

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

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THE AUDITOR-GENERAL

ON

**WERU TECHNICAL AND VOCATIONAL
COLLEGE**

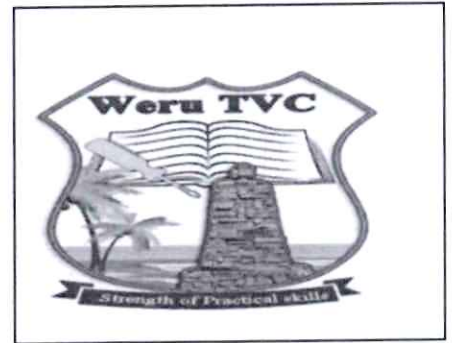
**FOR THE YEAR ENDED
30 JUNE, 2024**

KILIFI COUNTY

Revised 30th June 2024



OFFICE OF THE AUDITOR GENERAL
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Weru Technical and Vocational College

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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Weru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Institution Information and Management

(a) Background information

Weru Technical and Vocational College is a government owned Technical Training Institution established under TVET Act in 2016. It is located in Baolala location, Jilore ward, Malindi constituency, Kilifi County. It is duly registered by the Technical and Vocational Education and Training Authority (TVETA) under registration number TVEA/PUBLIC/RC/0024/2016. The institution offers Technical and Business courses with a goal to increase access to technical and business training to youths in Kenya. The construction of the college was funded by the Government of Kenya assisted by Malindi constituency Development Fund (CDF) which contributed KSh 10million and donated 10-acre piece of land where the College is premised. The institute is under the Ministry of Education.

(b) Principal Activities

The principal activity is to offer technical and business courses geared towards increasing technical and business skills to Kenyan Youths.

(c) Key Management

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

- Board of governors
- Principal
- Finance
- Procurement

Key institution Information and Management (Continued)

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Julius Kasuva
2.	Deputy principal Administration	Andrew Mogo
3.	Deputy principal Academics	Margaret Sanda
4.	Registrar	Neville Barasa
5.	Dean of students	Benedict Nzioki
6.	Head of Finance	Sebastian Chembe
7.	Head of Procurement	Haroun Deche

(e) Fiduciary Oversight Arrangements

- Audit and Risk Management Committee
- Finance and General-Purpose Committee
- Academic Implementation Committee

(f) Institution Headquarters

P.O. Box 5227-80200
Malindi – Sala Gate Road
Malindi, Kenya

(g) Institution Contacts

Telephone: 0741315608
E-mail: werutvc@gmail.com
Website: www.werutvc.ac.ke

(h) Institution Bankers

Kenya Commercial Bank,
Malindi-Branch
P.O. Box 9-80200
Account Number: 1217145907

Other Commercial Banks:

National Bank of Kenya
Malindi -Branch
Account Number :01071240374700



(i) Independent Auditors

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



(I) Principal Legal Adviser

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



3. Board of Governors

	<p>Chairman BOG: Mr. James Matole Tuva</p>	<p>Mr. James Matole Tuva was born on 10th October 1978. He is the Chairman of the Board. He holds a Bachelor in Business and Information Technology from Jomo Kenyatta University of Agriculture Technology. He worked ICT-Authority (Presidential Digital Talent Program-cohort III).</p>
	<p>Board Member: Mr. Alfred M. Fondo</p>	<p>Mr. Alfred Masha Fondo. He was born on 10th July 1955. He is a member of the Board, a member of Academic and Audit committee. He holds a bachelor of Education science from University of Nairobi. He served at total quality training consultant ltd Nairobi Kenya as Executive Director.</p>
	<p>Board Member: Mr. Rashid Bavu Kurera</p>	<p>Mr. Rashid Bavu Kurera was born on 12th April 1966. He is a member of the Board and Chair Finance and Human Resource Committee. He holds MBA (Strategic Management) from Jomo Kenyatta University of Agriculture and Technology and Bachelors in Education from Moi University. He served as a sales manager (2013 – 2018) and Sales Executive (2010 – 2013) in CMC Motors Group Limited–Mombasa.</p>
	<p>Board Member: Mr. Timothy Mwajanji Murabu</p>	<p>Mr. Timothy Mwajanji Murabu was born on 3rd November 1993. He is a member of the Board and Finance committee. He holds Bachelors in Electrical and Electronic Engineering from Technical University of Mombasa. He served as instrumentation and control Engineering Technician at Athi-River Mining ltd as from 2019 – to date.</p>
	<p>Board Member: Ms. Nancy Saumu Pite</p>	<p>Ms. Nancy Saumu Pite is a member of the board and Chair of the Academic/Education Committee. She was born on 7th of July 1983. She holds degree Bachelors in Science. Forestry facilitator at Gatsby Africa. She was a board of trustee – Kenya Wildlife Service (KWS). She served as board of management member at Bale Secondary school.</p>


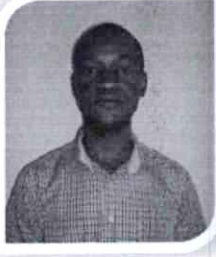
Weru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

 <p>Board Member: Ms. Philister Kathunu Kahindi</p>	<p>Ms. Philister Kathumu Kahindi. She was born on 12th of February 1985. She is a member of the Board and Chair of the Audit Committee. She holds Bachelor of Commerce (Accounting option). She is a Chief Internal Auditor – County Government of Kilifi.</p>
<p>Principal : Mr.Julius M. Kasuva Secretary to the Board</p> 	<p>Mr. Julius Kasuva was born on 20th October 1975. He is the secretary to the Board and the Accounting Officer of the college. He holds masters of instructional design and technology.</p>

