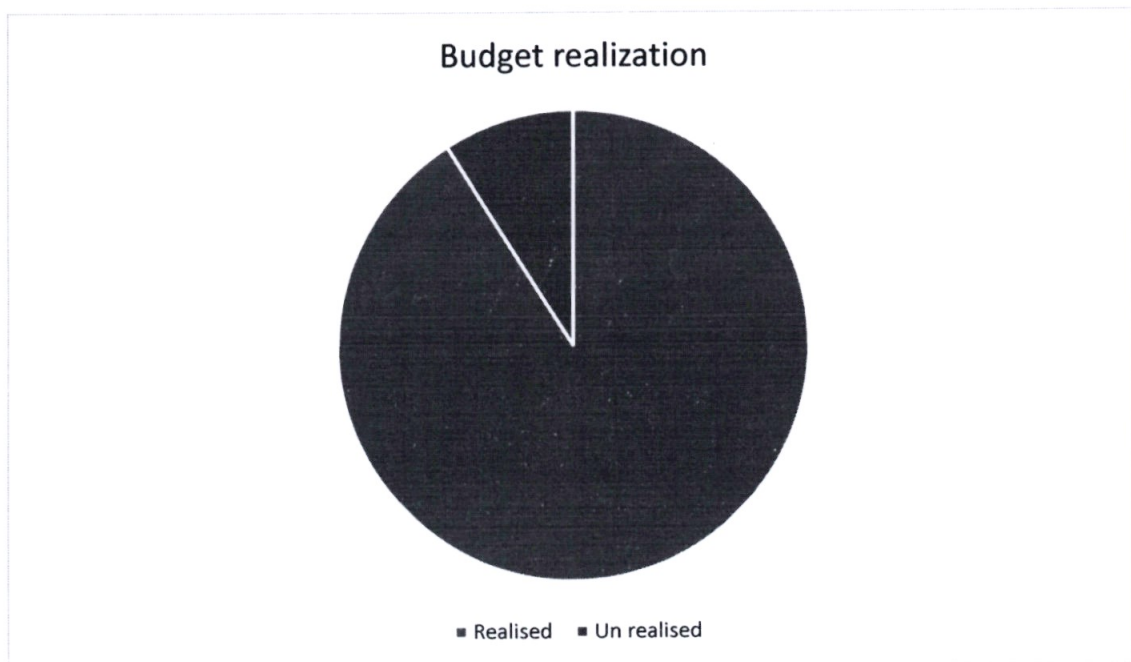
**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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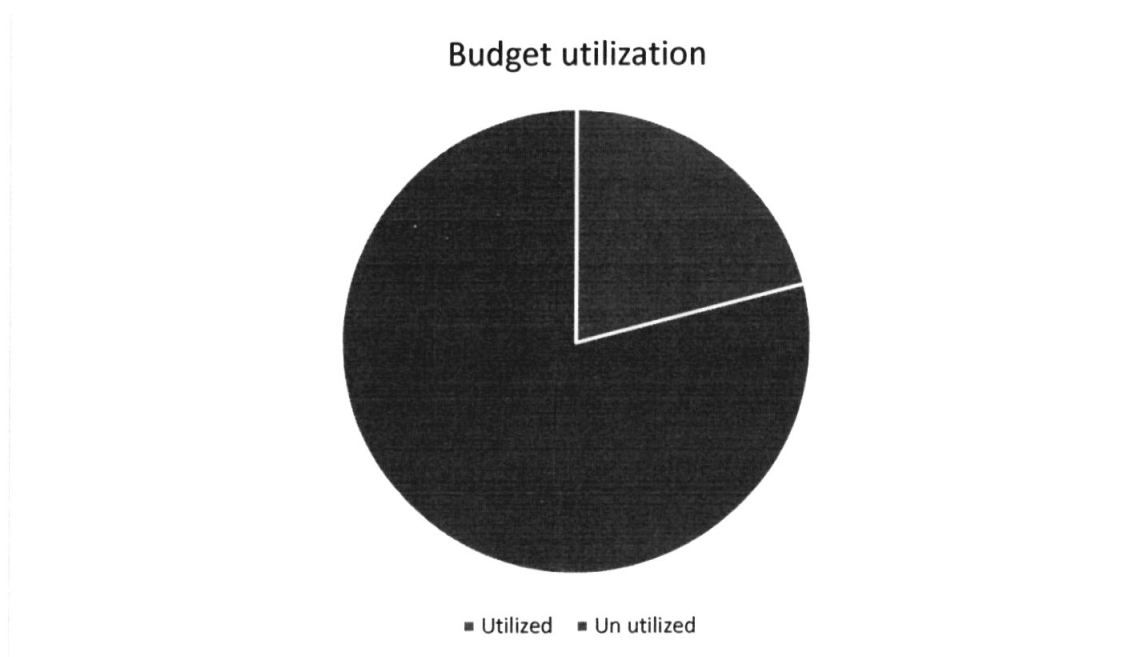
**Budget Achievement**

wajir east technical and vocational College had a budget of **Kshs 21,744,845** in F/Y 2024/2025. The College managed to realise **kshs19,865,064** which translate to **91%** of the total budget. The College spends kshs**4,485,609** of the realised amounts which translates to approximately **21%** of the budget amount.

