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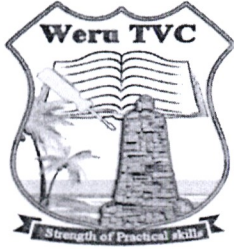
NATIONAL ASSEMBLY	
DATE: 26 JUL 2023	DAY: WED
TABLED BY:	Hon Kimani Ichungwaha, MP The leader, majority party
CLERK AT THE TABLE:	Miriam Mudo

THE AUDITOR-GENERAL

ON

**WERU TECHNICAL AND
VOCATIONAL COLLEGE**

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



Weru Technical and Vocational College

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2022

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

WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

Table of Contents

I.	Key Entity Information and Management.....	iii
II.	The Council/Board of Governors.....	v
III.	Management Team	vii
IV.	Chairman's Statement.....	x
V.	Report of the Principal.....	xi
VI.	Statement of Performance against Predetermined Objectives.....	xiii
VII.	Corporate Governance Statement	xiv
VIII.	Management Discussion and Analysis.....	xv
IX.	Environmental and Sustainability Reporting Statement.....	xvi
X.	Report of the Board of Governors	xviii
XI.	Statement of Board of Governors Responsibilities.....	xix
XII.	Report of The Independent Auditors on the Weru Technical and Vocational College.	xx
XIII.	Statement of Financial Performance for the year ended 30 June 2022.....	1
XIV.	Statement of Financial Position as at 30th June 2022.....	2
XV.	Statement of Changes in Net Asset for the year ended 30 June 2022	3
XVI.	Statement of Cash Flows for the year ended 30 June 2022.....	4
XVII.	Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022.	5
XVIII.	Notes to the Financial Statements	6
XIX.	Appendices	29

WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

I. Key Entity 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 10 million and donated 10-acre piece of land where the College is premised. The College 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 officer
- Procurement officer

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Edward Lewah Chitorobi
2.	Deputy principal Administration	Andrew Mogo
3.	Deputy principal Academics	Audrey Chiru Mundu
4.	Registrar	Margaret Sanda
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

Key Entity Information and Management (Continued)

- (f) Entity Headquarters**
P.O Box 5227-80200
Malindi - Sala Gate road
Malindi, Kenya
- (g) Entity Contacts**

Telephone: 0741315608
E-mail: werutvc@gmail.com
Website: www.werutvc.ac.ke
- (h) Entity Bankers**

Kenya Commercial Bank
Malindi- Branch
P.O. Box 9-80200
Account No: 1217145907






Other Commercial Banks
National Bank of Kenya
Malindi – Branch
Account No:01071240374700
- (i) Independent Auditors**

Auditor-General
Office of Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (j) Principal Legal Adviser**



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

WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

II. The Council/Board of Governors



	<p>Chairman BOG: Mr. Alfred M. Fondo</p>	<p>Mr. Alfred Masha Fondo. He was born on 10th July 1955. He is the interim Chair board of governors. 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. James Matole Tuva</p>	<p>Mr. James Matole Tuva was born on 10th October 1978. He is a member 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. 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. 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 – todate.</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 2022




 <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>Secretary BOG: Mr. Edward Lewah Chitorobi</p>	<p>Mr. Edward Lewah Chitorobi was born on 23rd November 1962. He joined the College in 2020 as the Principal. He holds a diploma in Education from the Kenya Technical Teachers Training College and a Diploma in Technical Education from Kenya Armed Forces Technical College. Edward has served the military as an aircraft Technician and has tutored at Rift Valley Institute of Technology and Kenya Coast National Polytechnic.</p>

WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022



III. Management Team

 <p>Principal. Mr. Edward Lewah Chitorobi was born on 23rd November 1962. He joined the College in 2020 as the Principal. He holds a diploma in Education from the Kenya Technical Teachers Training College and a Diploma in Technical Education from Kenya Armed Forces Technical College. Edward has served the military as an aircraft Technician and has tutored at Rift Valley Institute of Technology and Kenya Coast National Polytechnic.</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 College logistics and budgets • Set learning goals for trainees and trainers based on national curricula • Monitor and report on trainer's performance • Present data from College performance to board members • Research new resources and techniques to improve training • Interview and hire College personnel • Review and implement College policies • Provide guidance and counselling to trainers • Handle emergencies and College crises • Organize College 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 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>	<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 • Record-keeping of fees paid per trainee and follow up of owing balances • Make prior arrangements for attachment when due

WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

 <p>Deputy Principal Academics Affairs Ms. Audrey Mundu ID 21759755. She holds Bachelor of Commerce Finance option from Pwani University year 2017. She has 7 years working experience as a trainer in Business department. She joined the college in 2019.</p>	<p>Duties & Responsibilities:</p> <ul style="list-style-type: none"> • Teaching the subject of specialization. • Ensuring that students are adequately prepared registered and presented for the National Examinations in accordance to the Kenya National Examination Council Regulations and other examining bodies. • Identifying the appropriate curriculum for the institution. • Ensuring that examinations and assessments are carried out and that proper scheduling of training programmes are implemented. • Supervision of all training programmes in the institution. • Supervising trainers and other institutional employees in the proper discharge of tuition programmes. • Chair the academic/HOD meeting.
 <p>Registrar: 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>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.</p>	<p>Duties & Responsibilities:</p> <ul style="list-style-type: none"> • 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.

WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

 <p>Finance Officer Mr. Sebastian C. Chembe ID 31946642 was born on 8th July 1994. He holds Diploma in Accountancy and a Certified Public Accountancy (CPA 2). Joined the college as an accountant in 2017.</p>	<p>Duties & Responsibilities:</p> <ul style="list-style-type: none"> • 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.
 <p>Procurement officer Mr. Haron 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). Joined the college as an accountant in 2019.</p>	<p>Duties and Responsibilities:</p> <ul style="list-style-type: none"> • 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.

WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022


IV. 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 2022, was internally generated revenue {Appropriations-rendering of services and students' capitation and other incomes. Included in the A-I-A is the expected capitation of KSh.13,500 per student for three quarters Only from the Ministry of Education and NYS students translating to a proportionate amount cited below to cover up to the period. The college realized an aggregate income of KSh.39,077,066 in revenue during the period ended 30th June 2022. The recurrent expenditure totalled KSh.34,813,449. The college closed the year with a Surplus of Ksh.4,263,617.

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. Alfred M. Fondo
BOG Chairman

Date: 2022-2023.....

WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

V. Report of the Principal

Key Projects.

During the year, Weru Technical and Vocational College 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 College growth aspirations, the strategic plan (2019-2023) was reviewed in the year ending June 2019. 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's 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 College'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 among 174 recruits from NYS. In addition to overseeing construction, implementation and accountability of funds, the College led 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 College 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.4,263,617.00 which was a gain compared to last financial year which recorded a surplus of Ksh.2,835,198.00

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 and Vocational College 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.

Report of The Principal (Continued)

Future Outlook.


We are looking forward to harness the ISO 9001:2005 certification and strategic plan (2019 - 2023) to guide the College'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 College 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 and Vocational College and drive the College 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: 22-05-2023

Mr. Abednego K. Mulu
Principal



WERU TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2022

VI. 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 FY2019-2023. 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 College.	Number of ICT equipment purchased	Purchase additional ICT equipment for the College	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

VII. 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 College'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: 22-05-2023

Mr. Abednego K. Mulu
Principal/Secretary BOG



WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

VIII. 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 College growth aspirations, the strategic plan (2019-2023) was reviewed in the year ending June 2019. 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's 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 College'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.

During the year, Weru Technical and Vocational College partnered with the National Youth Service to impact skills of self-reliance to 174 recruits from NYS. 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 College does not foresee any potential for contingent liabilities arising from non-compliance with statutory obligations.

Weru Technical and Vocational 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 harness the ISO 9001:2005 certification and strategic plan (2019 - 2023) to guide the College'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 College 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.

IX. Environmental and Sustainability Reporting Statement

Weru Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives:

Sustainability strategy and profile

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 has put in place efforts to increase its revenue streams by:

- a) Increasing its efforts to get more students especially through marketing.
- b) Strengthen and broaden production units.
- c) Developing production units in all departments.
- d) Strengthening research and collaboration activities.
- e) Engaging partners in industry and other organizations for infrastructure expansion.

Environmental performance

To ensure environmental protection, the college is:

- a) Currently in the process of coming up with an environmental protection policy
- b) Greening the environment by planting trees within the compound in line with the presidential directive.
- c) Planning to make use of green energy by installing solar powered security lights
- d) Has utilised green energy by installing energy saving bulbs.
- e) Planning to install 24 solar panels.
- f) Planning to install waste bins at different points within the college.

Employee welfare

Weru Technical and Vocational College treats all employees with fairness and respect, supports staff development through allowing its staff to attend trainings and workshops, volunteering in community and county, and national government activities. The College is currently drafting an Occupational Safety and Health Policy in line with the Occupational Safety and Health Act of 2007. The college has an appointed safety committee.