4. Key Management Team

 <p>Principal Mr. Julius M. Kasuva. Mr. Julius Kasuva was born on 20th October 1975. He is the secretary to the Board and the Accounting Officer of the college. He holds masters of instructional design and technology.</p>	<p>Duties & Responsibilities:</p> <ul style="list-style-type: none"> • Setting performance objectives for trainers and trainees • Implementing and monitoring school policies and safety protocols • Overseeing administrative tasks e.g., updating employee records • Oversee day-to-day school operations • Manage institute logistics and budgets • Set learning goals for trainees and trainers based on national curricula • Monitor and report on trainer’s performance • Present data from Institute performance to board members • Research new resources and techniques to improve training • Interview and hire institute personnel • Review and implement institute policies • Provide guidance and counselling to trainers • Handle emergencies and institute crises • Organize institute events and assemblies • Ensure a safe and clean environment for trainees (e.g. implementing hygiene rules) • Attend conferences to gain knowledge on current educational trends
 <p>Deputy Principal Planning Administration & Finance Mr. Andrew Mogo ID 21823102 was born on 28th January 1980. He holds Master in Science Project Management from JKUAT year 2021, Bachelors in Science Civil Engineering from JKUAT year 2015, Higher Diploma in Civil Engineering from Kenya Polytechnic year 2007, Diploma in Technical Education from KTTC</p>	<p>Duties & Responsibilities:</p> <ul style="list-style-type: none"> • Teaching the subject of specialization. • Planning, organizing and monitoring of all the administration activities • Ensure instructional material are sourced, available and utilized by the trainers and trainees. • Coordinate staff appraisal. • Maintenance and safety of equipment • Networking with other departments on teaching and extra-curricular activities • Preparation of departmental timetable and harmonization with HODs • Submission of quarterly performance reports as and when required • Validation of data for continuing KUCCPS trainees to gain capitation • Maintaining of proper records of trainers and trainees

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Annual Report and Financial Statements for the year ended 30th June 2024

<p>and Diploma in Civil Engineering from Mombasa Polytechnic year 2002. He has worked with H young (EA) 2008 – 2013, TSC teacher 2014 – 2015, KRA Ass. Property Officer 2015 – 2018. He joined Weru TVC as a trainer in 2019 under PSC up to date.</p>	<ul style="list-style-type: none"> • Record-keeping of fees paid per trainee and follow up of owing balances • Make prior arrangements for attachment when due
 <p>Deputy Principal Academics Ms. Margaret Sanda ID 28642166 was born on 14th January 1991. She holds a Bachelor of Science in Information Sciences from Maasai Mara University year 2015. She has a working experience of 6 years. She joined Weru TVC on 16th February 2020.</p>	<p>Duties & Responsibilities:</p> <ul style="list-style-type: none"> • Teaching the subject of specialization. • Maintenance of students' academic records. • Coordination of promotion of all academic programmes. • Coordination of verification of graduation data. • Coordination of certification of graduating students. • Preparation and monitoring of departmental annual budget. • Supervision and guidance of BOG staff. • Overall supervision and guidance of departmental staff. • Secretary to the heads of departments' committee meetings. • Performing any other relevant duty assigned by the Head of the Institution
 <p>Registrar Mr. Neville Barasa ID 31943170 was born on 17th September, 1994. He holds a post graduate diploma in Technical Education from Kenya School of TVET in 2023 and a Bachelor Degree in Computer Science from Pwani University in 2017. He has 7 years working experience in the technical training profession. He joined Weru in 2019 as trainer after serving as a trainer at Godoma Technical Training Institute.</p>	<p>Registrar Duties & Responsibilities:</p> <ul style="list-style-type: none"> • Teaching the subject of specialization. • Maintenance of students' academic records. • Coordination of promotion of all academic programmes. • Coordination of verification of graduation data. • Coordination of certification of graduating students. • Preparation and monitoring of departmental annual budget. • Supervision and guidance of BOG staff. • Overall supervision and guidance of departmental staff. • Secretary to the heads of departments' committee meetings. • Performing any other relevant duty assigned by the Head of the Institution

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Dean of Students

Mr. Benedict Nzioki ID 22758429 born on 24th May 1983. He holds Diploma in Automotive Engineering from MTTI year 2009, Diploma in Education Management from KEMI year 2017, Diploma in Technical Education from KTTC year 2014 and Craft Certificate in Automotive Engineering from Wote TTI. He has 10 year working experience as a trainer.

Duties & Responsibilities:

- Teaching the subject of specialization.
- General guidance and counselling of students
- Formulation and review of policies and guidelines directly related to students e.g. Students governing council.
- Overseeing the welfare of students.
- Students discipline monitoring.
- Issuance of students' ID cards to bonfide students.
- Budgeting for activities that involve students.
- Registration and monitoring clubs and societies.
- Election and running of students Government.
- Application and scrutiny of HELB loans and bursaries.
- Addressing public grievances (ombudsman).
- Resolution of students' conflicts, grievances and complaints.
- Advising Principal on decisions and social clubs and societies.

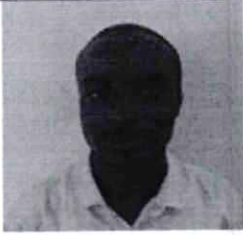


Accountant

Mr. Sebastian Chembe ID 31946642 was born on 8th July 1994. He holds Diploma in Accountancy and a Certified Public Accountancy CPA 3. Joined the college as an accountant in 2017.

Duties & Responsibilities:

- Prepare final accounts that reflect true and fair view of the financial position of the institution to ensure compliance with the statutory requirements.
- Ensure proper interpretation and implementation of financial regulations and procedures, government circulars, letters and instructional to comply with statutory requirement.
- Review funds disbursement requests from department heads, and approve as appropriate.
- Advise the institution management on all financial matters.
- Oversee preparation and submission of statutory reports.
- Develop the institution budget.
- Maintain inventory of all bank accounts to monitor the liquidity status of the institution.
- Ensure availability of funds for day-to-day activities for efficient and effective running of the institution.
- Sign cheques and vouchers within the required/set threshold for prudent and timely execution to enhance smooth running of the institution's operations.



Procurement officer

Mr. Haroun Haro Deche ID 32468621 was born on 28th October 1995. He holds Bachelor's degree in Purchasing and Supplies Management. He is a member of Kenya Institute of Supplies Management (KISM). He is a licensed Supplies Practitioner and also a member of Institute of Internal Auditors of Kenya. He joined the college as a procurement officer in 2019.