**Realization of budget**



**Budget Utilization**



## **8. Corporate Governance Statement**

### **i. Appointment of BOG Members**

The Cabinet Secretary, MOE appoints members of the Board following proposals from the principal of the College. The board consists of nine members. The Boards of Governors for **WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE** serves for three years. The Board may set up such committees and assign such responsibilities as it may deem fit.

### **ii. Role and Functions of Board of Governors**

The functions of the organs set out under section 28 (1) shall include —

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- (c) Administering and managing the property of the institution;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 855 2013 Technical and Vocational Education and Training No. 29
- (h) Mobilizing resources for the institutions;
- (i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya
- (l) Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;
- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- (n) Making regulations governing organization, conduct and discipline of the staff and students;
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- (p) Providing for the welfare of the students and staff of the institutions;
- (q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and (r) discharging all other functions conferred upon it by this Act or any other written law.

**iii. Board of Governors Allowances**

The College gives sitting allowances to board members to cater for their transport.

**iv. Meetings**

- a. Full board meetings - are held once every term and
- b. board committee meetings- once every term

**Number of Board members**

During the period under audit, the College had nine board members inclusive of the principal who is secretary to the board.

**9. Management Discussion and Analysis**

**i. Operational Performance;**

Management has worked hard to make living of the students in the College easy by working so hard to see if they can get more hostels for both ladies and men.

Financial Performance

**College's compliance with statutory requirements**

The COLLEGE complies with making statutory payments before the relevant deadlines. The COLLEGE workers' pay P.A.Y.E Tax as generated on the I-tax portal.

**Major risks facing the entity**

**Land encroachment-** The College is facing obstruction of all access routes from the main entrance to the hostels because of encroachment from neighbouring communities leading the college to operate with very minimal space.

**Water scarcity -** The College is facing adverse effect of water shortage due to lack of reliable constant water supply.

**Low enrolment-**

**Funding issue-**

**10. Environmental and Sustainability Reporting Statement**

WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on three pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

**1. Sustainability strategy and profile -**

Economic sustainability embraces general aspects of an organisation that have to be respected. The use of such generic aspects seems meaningful, as good results in these aspects are likely to lead to good financial and sustainability results of the COLLEGE. The management of the COLLEGE has developed the following sustainability strategies:

- Innovation and Technology
- Collaboration-good cooperation and collaboration with other institutions, county government and other stakeholders.
- Sustainability reporting. -the COLLEGE reports sustainability issues within the College's report separately or incorporated in the integrated COLLEGE report

**2. Environmental performance**

The environmental impact of an organization is an important factor in evaluation of a given corporate's level of social responsibility. Deficiency in public awareness of the importance of the environment is the main causes of the low social responsibility among the institution. The environmental performance of food firm exerts influence on the corporate social responsibility.

**3. Employee welfare**

**WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE** Seeks to improve the welfare of its employees through:

- Increased organisational citizenship behaviours and improved employee relationships
- Enhanced employee identification with the organization
- Improved retention and organizational commitment
- More attractive institution culture to prospective employees
- Better employee engagement and performance
- Increased creativity

**WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE** is an equal employer where all the applicants have equal chances of being employed irrespective of their gender, tribe or religion. The COLLEGE ensures gender ratio any time recruitment is taking place. There is a standardised appraisal and rewarding system which applies to all employees within the COLLEGE. **WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE** discloses its safety policy and compliance with occupational safety and healthy Acts of 2007, (OSHA)

**4. Market place practices-**

**WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE** maintains corporate social responsibility in the market place practices through: -

The COLLEGE and the suppliers take responsibility to do no harm to the environment, to reduce waste and pollution as well as complying with the government regulations. In order to stay away in the competition, the COLLEGE determines its strategies and plan their relevant activities

**5. Corporate Social Responsibility /Community Engagements-**

**WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE** seeks and maintain important links with the community. The COLLEGE combine with the public, business and civil constituencies who engage in voluntary, mutual beneficial, innovative relationships to address common societal aims through combining their resources and competencies.

**WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE** engage in community developments as follows.

- Training of community professionals in computer support and maintenance
  - Students performs voluntary projects during vacations to the community where they share experiences, knowledge and sustainable practices within the community.
  - Students support vulnerable communities in the development and improvement of their housing spaces
1. Implementation of a community engagement programme to empower jobless youth

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**11. Report of the Board of Governors**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025 which shows the state of the College's affairs.

**Principal activities**

The core mandate of the COLLEGE is providing knowledge and skills to the people of the larger Wajir County and beyond.

The Mandate of **WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE** is to train, impart skills, knowledge and institutionalize effective research and development geared towards production of competent graduates who will contribute to high and sustainable social-economic development.

**Results**

The results of the entity for the year ended 30th June 2025 are set out on Page 1-5

**Board of Governors**

The members of the Board who served during the year are shown on pages (vii) to (xviii). During the year that ended 30 June 2025

**Auditors**

The Auditor General is responsible for the statutory audit of **WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....  
**Secretary of the Board**

**Wajir**

**Date:** 28/8/2025

**12. Statement of Board of Governors Responsibilities**

The BOG members are responsible for the preparation and presentation of **WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE** financial statements, which give a true and fair view of the state of affairs of the COLLEGE for and as at the end of the financial year (period) ended on June 30, 2025. The BOG responsibility includes:

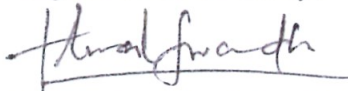
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the COLLEGE;
- (iii) designing, implementing 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) Safe guarding the assets of the COLLEGE;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The BOG members accept responsibility for the **Wajir East TVC** financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act 2013). The BOG members are of the opinion that the College's financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2025, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the COLLEGE, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that the 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 **Wajir East TVC** financial statements were approved by the Board on 28<sup>TH</sup> JUNE 2025 and signed on its behalf by:



.....  
Name *Hashim Musa Yusuf*  
Chairperson of the Board/Council



.....  
Name *Adan Hassan Ahmed*  
Accounting Officer/Principal

# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
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HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025 – WAJIR COUNTY**

### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Wajir East Technical and Vocational College set out on pages 1 to 27, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Wajir East Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in Income from Students Fees**

The statement of financial performance reflects rendering of services-fees from students amounting to Kshs.3,946,184 as disclosed in Note 8 to the financial statements. However, this amount was based on the actual receipts rather than fees payable for the year. Review of the financial records indicated that the actual student fees invoiced amounted to Kshs.6,047,010 resulting in an understatement of the reported amount by Kshs.2,100,826.

In the circumstances, the accuracy of income from student fees of Kshs.3,946,184 could not be confirmed.

#### **2. Encroachment into College Land by Private Developers**

The statement of financial position reflects property, plant and equipment balance of Kshs.214,210,220 as disclosed in Note 19 to the financial statements. Included in the PPE balance is freehold land estimated at a balance of Kshs.16,480,000. The land was acquired through the support of the local community, Wajir County, and local leadership in 2009 for the establishment of a Technical and Vocational College institution funded by the Government and the African Development Bank (AfDB). However, audit inspection conducted in October, 2025 revealed that the land had been extensively encroached by third parties without formal agreements, prompting the local community to petition AfDB to halt further funding. Due to the encroachment, access through the institution's main gate was not possible, forcing the College to create an alternative entrance.

As result, the College could not be accessed through the newly constructed hostel worth Kshs.47,961,252 and learning activities, student enrollment and the institution's future development towards attaining the status of a Centre of Excellence within Wajir County have been adversely affected.

In the circumstances, the accuracy and ownership of property, plant and equipment balance of Kshs.16,480,000 could not be confirmed.

### **3. Unsupported Property, Plant and Equipment Balance**

The statement of financial position reflects property, plant and equipment balance of Kshs.214,210,220. However, Management did not maintain an asset register containing details of the fixed assets held by the College.

In the circumstances, the accuracy of property, plant and equipment balance of Kshs.214,210,220 could not be confirmed.

### **4. Inaccuracies in the Statement of Changes in Net Assets**

The statement of changes in net assets reflects revaluation reserve balance of Kshs.218,732,127 as at 30 June, 2025. The balance includes revaluation loss during the year of Kshs.5,408,520. However, Management did not provide evidence to support revaluation of assets done during the year or prior years to support the balance.