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.

WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

Market place practices-

Weru Technical and Vocational College has put in place effort to ensure the following:

- a) A corruption free society, fair competition as far as procurement and supplies are concerned, enjoy political goodwill of the local leadership as well as respect and collaborate with other tertiary institutions in matters of education.
- b) Relate well with suppliers and other stakeholders to ensure smooth running of college activities. We treat suppliers responsibly through honouring contracts and payment practices. Complaints are usually resolved within the shortest time possible.
- c) We continually market the college through local radio stations, open market campaigns, door to door activities, chief's Barazas and referral marketing. All this are in an effort to ensure a well-educated society not only within the locality but also in the nation as a whole.
- d) The interests of our clients remain a first priority to us. Complaints handling is elaborate with well stipulated complaints handling procedures and maximum turnaround time. We support learners at all levels especially as far as moving from one level to the other is concerned.

Corporate Social Responsibility / Community Engagements

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. The College has actively participated in forums organised for the surrounding community. Most employees are from the local community to ensure the goodwill of the surrounding community. The College envisions to perform clean up activities at Baolala center to sensitize the community on the importance of waste management.

WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

X. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2022 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, 2022 are set out on pages 1 to 28

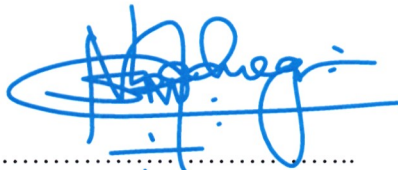
Board of governors

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: 22-05-2023

Mr. Abednego K. Mulu
Principal/Secretary BOG



WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

XI. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the board of governors 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 College keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The Board of governors are also responsible for safeguarding the assets of the Weru Technical and Vocational College

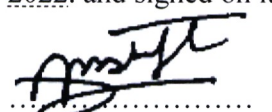
The Board of governors are responsible for the preparation and presentation of the Weru Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of the Weru Technical and Vocational College for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the 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 accept responsibility for the Weru Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. 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, 2022, and of the Weru Technical and Vocational College financial position as at June 30, 2022. The Board of Governors further confirm the completeness of the accounting records maintained for the Weru Technical and Vocational College 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.

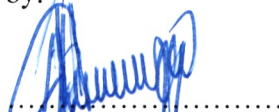
Nothing has come to the attention of the Board of Governors to indicate that the Weru Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements


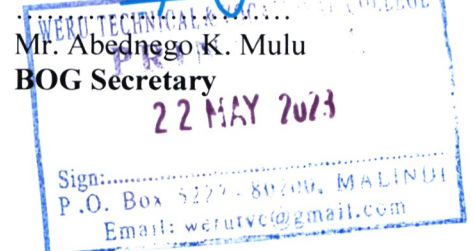
The Weru Technical and Vocational College financial statements were approved 24th September, 2022, and signed on its behalf by:



Mr. Alfred M. Fondo
BOG Chairman

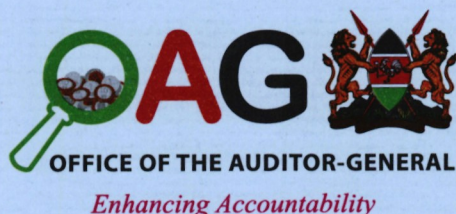


Mr. James Matole
BOG Independent Member



Mr. Abednego K. Mulu
BOG Secretary
22 MAY 2023
Sign:.....
P.O. Box 5277 - 80700, MALINDI
Email: werutvc@gmail.com

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON WERU TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Weru Technical and Vocational College set out on pages 1 to 29, which comprise the statement of financial position as at 30 June, 2022, statement of financial performance, statement of changes in net assets,

statement of cash flows and the 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 discussed in the Basis for Qualified Opinion section of my report, the financial statements present fairly the financial position of Weru Technical and Vocational College as at 30 June, 2022, and its financial performance and cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the annual reports and financial statements for the year ended 30 June, 2022 revealed the following:

- 1.1 The statement of financial performance and Note 7 to the financial statements reflects receipts totalling to Kshs.23,203,090 in respect of rendering of services which include Kshs.9,450,000 from the Ministry of Education, State Department of Technical and Vocational Education and Training and which should have been disclosed as transfers from other National Government entities as required in the template issued by Public Sector Accounting Standards Board.
- 1.2 The statement of financial position reflects property, plant and equipment balance of Kshs.59,900,687 which vary with the balance reflected in Note 17 to the financial statements of Kshs.60,239,355 by unexplained balance of Kshs.338,668. In addition, the property, plant and equipment opening balance of Kshs.59,269,099 varies with the Note 17 balance of Kshs.59,174,189 by unexplained balance Kshs.94,910.
- 1.3 The statement of financial position reflects capital and reserves opening balance of Kshs.2,536,478 while the previous year audited financial statements reflected a Nil balance resulting to unexplained variance of Kshs.2,356,478.
- 1.4 The statement of cash flows reflects net increase in cash and cash equivalents of Kshs.2,432,045 which varies with the recalculated balance of Kshs.3,179,361 by unexplained balance of Kshs.747,316.
- 1.5 The statement of comparison of budget and actual amounts reflects Nil depreciation performance difference while the recalculated amount is Kshs.20,000.

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

2. Inaccurate Cash and Cash Equivalents

The statement of financial position and Note 14 to the financial statements reflects cash and cash equivalents balance of Kshs.4,968,523 which include a current account bank balance of Kshs.4,965,606. However, the supporting bank reconciliation statement as at 30 June, 2022 reflects a reconciled cash book bank balance of Kshs.4,575,303, resulting in an unexplained variance of Kshs.390,303.

Further, the bank reconciliation statement reflects two (2) cheques in respect of payments in bank not yet recorded in cash book of Kshs.76,480. However, the cheques had been posted in the cash book on 18 May, 2022 and therefore not reconciling items as at 30 June, 2022. No explanation was provided for the anomaly.

In addition, Management did not provide for audit the bank statements and a certificate of bank balance for one (1) bank account with a Nil balance.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.4,968,523 could not be confirmed.

3. Unsupported Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.59,900,687. Review of records revealed the following:

- i. The manual assets register provided for audit did not indicate the asset acquisition dates, values of some of the assets, classification of the assets and their total costs.
- ii. Included in the assets register are loose tools and other assets, among them workshop loose tools and cutlery construction loose tools, which are part of inventory.
- iii. The list of additions of property, plant and equipment reflects unexplained variances with the financial statement balances as shown below:

Asset	Acquisition List Amount (Kshs.)	Additions as per Note 17 to the Financial Statements (Kshs.)	Variance (Kshs.)
Furniture and Fittings	1,521,980	2,151,516	629,536)
Computers and Accessories	722,184	1,263,185	541,001)
Plant and Equipment	333,330	0	333,330
Library Books	235,606	0	235,606

- iv. The value of land on which the College was built is not disclosed in Note 17 to the financial statements.
- v. The College's library held an array of textbooks which are not included as part of property, plant and equipment.

- vi. The Ministry of Education through letter dated 24 November, 2021 indicated that the College was supplied with automotive technology equipment valued at USD.1,233,481 or Kshs.125,568,365 at the prevailing exchange rates which was omitted in these financial statements.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.59,900,687 could not be confirmed.

4. Inaccurate Deposits from Customers/Students Balance

The statement of financial position and Note 20 reflect refundable deposits from customers/students balance of Kshs.388,910 which includes Kshs.93,810 in respect of other refundable deposits. However, review of the general ledger revealed that the amount was in respect of excess school fees already refunded resulting to unexplained variance of Kshs.93,810.

In the circumstances, the accuracy and completeness of refundable deposits from customers/students of Kshs.93,810 could not be confirmed.

5. Unsupported Inventories Balance

The statement of financial position and Note 16 to the financial statements reflect inventories balance of Kshs.9,601,761. However, the stock taking report was not provided for audit review, contrary to Section 162(2) of the Public Procurement and Asset Disposal Act, 2015 which requires the head of procurement function arrange for occasional visits of inspection to the stores, at least quarterly in each calendar year, and conduct quarterly and annual inventory and stock taking in order to ensure compliance with all respective governing laws and submit the report to the accounting officer.

In the circumstances, the accuracy and completeness of inventories balance of Kshs.9,601,761 could not be confirmed.

6. Unsupported Capital and Reserves Balance

The statement of financial position reflects capital and reserves of Kshs.4,934,392. However, the balance was not analyzed nor supported.

In the circumstances, the accuracy of capital and reserves balance of Kshs.4,934,392 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.62,733,000 and Kshs.39,077,066 respectively, resulting in under-collection of Kshs.23,655,934 or 38% of the budget. Similarly, the statement reflects a final expenditure budget of Kshs.46,565,415 against actual expenditure of Kshs.34,813,449, resulting in an under-expenditure of Kshs.11,751,966 or 25% of the budget.