Duties and Responsibilities:

- Develop and implement the institution procurement strategy to ensure timely procurement of goods and services
- Present procurement reports to the management to ensure proper recommendations on the gaps identified
- Coordinate and monitor the implementation of the board procurement recommendations to ensure the implementation meets the set timelines and is compliant with Public Procurement Act and Regulations
- Coordinate the preparation of the procurement work plan to ensure the timely delivery of goods and services
- Coordinate timely preparation of the institution procurement budget to ensure sufficient resources are allocated for the implementation of the procurement plan.
- Ensure proper maintenance of records and documents for easy retrieval of information when required.

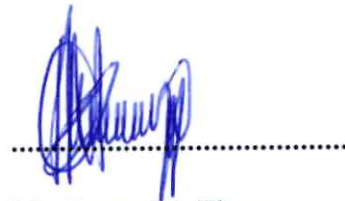
5. Chairman's Statement

Weru Technical and Vocational College is well placed to provide adequate and relevant knowledge and skills to the trainees which will enable them to contribute towards the attainment of our country vision 2030 strategic objectives and supporting the drive in realising the objectives of the National Government Big Four agenda. In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate academic programs in several ways that will ensure their competitiveness in terms of quality and relevance. The sources of funding to the technical at the end of this period i.e. 30th June 2024, was internally generated revenue {Appropriations-rendering of services and students' capitation for the continued students and Government scholarship on the new funding model and other incomes. The Total income for the year were ksh.52,488,393. The recurrent expenditure totalled KSh.32,213,201. The college closed the year with a Surplus of Ksh.20,275,192.00

The college requires a lot of support from the National Government and other stakeholders in terms of funding, material support and other contributions.

We shall continue to appeal for such support for several years to come. On behalf of the college, I take this opportunity to thank the national government for its support. I also appreciate the management team all staff and our students for their cooperation during this period. I wish to register my gratitude to them all.

I look forward to their continued support in the new financial year and the subsequent periods ahead.



Mr. James M. Thuva
BOG Chairman

Date: **07.05.2025**

6. Report of the Principal

Projects.

During the year, Weru Technical Training Institute partnered with the National Youth Service to impact skills of self-reliance to **Dear Stake holders,**

Weru Technical and Vocational College has continued to position itself as the leading technical training institution in the region. In line with the Institute growth aspirations, the strategic plan (2023-2027) was reviewed in the year ending June 2023. The strategic plan was reviewed on the basis of the vision 2030 and other strategic priorities of the government as outlined in the constitution of Kenya 2010. Our commitment to service delivery, efficiency and leadership.

The Core core values of uprightness and honesty, transparency and accountability, integrity, respect for change, prudent environmental management, professionalism, respect for cultural diversity, provision of equal opportunities for all and respect for humanity have played a great role in realizing the Institute's dream of impacting skills for self-reliance.

The college planned for and embarked on infrastructure development in order to increase access to technical education. the Institute lead by the Board of Governors joint efforts in building capacity in mentees personnel, employing participatory development and collaborative principles to enhance capability and institutional knowledge transfer as part of a wider change management process.

Operational and Financial Performance.

The Institute continues to deliver on its key mandate to providing quality training in technical, vocational and entrepreneurship skills for sustainable development. This financial year recorded a surplus of Ksh.20,275,192 which was a rise compared to last financial year which recorded a surplus of Ksh. 7,199,857

Compliance with Statutory Requirements.

During the period under review, the College complied with all its statutory obligations including compliance with Public Procurement Regulations, remittance of PAYE, NHIF and NSSF within the stipulated deadlines. The college does not foresee any potential for contingent liabilities arising from non-compliance with statutory obligations.

Major Risks and Challenges Facing the Institution.

Weru Technical Training Institute continues to face pressure on existing resources due to inadequate learning infrastructure exacerbated by the increasing students' enrolment. The teachers and non-teaching staff to student ratio remains low. Budgetary constraints have contributed to stalled projects.

Weru Technical and Vocational College
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Report of The Principal (Continued)

Future Outlook.

We are looking forward to acquire the ISO 9001:2005 certification and strategic plan (2023 - 2027) to guide the Institute's future developments, improve service delivery and achieve set goals and objectives. We also anticipate an increase in students' enrolment, attain adequate staffing levels and improve learning infrastructure. Our ultimate objective is to acquire polytechnic status.

Conclusion.

During the year under review, the Institute has introduced several new initiatives and measures to make its services more efficient and accessible. I take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate.

I commend the Board, Management and staff for their tireless efforts and commitment to the attainment of Weru Technical and Vocational College set targets. I am truly honoured to serve alongside you as we endeavour to redefine the role played by Weru Technical Training Institute and drive the Institute towards the realization of its strategic goals and objectives.

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



Date: 07.05.2025

Mr. Julius Kasuva

Principal

7. Statement of Performance against Predetermined Objectives

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

Weru Technical and Vocational College has 4 strategic pillars and objectives within its Strategic Plan for the FY2023-2027. These strategic pillars are as follows:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Human Resource Development	To improve human resource capacity	Number of additional BOG staff engaged.	Employ more BOG staff	Additional BOG staff employed.
Pillar 2:	ICT	To fully integrate ICT in the Institute.	Number of ICT equipment purchased	Purchase additional ICT equipment for the Institute	ICT equipment purchased
Pillar 3:	Gender and youth development	To develop responsible youth to contribute to national development	Number and type of information provided	Provision of information	Information on drugs provided
Pillar 4:	Education and training	New and modern methods of Training enhanced	Number of new techniques introduced	New and modern methods of Training enhanced	Modern Training techniques in place

8. Corporate Governance Statement

The Weru Technical and Vocational College, is committed to the values and principles of good corporate governance as an integral part of corporate culture and guides the manner in which its Governors, management, staff and students conduct the business of the organisation. As a public-sector organization dedicated to providing quality service to its stake holders, the Institution decisions are guided by the core tenets prescribed in the public Officers Ethics Act, The leadership and Integrity Act, The Authorities Code of Conduct, corporate Governance guidelines Board and Board Committee Charters. The Institution endeavours to develop, strengthen and sustain the trust that the Government, employees, students and public has placed in it. The board is committed to regularly evaluate national and international emerging standards in responsible, transparent and efficient management with a view of enhancing corporate governance at the Institution and consistently deliver on its statutory mandate.