In the circumstances, the accuracy and existence of revaluation reserve of Kshs.218,732,127 and net assets balance of Kshs.229,446,435 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.21,745,345 and actual receipts on a comparable basis of Kshs.18,170,776. This results in an under-funding of Kshs.3,574,569, representing approximately 16% of the budgeted revenue. Similarly, the College incurred expenditure totalling Kshs.4,372,059 against actual receipts of Kshs.18,170,776, resulting in an under-expenditure of Kshs.13,798,717, representing 76% of the actual receipts.

The underfunding and under expenditure may have negatively affected the College's operations.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the College in 2024/2025 revealed that a number of matters remained unresolved as detailed in **Appendix 1**.

### **Other Information**

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

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

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **Failure to Prepare Procurement Plan**

The statement of financial performance reflects total receipts balance of Kshs.19,865,064 and total expenditure balance of Kshs.10,980,664. However, the Management did not

prepare an annual procurement plan as part of the annual budget preparation process contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which requires a procuring entity to prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

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

### Basis for Conclusion

#### 1. Lack of Approved Staff Establishment and Salary Structure

The statement of financial performance reflects employees' costs of Kshs.632,000 as reflected under Note 12 to the financial statements. However, the College did not have an approved staff establishment in place that indicates the optimal number of staff for each category, the number in the post and the variance.

In the circumstance, the effectiveness of internal controls on human resource management could not be confirmed.

#### 2. Lack of an Internal Audit Function

During the year under review, the College did not have an internal audit unit in place to facilitate strengthening of internal control mechanisms that could have an impact on the achievement of the strategic objectives of the entity. This was contrary to Section 73(1) of the Public Finance Management Act, 2012, which requires every National Government entity to ensure compliance with the Act and to establish appropriate arrangements for conducting internal audits in accordance with the guidelines issued by the Accounting Standards Board.

In the circumstances, the effectiveness of the internal control systems at the College could not be confirmed.

### **3. Lack of Audit Committee**

During the year under review, the College did not have an audit committee to support the Accounting Officer on issues of risk, control and governance and to review and advise on the entity's risk management strategies, internal control systems and corporate governance practices. This was contrary to Section 73(5) of the Public Finance Management Act, 2012, which requires every National Government public entity to establish an Audit Committee whose composition and functions are prescribed by the regulations.

In the circumstances, the effectiveness of the internal control systems at the College could not be confirmed.

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

### **Responsibilities of the Management and Board of Governance**

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

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

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

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

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

and risk management and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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

  
**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**28 November, 2025**

## APPENDICES

### Appendix 1: Unresolved Prior Year Audit Matters

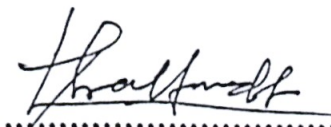
No.	Financial Year	Audit Issue
1.	2023/2024	Inaccuracies in the Statement of Changes in Net Assets
2.	2023/2024	Unsupported Expenditure on Domestic Travel and Subsistence
3.	2023/2024	Unsupported Fuel Expenses
4.	2023/2024	Unsupported Trade and Other Payables
5.	2023/2024	Unsupported Inventory Balance
6.	2023/2024	Inaccuracies in Fees from Students
7.	2023/2024	Unsupported Property, Plant and Equipment
8.	2023/2024	Budgetary Control and Performance
9.	2023/2024	Late Submission of the Financial Statements
10.	2023/2024	Presentation and Disclosures in the Financial Statements
11.	2023/2024	Failure to Prepare Annual Estimates of Revenue and Expenditure
12.	2023/2024	Failure to Deduct and Remit Statutory Deductions
13.	2023/2024	Failure to Prepare an Annual Procurement Plan
14.	2023/2024	Non-compliance with Law on Ethics Composition
15.	2023/2024	Failure to Establish Internal Audit Function
16.	2023/2024	Failure to Establish Audit Committee
17.	2023/2024	Lack of Approved Staff Establishment and Salary Structure

Wajir East Technical Aand Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2025

14. Statement of Financial Performance for the Year Ended 30 June 2025


Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	3,063,093	2,000,000
Grants from donors and development partners	7	12,500,000	-
		<b>15,563,093</b>	<b>2,000,000</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	8	3,946,184	439,100
Rental revenue from facilities and equipment	9	208,373	-
Miscellaneous income	10	147,414	-
<b>Revenue from Exchange transactions</b>		<b>4,301,971</b>	<b>439,100</b>
<b>Total Revenue</b>		<b>19,865,064</b>	<b>2,439,100</b>
<b>Expenses</b>			
Use of goods and services	11	3,455,069	1,269,550
Employee costs	12	632,000	824,300
Board Expenses	13	195,000	356,500
Depreciation and amortization expense	14	6,495,055	-
Repairs and maintenance	15	203,540	81,460
<b>Total Expenses</b>		<b>10,980,664</b>	<b>2,531,810</b>
<b>Other Gains/(Losses)</b>			
<b>Total Other Gains/(Losses)</b>			<b>-</b>
<b>Net surplus/(deficit) for the year</b>		<b>8,884,400</b>	<b>-92,710</b>