The under-collection of revenue and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2022. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow-up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Engagement of Unregistered Trainers

Review of staff records revealed that Management engaged twenty-two (22) trainers during the year under review. However, the trainers were not registered with the Technical and Vocational Education and Training Authority, 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 the circumstances, Management was in breach of the law.

2. Unbalanced Budget

The statement of comparison of budget and actual amounts reflect a final income budget of Kshs.62,733,000 and final budgeted expenditure of Kshs.46,565,415 resulting to a budget surplus of Kshs.16,167,585 contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 on budget guidelines which provides that unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations during budget formulation and approval, the budget shall be balanced.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Approved Staff Establishment

The statement of financial performance and Note 10 to the financial statements reflects employee costs of Kshs.11,072,572. However, the College Management did not have an approved staff establishment.

In the absence of staff establishment, the effectiveness of internal controls and governance on recruitment and deployment of staff could not be confirmed.

2. Lack of Approved Policy Manuals

Review of records and discussions with Management revealed that the College did not have approved accounting, stores and other operational procedures and has not adopted policy manuals used by other National Government entities.

In absence of the required policies and procedures, there exists material inherent risk of preparing inaccurate financial statements.

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

Responsibilities of Management and Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting method and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures

in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

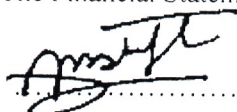
06 July, 2023

WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

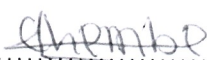
XIII. Statement of Financial Performance for the year ended 30 June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	0.0	0.00
		0.0	0.00
Revenue from Exchange transactions			
Rendering of services- fees from students	7	23,203,090	17,968,180
Other income	8	15,873,976	7,747,475
Revenue from Exchange transactions		39,077,066	25,715,655
Total Revenue		39,077,066	25,715,655
Expenses			
Use of goods and services	9	18,375,127	12,894,899
Employee costs	10	11,072,572	5,378,525
Board Expenses	11	1,353,139	1,360,490
Depreciation and amortization expense	12	2,331,145	1,495,203
Repairs and maintenance	13	1,681,466	1,751,340
Total Expenses		34,813,449	22,880,457
Net surplus for the year		4,263,617	2,835,198

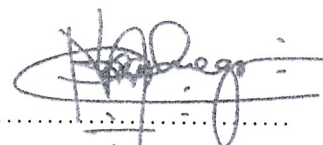
The Financial Statements set out on pages 6 to 28 were signed by



BOG Chairman



Finance Officer



Principal

Date: 22-05-2023

Date: 22/05/2023

Date: 22-05-2023



WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

XIV. Statement of Financial Position as at 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	4,968,523	2,536,478
Current portion of receivables from exchange transactions	15(a)	1,166,039	12,962,755
Inventories	16	9,601,761	900,204
		15,736,323	16,399,437
Non-Current Assets			
Long term receivables from exchange transactions	15(b)	0.0	0.0
Property, plant and equipment	17	59,900,687	59,269,099
Intangible assets	18	696,000	870,000
		60,596,687	60,139,099
Total Assets		76,333,010	76,538,536
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	19	4,551,377	5,397,654
Refundable deposits from customers	20	388,810	121,000
Payments received in advance		0.0	0.0
		4,940,197	5,518,654
Non-Current Liabilities			
		0.0	0.0
Total Liabilities		4,940,197	5,518,654
Net Assets		71,392,813	71,019,882
Capital and Reserves		4,934,392	2,536,478
Cumulative Accumulated Surplus Amount		5,694,119	2,835,198
Capital Fund		60,764,302	60,764,302
Total Net Assets and Liabilities		76,333,010	76,538,536

The Financial Statements set out on pages 6 to 28 were signed by:


 BOG Chairman

Date: 22-05-2023


 Finance Officer

Date: 22/05/2023


 Principal

Date: 22-05-2023



WERU TECHNICAL AND VOCATIONAL COLLEGE
 Annual Report and Financial Statements for the year ended 30th June 2022

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

Description	Retained earnings	Capital Fund	Total
At July 1, 2020	(1,404,696)	60,764,302	59,359,606
Total comprehensive income	2,835,198	-	2,835,198
Balance c/d At June 30, 2021	1,430,502	60,764,302	62,194,804
Total comprehensive income	4,263,617	-	4,263,617
Balance c/d At June 30, 2022	5,694,119	60,764,302	66,458,421

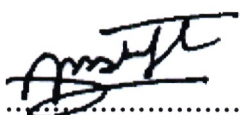
WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