Role of the Board of Governors

The primary function of the Board of Governors '(The Board) is to provide effective strategic leadership and direction to enhance the long-term achievement of Weru Technical and Vocational College strategic plan. The strategic plan overall objective is to enhance the achievement of the institute's objectives on priority basis and in line with the policies of the Ministry of Education (MOE), the Vision 2030 and the big 4 agenda of the government.

The Board Size, Composition and Independence

The Board consists of 9 Governors. The Board composition draws a good mix of skills, experience and proficiencies in various fields. The Governors' Biographies are shown on page v – vi.

Board Remunerations

The non-executive Board members are paid sitting allowances for every meeting attended. Governor's fees are paid to non-executive Board members who are not representing any Government institution.



Date: 07.05.2025

Mr. Julius M. Kasuva

Principal/Secretary BOG

9 Management Discussion and Analysis

Weru Technical and Vocational College has continued to position itself as the leading technical training institution in the region. In line with the Institute growth aspirations, the strategic plan (2023-2027) was reviewed in the year ending June 2023. The strategic plan was reviewed on the basis of the vision 2030 and other strategic priorities of the government as outlined in the constitution of Kenya 2010. Our commitment to service delivery, efficiency and leadership.

The College core values of uprightness and honesty, transparency and accountability, integrity, respect for change, prudent environmental management, professionalism, respect for cultural diversity, provision of equal opportunities for all and respect for humanity have played a great role in realizing the Institute's dream of impacting skills for self-reliance.

The college planned for and embarked on infrastructure development in order to increase access to technical education. This included improvement of other facilities aimed at accommodating the increasing students' enrolment.

In addition to overseeing construction, implementation and accountability of funds, the College lead by the Board of Governors joint efforts in building capacity in mentees personnel, employing participatory development and collaborative principles to enhance capability and institutional knowledge transfer as part of a wider change management process.

During the period under review, the College complied with all its statutory obligations including compliance with Public Procurement Regulations, remittance of PAYE, NHIF, NSSF and HELB within the stipulated deadlines. The Institute does not foresee any potential for contingent liabilities arising from non-compliance with statutory obligations.

The College continues to face pressure on existing resources due to inadequate learning infrastructure exacerbated by the increasing student enrolment. The teachers and non-teaching staff to student ratio remains low. Budgetary constraints have contributed to stalled projects.

We are looking forward to acquire the ISO 9001:2005 certification and strategic plan (2023 - 2027) to guide the Institute's future developments, improve service delivery and achieve set goals and objectives. We also anticipate an increase in student enrolment, attain adequate staffing levels and improve learning infrastructure. Our ultimate objective is to acquire polytechnic status.

During the year under review, the Institute has introduced several new initiatives and measures to make its services more efficient and accessible. I take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate.

10. Environmental And Sustainability Reporting Statement

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

The College is committed to the maintenance of principled standards, respect and accountability across all its activities; this include and not limited to the following;

- Treating employees with fairness and respect, support staff development through allowing its staff to attend trainings and workshops, volunteering in community and county, and national government activities
- The student council has a budget on community day where students visit children home around Malindi and in the Coast region, they also participate in cleaning and tree planting in Malindi town during environmental days.
- Our students mostly reside in Weru and other areas around Baolala market which has boasted local Investor who have rental houses and cafeteria respectively.

The College shall continue to collaborate with all stakeholders on issues that benefit the development of the country, growth of industries as well as giving back to the society. Weru Technical and Vocational College therefore shall continue to play its crucial role towards attainment of vision 2030 and the "Big Four Agenda" as spelt out clearly in the Government priorities areas under the social, political and economic pillars.

11. Report of the Board of Governors.

The Board members submit their report for the year ended June 30, 2024 which show the state of Weru Technical and Vocational College affairs.

Principal activities

The principal activity is to offer technical and business courses geared towards increasing technical and business skills to Kenyan Youths.

Results

The results of the entity for the year ended June 30, 2024 are set out on pages 1 to 31

Board of Governors

The members of the Board who served during the year are shown on page v and vi.

Auditors

The Auditor General is responsible for the statutory audit of the Weru 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



Date: 07.05.2025

Mr. Julius M. Kasuva
Principal/Secretary BOG

Weru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

12. Statement of Management Responsibilities

Section 81 of the Public Finance Management Act, 2012, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the board of governors to prepare financial statements in respect of Weru Technical and Vocational College, which give a true and fair view of the state of affairs of the Weru Technical and Vocational College at the end of the financial year/period and the operating results of the Weru Technical and Vocational College for that year/period. Board of governors are also required to ensure that the Weru Technical and Vocational keeps proper accounting records which disclose with reasonable accuracy the financial position of the college.

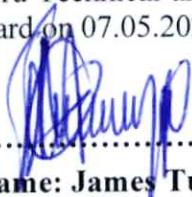
The Board of governors are responsible for the preparation and presentation of the Weru Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of the Weru Technical and Vocational College for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Weru Technical and Vocational College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of governors are of the opinion that the Weru Technical and Vocational College financial statements give a true and fair view of the state of Weru Technical and Vocational College transactions during the financial year ended June 30, 2024, and of the Weru Technical and Vocational College financial position as at June 30, 2024. The Board of Governors further confirm the completeness of the accounting records maintained for the Weru Technical and Vocational which have been relied upon in the preparation of the Weru Technical and Vocational College financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Weru Technical and Vocational College financial statements were amended and approved by the Board on 07.05.2025 and signed on its behalf by:



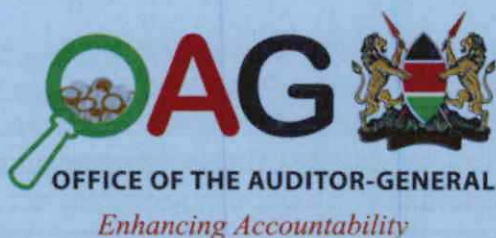
.....
Name: James Tuva Matole
Chairperson of the Board



.....
Name: Julius M. Kasuva
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON WERU TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024 - KILIFI 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.
- 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 Weru Technical and Vocational College – Kilifi County set out on pages 1 to 32, which comprise the statement of financial

position as at 30 June, 2024 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 Weru Technical and Vocational College – Kilifi County as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education Training Act, 2013

Basis for Qualified Opinion

1. Unsupported Employee Costs

The statement of financial performance reflects expenditure in respect of employee costs totalling to Kshs.10,400,652 as disclosed in Note 11 to the financial statement. However, the payroll was not provided for audit review.