The Financial Statements set out on pages 1 to 8 were signed by:



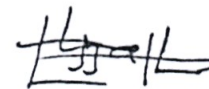
Chairman of Council/Board

Date 28<sup>th</sup> AUG 2025



Principal

Date 28<sup>th</sup> AUG 2025



Finance Officer

ICPAK No26036

Date 28/8/2025

Wajir East Technical And Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2025

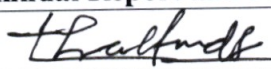
15. Statement of Financial Position as At 30th June 2025

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	16	13,569,691	47,804
Current portion of receivables from exchange transactions	17	1,609,574	3,390,673
Inventories	18	170,500	44,250
<b>Total Current Assets</b>		<b>15,349,765</b>	<b>3,482,727</b>
<b>Non-Current Assets</b>			
Long term receivables from exchange transactions	17(b)	-	2,068,804
Property, plant, and equipment	19	214,210,220	220,705,275
<b>Total Non-Current Assets</b>		<b>214,210,220</b>	<b>222,774,079</b>
<b>Total Assets (A)</b>		<b>229,559,985</b>	<b>226,256,806</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	20	113,550	62,600
<b>Total Current Liabilities</b>		<b>113,550</b>	<b>62,600</b>
<b>Non-Current Liabilities</b>			
Accrued expenses for 2022/23			223,600
<b>Total non- current liabilities</b>		<b>-</b>	<b>223,600</b>
<b>Total Liabilities (B)</b>		<b>113,550</b>	<b>286,200</b>
<b>Net Assets (A-B)</b>		<b>229,446,435</b>	<b>225,970,606</b>
<b>Represented By:</b>			
Revaluation Reserves		218,732,127	224,140,647
Accumulated Surplus		10,714,308	1,829,959
<b>Net Assets</b>		<b>229,446,435</b>	<b>225,970,606</b>

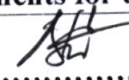
The Financial Statements set out on pages 1 to 8 were signed by:

Wajir East Technical And Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2025

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.....

Chairman of Council/Board

  
.....

Principal

  
.....

Finance Officer

ICPAK No26036

Date 28<sup>TH</sup> AUG 2025

Date 28<sup>TH</sup> AUG 2025

Date 28/8/2025

**Wajir East Technical Aand Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

**16. Statement of Changes in Net Asset for the Year Ended 30 June 2025**

<b>Description</b>	<b>Revaluation reserve</b>	<b>Accumulated Fund</b>	<b>Capital Grants/Fund</b>	<b>Total</b>
<b>At July 1, 2023</b>	<b>224,140,647</b>	<b>1,922,669</b>	-	<b>226,063,316</b>
Surplus/(deficit) for the year	-	-92,710	-	-92,710
<b>At June 30, 2024</b>	<b>224,140,647</b>	<b>1,829,959.00</b>	-	<b>225,970,606</b>
<b>At July 1, 2024</b>	<b>224,140,647</b>	<b>1,829,908</b>	-	<b>225,970,555</b>
Surplus/(deficit) for the year		8,884,400	-	<b>8,884,400</b>
Revaluation gain	-5,408,520		-	<b>-5,408,520</b>
<b>At June 30, 2025</b>	<b>218,732,127</b>	<b>10,714,308</b>	-	<b>229,446,435</b>

Wajir East Technical Aand Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2025

17. Statement of Cash Flows for the Year Ended 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities		3,063,093	2,000,000
Grants from donors and development partners		12,500,000	
Rendering of services- fees from students		2,251,896	439,100
Rental revenue from facilities and equipment		208,373	
Miscellaneous income		147,414	
<b>Total Receipts</b>		<b>18,170,776</b>	<b>2,439,100</b>
<b>Payments</b>			
Use of goods and services		3,341,519	1,398,441
Employee costs		632,000	776,000
Board Expenses		195,000	
Fuel		-	172,359
Repairs and maintenance		203,540	81,460
<b>Total Payments</b>		<b>4,372,059</b>	<b>2,483,260</b>
<b>Net Cash Flows from operating activities</b>		<b>13,798,717</b>	<b>(30,160)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(276,830)	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>13,521,887</b>	<b>(30,160)</b>
Cash and Cash equivalents at 1 JULY	16	47,804	77,969
<b>Cash and Cash equivalents at 30 JUNE 2025</b>	<b>16</b>	<b>13,569,691</b>	<b>47,804</b>