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

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	0.00	0.00
Rendering of services- fees from students	7	23,203,090	17,968,180
Other income	8	15,873,976	7,747,475
Total Receipts		39,077,066	25,715,655
Payments			
Employees costs	10	11,072,572	5,378,525
Use of goods and services	9	18,375,127	12,894,899
Remuneration of directors	11	1,353,839	1,360,490
Repairs and Maintenance	13	1,681,466	1,751,340
Total Payments		32,483,004	21,385,254
Net Cash Flows from Operating Activities		6,594,062	4,330,401
Cash Flows from Investing Activities			
Purchase of property, plant, equipment and intangible assets		(3,414,701)	3,701,509
Net cash out flows used in investing activities		(3,414,701)	3,701,509
Cash flows from financing activities			
Deposits receipts		0.0	0.0
Net Increase/(Decrease) in Cash and Cash Equivalents		2,432,045	(3,883,789)
Cash and Cash equivalents at 1 st JULY	14	2,536,478	6,420,267
Cash and Cash equivalent as at 30th June	14	4,968,523	2,536,478

The statement of cash flows was prepared using indirect method.

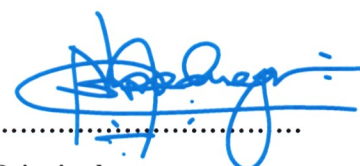
The Financial Statements set out on pages 6 to 28 were signed by:



Chairman of Board



Finance Officer



Principal

Date: 22-05-2023

Date: 22/05/2023

Date: 22-05-2023



WERU TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
	KShs	KShs	KShs	KShs	KShs	%
Revenue						
Transfers from other govt. entities and govt. grants	0.00	-	0.00	0.00	0.00	0%
Rendring of services- fees from students	37,500,000	-	37,500,000	23,203,090	14,296,910	38%
Other income	25,233,000	-	25,233,000	15,873,976	9,359,024	37%
Total Income	62,733,000	-	62,733,000	39,077,066	23,655,934	38%
Expenses						
Employee Costs	12,226,500	-	12,226,500	11,072,572	1,153,928	9%
Use of goods and services	27,188,500	-	27,188,500	18,375,127	8,813,313	32%
Repair and Maintenance	2,588,250	-	2,588,250	1,681,466	906,784	35%
Remuneration of directors	2,251,020	-	2,251,020	1,353,139	897,181	40%
Depreciation	2,311,145	-	2,311,145	2,331,145	0	100%
Total Expenditure	46,565,415		46,565,415	34,813,449	11,771,206	25%
Surplus For the Period				4,263,617		

1. Performance Differences is due to the decrease in capitation grant received and Non-Remittance of the Fourth Quarter Capitation Due to Budgetary Constraints in the FY 2021/2022 Caused by the Ministry of Education.

2. Performance Difference is due to Decrease in student enrolment as per the projection for 2021/2022 FY students i.e. students' projection was 650 while the actual students enrolled was 407. Which was attributed to a deficit of 243 students.

XVIII. Notes to the Financial Statements

1. General Information

Weru Technical and Vocational College is established by and derives its authority and accountability from TVETA Act NO 29 of 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is provision of technical and business training.

2. Statement of Compliance and Basis of Preparation

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

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

IPSASB deferred the application date of standards from 1st January 2022 owing to covid19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

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

Standard	Effective date and impact:
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	Applicable 1st January 2023 <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement

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

Standard	Effective date and impact:
	Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1 st January 2023.
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

The entity did not early-adopt any new or amended standards in year 2022.

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. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Dividends

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

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

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Board on **26/01/2021**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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 a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance.

c) Taxes

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

d) Property, plant and equipment

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

CATEGORY	RATE (P.a.)
Building	2.5%
Motor Vehicles	25%
Furniture and Fitting	12.5%
Computer	25%
Plant and Equipment	2.5%

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

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. The rate for depreciating intangible assets was 20% per annum.

f) Financial instruments

Held-to-maturity

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

Impairment of financial assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

g) Inventories

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Related parties

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

j) 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.

k) Comparative figures

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

l) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Notes to the Financial Statements (Continued)

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 Entity
- 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.