In the circumstances, the accuracy and completeness of the expenditure on employee costs totalling to Kshs.10,400,652 could not be confirmed.

2. Inaccuracies in the Statement of Financial Position

The statement of financial position reflects total net assets and liabilities balance of Kshs.87,825,931 while the recomputed balance is Kshs.97,507,482 resulting to unexplained variance of Kshs.9,681,551. In addition, the recomputed total net assets and liabilities balance vary by Kshs.21,391,158 from the net assets balance of Kshs.76,116,324 rendering the statement of financial position not to balance.

In the circumstances, the accuracy and completeness of the statement of financial position could not be confirmed.

3. Inaccuracies in the Statement of Cashflows

The statement of cashflows reflect balances that vary from recomputed balances as indicated below:

Description	Statement of Cashflows (Kshs)	Recomputed Balance (Kshs)	Variance (Kshs)
Net increase in cash and cash equivalents	412,368	5,179,146	4,766,778

Description	Statement of Cashflows (Kshs)	Recomputed Balance (Kshs)	Variance (Kshs)
Cash and cash equivalents as at 1 July, 2023	2,611,391	11,176,572	8,565,181
Cash and cash equivalents as at 30 June, 2024	3,023,759	16,355,718	13,331,959

The variances have not been explained. In addition, the statement of cashflows reflects a comparative net decrease in cash and cash equivalents balance of Kshs.2,357,132 while the recalculated balance is a net increase in cash and cash equivalents balance of Kshs.6,208,049 resulting to unexplained variance of Kshs.8,565,181. Further, the statement reflects a comparative cash and cash equivalent balance as at 30 June, 2023 of Kshs.2,611,391 while the recalculated balance is Kshs.11,176,572 resulting to a variance of Kshs.8,565,391 attributed to the variance in net increase/decrease in cash and cash equivalents balance.

In the circumstances, the accuracy and completeness of the statement of cashflows could not be confirmed.

4. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.3,023,759 as disclosed in Note 15 to the financial statements. However, included in this balance is a bank balance of Kshs.3,017,491 whose cash books, certificate of bank balances and bank reconciliation statements were not provided for audit. In addition, the statement reflects cash and cash equivalents balance of Kshs.3,023,759 while the statement of cash flows reflects a corresponding recalculated balance of Kshs.16,355,718 resulting to unexplained variance of Kshs.13,331,959.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalent balance of Kshs.3,023,759 could not be confirmed.

5. Unsupported Current Portion of Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.18,320,443. However, the movement schedule from the prior year balance of Kshs.18,611,304 to the current balance and the detailed supporting schedule has not been provided for audit. Further, the balance includes receivables of Kshs.7,172,278 which have been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy, completeness and full recoverability of the current portion of receivables from exchange transactions balance of Kshs.18,320,443 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Weru Technical and Vocational College – Kilifi County 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 and actual on a comparable basis of Kshs.79,690,000 and Kshs.52,488,393 respectively, resulting to under-funding of Kshs.27,201,607 or 34% of the budget. However, the College spent a balance of Kshs.32,213,201 against actual revenue of Kshs.52,488,393 resulting to an under-utilization of Kshs.20,275,192 or 39% of actual revenue.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, even though Management indicated two (2) of the four (4) issues as having been resolved, the resolution process has not been supported in the absence of which the issues remained unresolved as at 30 June, 2024.

Other Information

The Management is responsible for the other information set out on page iii, to xx, which comprise of Key Entity Information and Management, The Board of Governors, Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors, Statement of Management 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.

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

Basis for Conclusion

1. Unsupported Construction of Workshop

The statement of financial position reflects property, plant and equipment balance of Kshs.64,131,173, included in the balance is Kshs.3,574,012 as disclosed in Note 19 to the financial statements relating to construction of student workshop. However, procurement documents such as bills of quantities, tender award notification, acceptance letter, opening minutes, evaluation and inspection and acceptance certificate and project implementation status report were not provided for audit. This was contrary to Section 70 (1) and (2) of the Public Procurement and Asset Disposal Act, 2015, on standard tender documents, which provides that the Authority shall issue standard procurement and asset disposal documents and formats as prescribed for use by procuring entities and that a procuring entity shall use standard procurement and asset disposal documents in all procurement and asset disposal proceedings.

In the circumstances, the value for money of Kshs.3,574,012 could not be confirmed and Management was in breach of the law.

2. Lack of Approved Staff Establishment and Scheme of Service

Records provided for audit indicated that the College had a total of fifty-nine (59) employees as at 30 June, 2024. However, Management did not provide an approved staff establishment and scheme of service for audit review.

In the circumstances, it was not possible to evaluate whether the college had the optimal staff levels to execute its mandate effectively and efficiently.

3. Engagement of Unlicensed and Unregistered Trainers

Records provided for audit revealed that seven (7) staff members employed by the Board were not registered and licensed as trainers contrary to Section 23(1) of the Technical

and Vocational Education and Training Act, 2013 which provides that any person who intends to become a trainer in an institution shall apply for licensing and registration by the Board in accordance with the provisions of the Act. Further, Regulation 13(a) of Technical and Vocational Education and Training Act Regulations, 2015 requires that the Management of every institution shall ensure that trainers are qualified in their area of specialization, and registered and licensed in accordance with the Act.

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

Basis for Conclusion

1. Lack of Audit Committee and Internal Audit Function

During the year under review, the Institute had not constituted an internal audit unit as required by Regulation 166 (1) of the Public Finance Management (National Government), 2015 which provides that each year the internal audit unit of a national government entity shall assess its own effectiveness through an internal performance appraisal and shall carry out annual review of the performance of the internal audit activity commenting on its effectiveness in the annual report to National Treasury. Further, Regulation 166(2) provides that each year the Audit Committee shall carry out annual review of the independence, performance and competency of the internal audit unit and comment on their effectiveness in the annual report.