Wajir East Technical Aand Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2025

18. Statement of Comparison of Budget & Actual amounts for Year Ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
<b>Budget carryovers from the previous year*</b>	-					
<b>Receipts</b>						
Transfers from other National Government entities	2,000,000	-	2,000,000	3,063,093	(1,063,093)	153%
Grants from donors and development partners	12,500,500	-	12,500,500	12,500,000	0	100%
Rendering of services- fees from students	7,054,845	-	7,054,845	2,251,896	4,802,949	32%
Rental revenue from facilities and equipment	190,000	-	190,000	208,373	(18,373)	110%
Miscellaneous Income			0	147,414	(147,414)	-
<b>Total Receipts</b>	<b>21,745,345</b>	-	<b>21,745,345</b>	<b>18,170,776</b>	<b>3,574,069</b>	
<b>Payments</b>						
Use of goods and services	17,352,845	-	17,352,845	3,336,912	14,015,933	2%
Employee costs	2,000,000	-	2,000,000	632,000	1,368,000	32%
Board /Council Expenses	632,000	-	632,000	195,000	437,000	31%
Repairs and maintenance	1,760,000	-	1,760,000	203,540	1,556,460	12%
Contracted services			0	4,607	(4607)	-
<b>Total Expenditure Payments</b>	<b>21,744,845</b>	-	<b>21,744,845</b>	<b>4,372,059</b>	<b>17,372,786</b>	
<b>Capital Expenditure Payments</b>						
<b>Surplus</b>						

**19. Notes to the Financial Statements**

**1. General Information**

WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE was established by and derives its authority and accountability from **TVET Act No29 of 2013**. WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE is under the Ministry of Education, State department of Technical and Vocational Training. The COLLEGE is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is to Provide Technical, Vocational Education and Entrepreneurship Training geared towards Self-Reliance to meet the Labour Market needs.

**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 College's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the college

The financial statements have been prepared in accordance with the PFM Act No.18 of 24<sup>th</sup> July 2012, the State Corporations Act, the TVET Act 2013 and International Public Sector Accounting Standards (IPSAS). The Institution adopted IPSAS in the year 2019 following elevation into a SAGA. The accounting policies adopted have been consistently applied to all the years presented.

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

**i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.**

There are no new and amended standards issued in the financial year.

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.**

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

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

	<b>WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE did not apply this standard in the preparation of the accounts under review.</b>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b>Applicable 1<sup>st</sup> January 2025</b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <b>WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE did not apply this standard in the preparation of the accounts under review.</b>
IPSAS 45: Property Plant and Equipment	<b>Applicable 1<sup>st</sup> January 2025</b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. <b>WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE did not apply this standard in the preparation of the accounts under review.</b>
IPSAS 46: Measurement	<b>Applicable 1<sup>st</sup> January 2025</b> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. <b>WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE did not apply this standard in the preparation of the accounts under review.</b>
IPSAS 47: Revenue	<b>Applicable 1<sup>st</sup> January 2026</b> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. <b>WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE did not apply this standard in the preparation of the accounts under review.</b>

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

<p>IPSAS 48: Transfer Expenses</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b>  The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.  <b>WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE did not apply this standard in the preparation of the accounts under review.</b></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b>  The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.  <b>WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE did not apply this standard in the preparation of the accounts under review.</b></p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><b>Applicable 1<sup>st</sup> January 2027</b>  The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:  i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.  ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.  iii. Disclosures that identify and explain the amounts in the Wajir East TVC financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.  <b>WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE did not apply this standard in the preparation of the accounts under review.</b></p>

**iii. Early adoption of standards**

WAJIR EAST TECHNICAL AND VOCATIONAL COLLEGE did not early-adopt any new or amended standards in year 2025

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

## **Wajir East Technical And Vocational College**

### **Annual Report and Financial Statements for the year ended 30th June 2025**

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 conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

#### **ii) Revenue from exchange transactions**

##### **Rendering of services**

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

##### **Sale of goods**

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

##### **Interest income**

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

#### **b) Budget information**

The original budget for FY 2024/2025 was approved by the Council or Board 28.06.2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations FY 2024/2025 budget following the Council/ Board's approval. The Wajir East TVC budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cash flows has been presented.