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

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	0.00	0.00
Operational Grant	0.00	0.00
NYS Grants	0.00	0.00
	0.00	0.00
Total Government Grants and Subsidies	0.00	0.00

(a) Transfers from other Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2020-2021
			Kshs	Kshs	Kshs
State Department of Education Technical	0.00	0.00	0.00	0.00	0.00
Ministry of Planning and Devolution	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

Weru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022
Notes to the Financial Statements (Continued)

7. Rendering of Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Fees	14,670,000	13,415,260
Activity Fees	762,000	747,750
Industrial Attachment, Medical and Insurance	612,000	496,350
Local Transport and Travel	771,870	595,420
Personal Emoluments	5,374,010	1,904,640
Electricity and Water	677,440	536,040
Repair and Maintenance	335,770	272,720
Total Revenue from The Rendering Of Services	23,203,090	17,968,180

8. Other Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Examination Fees	4,170,590	2,381,730
Registration Fees	80,200	36,300
Student council	208,910	148,200
Student college ID	110,400	70,800
Examination Materials Fees	1,673,720	1,441,400
Accommodations	9,543,270	3,527,360
Miscellaneous	86,886	141,685
Total other income	15,873,976	7,747,475

Capitation KSh.9,450,000 + NYS KSh.20,124,650 = KSh.29,574,650 is distributed and added to trial balances as follows:

1. Tuition fee KSh.14,670,00
2. Accommodation KSh.9,235,920
3. Examination fee KSh.1,740,000
4. Examination Material KSh.904,800
5. Personal Emolument KSh.3,023,930

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

Notes to The Financial Statements (Continued)

9. Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Industrial attachment, Medical and Insurance	261,350	33,150
Electricity	90,000	73,000
Water	212,600	110,200
Security	900,000	825,000
Professional and consultancy services	0.00	0.00
Subscriptions (KATTI/TVETA)	0.00	124,640
Marketing Expense	52,000	0.0
KNEC -Examination fees/Material	4,246,851	1,103,280
Audit fees	200,000	0.00
KATTI/TVET Subscriptions/Activities Expense	1,924,300	103,417
Accommodation	5,167,743	699,639
Fuel and oil	247,584	242,450
Cleaning Services	0.00	464,000
Administrative Costs	3,737,717	2,224,238
General Constructions	0.00	5,566,602
Bank charges	23,681	16,411
Student College ID	20,660	0.0
Telephone expenses/Staff Airtime	232,700	170,300
Internet expenses	175,119	218,368
Students' Welfare expenses	26,200	0.00
Examination materials	0.00	0.00
Consumables stores (Printing & Stationery/Stores)	856,622	900,204
Total goods and services	18,375,127	12,894,899

NB: KATTI/TVET Subscriptions amount KSh.228,000.00 which is factor in the total KSh.1,924,300.00

Weru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022
Notes to the Financial Statements (Continued)

10. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	7,317,232	3,863,062
Employee related costs-contributions to pensions and medical aids	0.00	0.00
Local Travel and Transport expense	3,595,340	1,924,495
Housing benefits and allowances	0.00	0.00
Overtime payments	0.00	0.00
Social contributions	160,000.00	0.00
Employee Costs	11,072,572	5,787,557

11. Board Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Bog Allowances	1,353,839	1,360,490
Other Board Expenses	0.00	0.0
Total	1,353,839	1,360,490

12. Depreciation and Amortization expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	2,331,145	1,495,203
Total depreciation and amortization	2,331,145	1,495,203

13. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Property (Electrical, plumbing works, vehicles and Computers and accessories)	1,681,466	1,751,340
Total Repairs and Maintenance	1,681,466	1,751,340

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

Notes to the Financial Statements (Continued)

14. (a) Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Account	4,965,606	2,527,282
Others (Cash at Hand)	2,917	9,196
Total Cash and Cash Equivalents	4,968,523	2,536,478

(b). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1217145907	4,965,606	2,527,282
National Bank		0.00	0.00
Cash in Hand		2,917	9,196
Grand Total		4,968,523	2,536,478

15. Receivables from Exchange transactions

15(a) Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Student Debtors	554,079	10,201,240
Rent Debtors	-	-
Outstanding Balances (Arrears)	611,960	2,761,515
Other Exchange Debtors	-	-
Total Current Receivables	1,166,039	12,962,755

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

Notes to the Financial Statements (Continued)

15(b) Long- term Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	0.0	0.0
Advance Payments	0.0	0.0
Total Receivables	0.0	0.0

16. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores	849,372	900,204
Maintenance stores	887,293	0.0
Accommodation stores	4,222,080	0.0
Cleaning Materials stores, Administration	1,613,804	0.0
Examination Materials	2,029,212	
Total Inventories at lower of Cost and Net Realizable Value	9,601,761	900,204

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

Notes to the Financial Statements (Continued)