In the circumstances, the college did not benefit from the oversight rule and advice from the committee and the internal audit function.

2. Undisclosed Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.64,131,173 as disclosed in Note 19 to the financial statements. However, the detailed schedule indicating the description of asset, date of acquisition, cost and tag

number were not provided. In addition, the balance excludes the cost of land on which the institution sits and one(1) motor vehicle in use by the college. Further, the ownership documents and valuation reports were also not provided for audit while information available indicates that the College owns several undisclosed assets that have no value, received from the Ministry of Education.

In the circumstances, the ownership and safe custody of property, plant and equipment balance 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 Those Charged with Governors

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

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

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


Auditor-General's Responsibilities for the Audit

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

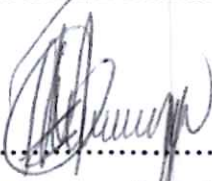
26 May, 2025

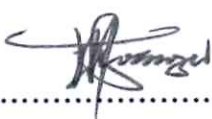
**Weru Technical and Vocational College
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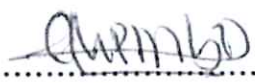
14. Statement of Financial Performance for The Year Ended 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from non-Exchange transactions			
Transfers from other National Government entities	6	11,714,387	26,055,300
Grants from donors and development partners	7	4,422,775	1,000,000
		16,137,162	27,055,300
Revenue from Exchange transactions			
Rendering of services- fees from students	8	31,041,398	15,576,265
Other Income	9	5,309,833	6,251,750
Revenue from Exchange transactions		36,351,231	21,828,015
Total Revenue		52,488,393	48,883,315
Expenses			
Use of goods and services	10	16,609,536	23,843,959
Employee costs	11	10,400,652	10,199,905
Board Expenses	12	1,244,000	718,624
Depreciation and amortization expense	13	3,508,385	3,251,757
Repairs and maintenance	14	450,628	3,669,213
Total Expenses		32,213,201	41,683,458
Net surplus for the year		20,275,192	7,199,857

The Financial Statements set out on pages 6 to 31 were signed by:


.....
Chairman of the Board


.....
Principal


.....
Finance Officer

Date: 07.05.2025

Date: 07.05.2025

Date: 07.05.2025

Weru Technical and Vocational College
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15. Statement of Financial Position as at 30th June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	3,023,759.2	2,611,391
Current portion of receivables from exchange transactions	16(a)	18,320,443	18,611,304
Receivables from non-exchange transactions	17	500,000	-
Inventories	18	1,405,116	2,519,393
Total Current Assets		23,249,318	23,742,088
Non-Current Assets			
Long term receivables from exchange transactions	16(b)	-	267,100
Property, plant, and equipment	19	64,131,173	60,239,355
Intangible assets	20	445,440	556,800
Total Non-Current Assets		64,576,613	61,063,255
Total Assets (A)		87,825,931	84,805,343
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	21	10,696,542	18,478,404
Refundable deposits from customers	22	1,013,065	981,825
Total Current Liabilities		11,709,607	19,460,229
Non-Current Liabilities		-	-
Total Liabilities (B)		11,709,607	19,460,229
Net Assets (A-B)		76,116,324	65,345,114
Represented By:			
Capital and Reserves		-	19,460,229
Cumulative Accumulated Surplus		20,275,192	4,440,167
Capital Fund		64,338,314	60,764,302
Total Net Assets and Liabilities		87,825,931	84,805,343

The Financial Statements set out on pages 6 to 31 were signed by:

.....
Chairman of the Board

.....
Principal

.....
Finance Officer

Date: 07.05.2025

Date: 07.05.2025

Date: 07.05.2025

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

Description	Retained Earnings	Capital Fund	Total
At July 1, 2022	5,694,119	60,764,302	66,458,421
Total Comprehensive Income	7,199,857	-	7,199,857
At June 30, 2023	12,893,976	60,764,302	73,658,278
At July 1, 2023	12,893,976	60,764,302	73,658,278
Total Comprehensive Income	20,275,192	-	20,275,192
Capital grants received for the year	-	3,574,012	3,574,012
At June 30, 2024	33,169,168	64,338,314	97,507,482

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	11,714,387	26,055,300
Grants from donors and development partners	7	4,422,775	1,000,000
Rendering of services- fees from students		20,041,398	15,576,265
Other Income		3,249,618	6,251,750
Total Receipts		39,428,178	48,833,315
Payments			
Use of goods and services		16,609,536	23,843,959
Employee costs		10,400,652	10,199,905
Board Expenses		1,244,000	718,624
Repairs and maintenance		450,628	3,669,213
Total Payments		28,704,816	38,432,196
Net Cash Flows from operating activities		10,723,362	10,401,119
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(5,544,216)	(4,193,070)
Net cash flows used in investing activities		(5,544,216)	(4,193,070)
Cash flows from financing activities			
Net Increase/(Decrease) in Cash and Cash equivalents		412,368	(2,357,132)
Cash and Cash equivalents at 1 JULY	15	2,611,391	4,968,523
Cash and Cash equivalents at 30 JUNE	15	3,023,759	2,611,391

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	-	-	-	11,714,387	-	100%
Grants from donors and development partners	-	-	-	4,422,775	-	100%
Rendering of services- fees from students	57,736,000	-	57,736,000	31,041,398	26,694,602	54%
Other Income	21,954,000	-	21,954,000	5,309,833	16,644,167	24%
Total Income	79,690,000	-	79,690,000	52,488,393	27,201,607	34%
Expenses						
Use of goods and services	66,847,692	-	66,847,692	16,609,536	50,238,156	75%
Employee costs	9,736,000	-	9,736,000	10,400,652	664,652	100%
Board Expenses	1,506,308	-	1,506,308	1,244,000	262,308	83%
Repairs and maintenance	1,600,000	-	1,600,000	450,628	1,149,372	28%
Total Expenditure	79,690,000	-	79,690,000	32,213,201	52,098,598	35%
Surplus For the Period				20,275,192		

1. Performance difference is due to the decrease in capitation grants received in the year of under review for 2023-2024 FY.
2. The number of students enrolled for the financial year 2023-2024 was lower than the projected in the approved budget.