**c) Taxes**

**Current income tax**

The entity is exempt from paying taxes as per First schedule **Section 10 subsection (a) and (b)** of the 2010 **income tax Act**

**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 an 55-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately). Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant and equipment**

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

**n Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is

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

**g) Intangible assets**

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

**h) Biological Assets**

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

**i) Research and development costs**

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

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

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

**j) Financial instruments**

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

**Financial assets**

**Classification**

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

**Financial liabilities**

**Classification**

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

**k) 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.

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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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.

**Inventories (Continued)**

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

**l) Provisions**

Provisions are recognized when the Entity 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 Entity 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**

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

**Contingent assets**

The Entity 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 the Entity 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.

**m) Social Benefits**

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

**n) Nature and purpose of reserves**

The Wajir East Technical And Vocational College creates and maintains reserves in terms of specific requirements.

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

The Wajir East 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.

**p) Employee benefits**

**Retirement benefit plans**

The Wajir East Technical And Vocational College provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**q) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

**r) 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.

**s) Related parties**

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

**t) Service concession arrangements**

The WAJIR EAST VOCATIONAL AND TRAINING COLLEGE analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**u) 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.

**v) Comparative figures**

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

**w) 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, 2025.

## **5. Significant Judgments and Sources of Estimation Uncertainty**

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

### **Estimates and assumptions.**

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

### **Useful lives and residual values**

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

The condition of the asset based on the assessment of experts employed by the Wajir East 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.

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.

Wajir East Technical And Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2025

6. Transfers from other National Government entities

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
Operational Grant	3,063,093	2,000,000
<b>Total unconditional Grants</b>		
<b>Conditional Grants amortised/ recognised in revenue</b>		
<b>Total Government Grants and Subsidies</b>	<b>3,063,093</b>	<b>2,000,000</b>

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of Education Ministry	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

7. Grants from Donors and Development Partners

Description	2024/2025	2023/2024
	Kshs	Kshs
In-Kind Donations	12,500,000	-
<b>Total Grants from Development Partners</b>	<b>12,500,000</b>	<b>-</b>

8. Rendering of Services

i) Revenue earned from rendering of service

Description	2024/2025	2023/2024
	Kshs	Ksh
Fees paid by student	3,946,184	439,100
<b>Total Revenue from The Rendering of Services</b>	<b>3,946,184</b>	<b>439,100</b>

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

**9. Rental revenue from facilities and equipment**

Description	2024/2025	2023/2024
	Kshs	Kshs
Hire of Facilities and Equipment	208,373	-
<b>Total</b>	<b>208,373</b>	<b>-</b>

**10. Miscellaneous Income**

Description	2024/2025	2023/2024
	Kshs	Kshs
Income from sale of tender	147,414	-
<b>Total</b>	<b>147,414</b>	<b>-</b>

**11. Use of Goods and Services**

Description	2024/2025	2023/2024
	Kshs	Kshs
Teaching and learning materials	292,250	42,381
Industrial attachment costs	15,000	
Electricity	106,122	
Water	50,000	
Security	-	25,000
Activities	87,700	
Advertising	226,000	
Examination fees	610,700	
Catering, conferences, and delegations	348,580	123,350
Travelling and accommodation	839,100	247,000
Fuel and oil	210,120	172,359
Cleaning material & services	64,000	-
Printing and stationery	284,890	44,250
Hire charges	60,000	102,500
Telephone expenses	35,000	
Administration expenses	221,000	511,650
Bank charges	4,607	1,060
<b>Total good and services</b>	<b>3,455,069</b>	<b>1,269,550</b>

**12. Employee Costs**

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries and wages	632,000	824,300
<b>Employee Costs</b>	<b>632,000</b>	<b>824,300</b>

Wajir East Technical And Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2025

13. Board/Council Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Directors Emoluments	195,000	
Other Board/Council Expenses		356,500
<b>Total</b>	<b>195,000</b>	<b>356,500</b>

14. Depreciation and Amortization expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	6,495,055	-
<b>Total depreciation and amortization</b>	<b>6,495,055</b>	<b>-</b>

15. Repairs and Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
General	203,540	81,460
<b>Total Repairs and Maintenance</b>	<b>203,540</b>	<b>81,460</b>

16. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	13,569,691	47,804
<b>Total Cash and Cash Equivalents</b>	<b>13,569,691</b>	<b>47,804</b>

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank-operation	1293057428	1,069,691	
Kenya Commercial Bank-development	1341489086	12,500,000	47,804
<b>Sub- Total</b>		<b>13,569,691</b>	<b>47,804</b>
<b>b) On - Call Deposits</b>			
<b>Sub- Total</b>			
<b>c) Fixed Deposits Account</b>			
<b>Sub- Total</b>		-	-