17. Property, Plant and Equipment

	Buildings (2.5%) Kshs	Motor vehicles (25%) Kshs	Furniture and fittings (12.5%) Kshs	Computers (25%) Kshs	Plant and equipment (2.5%) Kshs	Total Kshs
Depreciation Per Annum						
Cost						
At 1 st July 2020	56,550,000	0.00	0.00	0.00	3,701,509	60,764,302
Additions	0.00	0.00	1,838,698	87,845	0.00	1,926,543
At 30 th June 2021	56,550,000	0.00	1,838,698	87,845	3,701,509	62,272,962
Additions	0.00	0.00	2,151,516	1,263,185	0.00	3,414,701
Disposals	0.00	0.00	(110,000)	0.00	0.00	(110,000)
At 30 th June 2022	56,550,000	0.00	3,880,214	1,351,030	3,796,419	65,577,663
Depreciation						
At 1 st July 2020 (A)	1,413,750	0.00	0.00	0.00	94,910	1,508,660
Depreciation FY 2020/2021 (B)	1,378,406	0.00	2,298	21,961	92,538	1,495,203
At 30 th June 2021 (C=A+B)	2,792,156	0.00	2,298	21,961	187,448	3,003,863
Depreciation FY 2021/2022 (D)	1,413,750	0.00	485,027	337,758	94,910	2,331,145
At 30 th June 2022 (C+D)	4,205,906	0.00	487,325	359,719	282,358	5,335,008
Net Book Value						
At 30 June 2022	52,344,094	0.00	3,392,889	991,311	3,511,061	60,239,355
At 30 th June 2021	53,757,844	0.00	1,836,400	65,884	3,514,061	59,174,189

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

Notes to the Financial Statements (Continued)

18. Intangible Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At beginning of the year	870,000	870,000
Additions	0.00	0.00
At end of the year	870,000	0.00
Additions–internal development	0.00	0.00
At end of the year	0.00	0.00
Amortization	(174,000)	0.00
At end of the year	696,000	0.00
NBV	696,000	870,000

19. Trade and Other Payables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	0.00	0.00
Fees paid in advance	77,020	1,671,115
Salary deductions	0.00	0.00
Third-Party Payments (Suppliers)	4,474,357	3,726,539
Other Payables	0.00	0.00
Total Trade and Other Payables	4,551,377	5,397,654

20. Refundable Deposits from Customers/Students

Description	2021-2022	2020-2021
	Kshs	Kshs
Caution money	295,000	121,000
Other refundable deposits	93,810	0.0
Total Deposits	388,810	121,000

Notes to the Financial Statements (Continued)

21. Cash generated from operations

	2021-2022	2020-2021
Surplus for the year before tax	KShs	KShs
Adjusted for:	2,667,049	2,835,198
Depreciation	3,927,653	1,495,203
Increases in Students Deposits	0.00	0.00
Net Cash Flow from Operating Activities	6,594,702	4,330,401

22. Financial Risk Management

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

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

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in

the statement of financial position is net of allowances for doubtful receivables, the company's management based on prior experience and their assessment of the current economic environment.

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

Notes to the Financial Statements (Continued)

(i) Credit risk (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.

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.

23. 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 directors;

The transactions and balances with related parties during the year are as

Transactions with related parties	2021-2021	2020-2021
a) Key Management Compensation		
Directors' emoluments	1,353,139	1,383,990
Total	1,353,139	1,383,990

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

Notes to the Financial Statements (Continued)

24. Events After The Reporting Period

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

25. Ultimate And Holding Entity

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

26. Currency

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

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

**XIX. 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)

Guidance Notes:

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

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Name: **Abednego K. Mulu**
Accounting Officer
Principal

Date: **22-05-2023**



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

Appendix III- Inter-Entity Confirmation Letter



MINISTRY OF EDUCATION
Weru Technical and Vocational College

P.O. BOX 5227- 80200, Malindi; Tel:0741315608

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

Reference Number	Date Disbursed	Amounts Disbursed by Moe/SDTVET (Kshs) as at 30th June 2022			Amount Received by [Weru Technical] (KShs) as at 30 th June 2021(E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
	26-11-2021	2,947,500	0.0		2,947,500	
	03-03-2022	2,947,500	0.0		2,947,500	
	03-03-2022	3,555,000	0.0		3,555,000	
Total		<u>9,450,000.00</u>	<u>0.0</u>		9,450,000.00	

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

Head of Accountants department of Weru Technical: SEBASTIAN CHARO CHEMEBE

Name: SEBASTIAN CHARO CHEMEBE Sign: [Signature] Date: 22/05/2023