Weru Technical and Vocational College
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19. Notes to the Financial Statements

1. General Information

Weru was established by and derives its authority and accountability from Tvet Act. The college is wholly owned by the Government of Kenya and is domiciled in Kenya.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *college* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *college*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

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

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Annual Report and Financial Statements for the year ended 30th June 2024

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

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b) Budget information

The original budget for FY 2023-2024 was approved by the Board on 31.01. 2023. *The* entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page under section of these financial statements.

c) 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.

d) 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.

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e) 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. **The depreciation rate is 20% p.a on reducing balance.**

f) 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.

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

Subsequent measurement

Based on the business model and the cash flow characteristics, 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.

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

h) Inventories

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

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

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

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

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*.

i) Provisions

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

Contingent liabilities

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

Contingent assets

The *college* does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of 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.

j) Social Benefits

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

k) Nature and purpose of reserves

The *college* creates and maintains reserves in terms of specific requirements.)

l) Changes in accounting policies and estimates

The *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.

m) Employee benefits

Retirement benefit plans

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

n) Foreign currency transactions

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

o) 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.

p) Related parties

The *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 college, or vice versa. Members of key management are regarded as related parties and comprise the directors, the principal and senior managers.

q) Service concession arrangements

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

r) 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.

s) Comparative figures

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

t) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *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 college. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the *college*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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6. Transfers from other National Government entities

Description	2023-2024	2022-2023
	Kshs	Kshs
Unconditional Grants		
Capitation /Scholarship Grants	10,178,387	5,754,000
Recurrent Grant	1,500,000	-
NYS	-	-
Other Grants	36,000	20,301,300
Total unconditional Grants	11,714,387	26,055,300
Conditional Grants amortised/ recognised in revenue		
Library Grant		
Hostels Grant		
Administration Block Grant		
Laboratory Grant		
Learning Facilities Grant		
Other Organizational Grants		
Total Government Grants and Subsidies	11,714,387	26,055,300

(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	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of Technical	11,678,387	-	-	11,678,387	5,754,000
CICAN	36,000	-	-	36,000	
NYS	-	-	-	-	20,301,300
Total	11,714,387	-	-	11,714,387	26,055,300

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7. Grants from Donors and Development Partners

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
CICAN- Research Grant	3,422,775	-
World Bank Grants	-	-
In-Kind Donations	-	-
Donations transferred to revenue-conditions met	-	-
Other Grants KCB Foundation	1,000,000	1,000,000
Total Grants from Development Partners	4,422,775	1,000,000

8. Rendering of Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Fees	21,504,504	3,160,820
Activity Fees	1,080,848	1,916,390
Industrial Attachment Fees	626,200	1,105,100
Local Transport and Travel	1,146,762	1,058,095
Personal Emoluments	4,582,998	6,603,380
Electricity and Water	1,244,586	1,140,115
Repair and Maintenance	855,500	592,365
Total Revenue from The Rendering of Services	31,041,398	15,576,265

9. Other Income

Description	2023-2024	2022-2023
	Kshs	Kshs
Examination Fees	2,448,078	2,290,180
Registration Fees	160,400	94,700
Student Council	116,900	327,510
Student College Id	6,800	119,400
Examination Materials Fees	167,000	1,257,600
Accommodations	84,800	1,504,880
Development Fund	-	423,000
Miscellaneous Income	2,325,855	225,480
Total Other Incomes	5,309,833	6,251,750

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10. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Industrial attachment costs	139,360	101,850
Electricity	179,299	346,600
Water	492,599	387,200
Security	1,096,950	780,000
Professional and consultancy services	-	-
Subscriptions Katti	50,000	-
Advertising	308,615	99,500
Examination fees and Examination Materials	3,432,434	7,079,311
Audit fees	-	250,000
Catering	4,809,499	8,189,119
Fuel and oil	271,000	329,300
Activities	283,120	775,910
Student Welfare	110,155	48,300
Administration Costs	3,805,732	2,681,424
Printing and stationery	-	775,910
Bank charges	34,363	18,813
Telephone expenses	312,000	247,500
Internet expenses	304,780	197,184
Performance contract expense	477,620	1,264,023
Student College Id	33,000	54,000
Administration stationery Expense	-	13,340
Automotive Department Expense	-	59,630
Student Hostel (Rent)	469,010	-
Total good and services	16,609,536	23,843,959

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11. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	6,645,618	7,320,250
Employee related costs - contributions	-	-
Local, Travel, accommodation, subsistence	3,108,075	2,487,757
Social contributions	646,959	391,898
Employee Costs	10,400,652	10,199,905

12. Board Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Other Allowances	-	-
Other Board Expenses	1,244,000	718,624
Total	1,244,000	718,624

13. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	3,397,025	3,251,757
Intangible assets	111,360	-
Total depreciation and amortization	3,508,385	3,251,757

14. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Equipment and machinery	450,628	3,468,413
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	200,800
Total Repairs and Maintenance	450,628	3,669,213

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15. (a) Cash and Cash Equivalents

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Current Account	3,017,491.2	2,603,713
Others (Cash at Hand)	6,268	7,678
Total Cash and Cash Equivalents	3,023,759.2	2,611,391

15 (b). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2023-2024 FY	2022-2023FY
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1217145907	856,414.95	2,375,833
Kenya Commercial Bank	1320948855	2,133,696.25	-
National Bank	01071240374700	27,380	227,880
Sub- Total		3,017,491.2	2,603,713
Cash in Transit			
Cash in Hand	121714590	6,268	7,678
Sub- Total		6,268	7,678
Grand Total		3,023,759.2	2,611,391

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16. Receivables from Exchange transactions

16 (a) Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Student Debtors	18,320,443	18,611,304
Total Current Receivables	18,320,443	18,611,304

16 (b) Long- term Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	267,100
Total Receivables	-	267,100

16 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2022-2023	2022-2023
	Kshs	Kshs
Less than 1 year	11,148,165	-
Between 1-2 years	7,172,278	18,611,304
Between 2-3 years	-	-
Total (a+b)	18,320,443	18,611,304

17. Receivables from Non-Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Capitation Grants*	-	-
Recurrent Grants	500,000	-
Total Current Receivables	500,000	-

18. Inventories:

Description	2023-2024 FY	2022-2023FY
	Kshs	Kshs
Consumable stores	388,546	347,716
Maintenance stores and Building Stores	255,332	442,806
Electrical stores, ICT and Examination stores	244,737	928,970
Cleaning Materials stores	52,440	44,375
Catering stores and Hospitality Stores	464,061	755,526
Total Inventories at lower of Cost and Net Realizable Value	1,405,116	2,519,393

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19. Property, Plant and Equipment.