Wajir East Technical And Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2025

d) Staff Car Loan/ Mortgage			
Sub- Total			
Sub- Total			-
Grand Total		13,569,691	47,804

17. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	1,694,288	3,390,673
Less: Impairment Allowance (5%)	(84,714)	-
<b>Total Current Receivables</b>	<b>1,609,574</b>	<b>3,390,673</b>

(b) Long- term Receivables from Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Non-Current Receivables</b>		
Refundable Deposits	-	2,068,804
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total Non-Current Receivables</b>	<b>-</b>	<b>-</b>
<b>Total Receivables</b>	<b>-</b>	<b>2,068,804</b>

(c) Ageing Analysis of Receivables from Exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	2024/2025	% of total	2023/2024	% of the total
Less than 1 year	1,609,574	100	3,390,673	100
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (a+b)</b>	<b>1,609,574</b>	<b>100</b>	<b>3,390,673</b>	<b>100</b>

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**18 Inventories**

Description	2024/2025	2023/2024
	Kshs	Kshs
Consumable stores	100,000	44,050
Maintenance stores	25,000	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	45,500	-
Catering stores	-	-
Less: Impairment allowance	-	-
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>170,500</b>	<b>44,050</b>

**19 Property, Plant and Equipment**

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Depreciation Rate</b>		2%	12%	12.50%	20%	12%	
<b>At 1 July 2024</b>	16,480,000	188,732,755	4,163,793	600,000	10,728,727	-	220,705,275
Additions							
Disposals							
Transfers/Adjustments							
Revaluation							
<b>At 30<sup>th</sup> June 2025</b>	16,480,000	188,732,755	4,163,793	600,000	10,728,727	-	220,705,275
<b>Depreciation And Impairment</b>							
<b>At 1 Jun 2024</b>							
Charge for the year	-	-3,774,655	- 499,655	- 75,000	-2,145,745	-	- 6,495,055
Disposals							
Impairment							
<b>At 30 Jun 2025</b>	-	-3,774,655	- 499,655.00	- 75,000	-2,145,745	-	- 6,495,055
<b>Net Book Values</b>							
<b>At 30<sup>th</sup> Jun 2024</b>	16,480,000	188,732,755	4,163,793	600,000	10,728,727		220,705,275
<b>At 30<sup>th</sup> Jun 2025</b>	16,480,000	184,958,100	3,664,138.00	525,000.	8,582,982		214,210,220

Notes to the Financial Statements (Continued)

**20 Trade and Other Payables**

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade payables	113,550		286,200	
<b>Total Trade and Other Payables</b>	<b>113,550</b>		<b>286,200</b>	
<b>Ageing analysis:</b>	<b>FY 2024/25</b>	<b>% of the Total</b>	<b>FY 2023/24</b>	<b>% of the Total</b>
Under one year	113,550	100	62,600	22
1-2 years	-	-	223,6078	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (to tie to totals above)</b>	<b>113,550</b>	<b>100</b>	<b>286,200</b>	<b>100</b>

20. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
1	In accuracies' in the statements of changes in net asset	The financial statements has since been amended.	Resolved	N/A
2	Unsupported Expenditure on Domestic Travel and subsistence	The expenditure has since been supported.	Resolved	N/A
3	Unsupported Fuel Expenses	The expenditure has since been supported.	Resolved	N/A
4	Unsupported Trade and other Payables	Trade and other payables has since been supported.	Resolved	N/A
5	Unsupported Inventory Balance	The inventory balance has since been supported.	Resolved	N/A
6	Inaccuracies in fees from students	The financial statements has since been amended.	Resolved	N/A
7	Unsupported property, plant & equipment	The property, plant & equipment has since been supported.	Resolved	N/A

**Guidance Notes:**

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

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**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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Name *Adan Hassan*

Accounting Officer

(Enter title of Head of entity)

Date *28<sup>th</sup> Aug 2025*

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

**Appendix II: Projects Implemented by Wajir East Technical And Vocational College**

**Projects**

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

**Status of Projects completion**

Project title	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

**Wajir East Technical And Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2025**

**Appendix III- Inter-Entity Confirmation Letter**

Name of transferring entity .....

Name of beneficiary entity .....

**Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30<sup>th</sup> June (Current FY)**


Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
<b>Total</b>					

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

**Head of Accounts Department - Disbursing Entity:**

Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**

Name Adan Hassan ..... Sign  .....  
Date 28<sup>th</sup> July 2025 .....

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**Appendix IV: Reporting of Climate Relevant Expenditures**

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

**Wajir East Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

**Appendix V: Reporting on Disaster Management Expenditure**

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