Cost	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Per Annum	(2.5%)	(25%)	(12.5%)	(25%)	(2.5%)	
At 1 July 2022	56,550,000	0.00	3,880,214	1,351,030	3,701,509	65,482,753
Additions	0.00	0.00	1,728,200	2,245,950	218,920	4,193,070
Disposals	0.00	0.00	0.00	0.00	0.00	0.00
At 30th June 2023	56,550,000	0.00	5,608,414	3,596,980	3,920,429	69,675,823
Additions	3,574,012	0.00	436,500	456,500	1,077,204	5,544,216
Disposals	0.00	0.00	0.00	0.00	0.00	0.00
At 30th June 2024	60,124,012	0.00	6,044,914	4,053,480	4,997,633	75,220,039
Depreciation						
At 1 July 2022	4,205,906	0.00	487,325	359,719	282,358	5,335,308
Depreciation	1,413,750	0.00	701,051	899,245	98,011	3,112,057
At 30 Jun 2023	5,619,656	0.00	1,188,376	1,258,964	380,369	8,447,365
Depreciation	1,503,100	0.00	755,614	1,013,370	124,941	3,397,025
At 30th Jun 2024	7,122,756	0.00	1,943,990	2,272,334	505,400	11,844,480
Net Book Values						
At 30th Jun 2023	50,930,344	0.00	4,420,038	2,338,016	3,540,060	60,239,355
At 30th Jun 2024	53,001,256	0.00	4,856,538	1,781,146	4,492,233	64,131,173

Note: Weru Technical and Vocational College owns several Assets that have no values. The assets were received from the Ministry of Education.

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

19 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Buildings	60,124,012	7,122,756	53,001,256
Plant And Machinery	4,997,633	505,400	4,492,233
Computers and Related Equipment	4,053,480	2,272,334	1,781,146
Office Equipment, Furniture, And Fittings	6,044,914	1,943,990	4,856,538
Total	75,220,039	11,844,480	64,131,173

20. Intangible Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Cost	870,000	870,000
At beginning of the year	556,800	696,000
Additions	-	-
At end of the year	556,800	696,000
Additions–internal development	-	-
Amortization	(111,360)	(139,200)
At end of the year	445,440	556,800
NBV	445,440	556,800

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21. Trade and Other Payables

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Fees paid in advance	6,098,271.09		11,442,295	
Suppliers	4,598,270		7,036,109	
Caution Money	-		-	
Total Trade and Other Payables	10,696,542		18,478,404	
		% of the Total		% of the Total
Ageing analysis:				
Under one year				
1-2 years	10,696,542		16,843,064	
2-3 years			1,635,340	
Over 3 years				
Total (to tie to totals above)	10,696,542		18,478,404	

22. Refundable Deposits from Customers/Students

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Caution money	989,825		-	
Student's refundable deposits	23,240		-	
Total Deposits	1,013,065		-	
		% of the Total		% of the Total
Ageing analysis:				
Under one year	23,240			
1-2 years	989,825			
2-3 years	-			
Over 3 years	-			
Total (to tie to totals deposits above)	1,013,065			

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23. Cash generated from operations.

Surplus for the year before tax	2023-2024	2022-2023
	Kshs	Kshs
Adjusted for:		
Depreciation		
Increase in Receivables		
Increase in Payables		
Net Cash Flow from Operating Activities		

24. Financial Risk Management

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

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

(i) Credit risk

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

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

The carrying amount of financial assets recorded in the financial statements representing the

Financial risk management (continued)

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

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

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

(ii) Liquidity risk management

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

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

25. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

26. Contingent Assets and Contingent Liabilities

27. Events After the Reporting Period

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

28. Ultimate And Holding Entity

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

29. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
WERUTVC/2020/2021(2)	Inaccuracies in PPE	The college will hire a valurer when Funds are Available.	Note Solved	N/A
WERUTVC/2020/2021(2)	Inaccuracies in Capital Funds	The Management has put in an effort of getting the missing certificates from the Mentor institution (KCNP)	Solved	
WERUTVC/2020/2021(2)	Inaccuracies in Depreciation and Amortization	The college will hire a valurer when funds are available	Not Solved	N/A
WERUTVC2020/2021(2)	Receivables From exchange transactions	The management has draft management policies which is waiting for the approval	Solved	



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Name: Julius Kasuva
Accounting Officer
Weru Technical and Vocational College

Date

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Appendix II- Inter-Entity Confirmation Letter

Name of transferring entity: Ministry of Education DTJET

Name of beneficiary entity: Weru Technical and Vocational College

Confirmation of amounts received by Weru Technical and Vocational College as at 30th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MOE/DTE/CAP 9/36 (157)	03-10-2023	1,732,500	-	1,732,500	Well received
MOE/DTE/CAP 9/35 (110)	03-10-2023	500,000	-	500,000	Well received
MOE/DTE/CAP 9/39 (112)	23-01-2023	1,627,500	-	1,627,500	Well received
MOE/DTE/ CAP 9/36 (113)	23-01-2023	500,000	-	500,000	Well received
MOE/DTE/ CAP 9/Q3	06-02-2024	1,860,000	-	1,860,000	Well received
MOE/DTE/ CAP 9/37 (115)	06-02-2024	500,000	-	500,000	Well received
MOE/DTE/SCHO/VOL.11(119)	27-02-2024	3,896,962	-	3,896,962	Well received
MOE/DTE/CAP 9/42 (112)	11-06-2024	1,097,425	-	1,097,425	Well received
Total		11,714,387		11,714,387	

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 : Chembe Charo Sebastian Sign Date: 06.05.2025