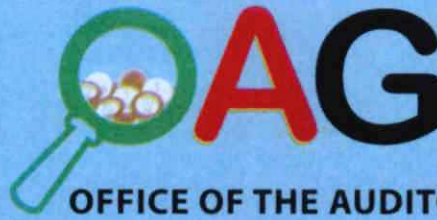


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 18 JUN 2025

DAY.

Wednesday

PARLIAMENT
OF KENYA
LIBRARY

TABLED
BY

Hon. Owen Bayart MP
Deputy Majority Leader

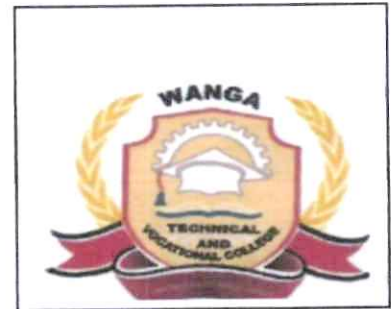
CLERK-AT
THE-TABLE:

THE AUDITOR-GENERAL

ON

**WANGA TECHNICAL AND VOCATIONAL
COLLEGE**

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



(WANGA TECHNICAL AND VOCATIONAL COLLEGE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

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2. Key College Information and Management

(a) Background information

Wanga Technical and Vocational College was established under the TVET Act 2013 on 1st September 2019. The college is domiciled in Kenya. The institute is under the Ministry of Education State Department for Technical Vocational Education and Training. It is Located in Kakamega County, Mumias East Sub county 2KM off Kakamega Mumias Road along Shianda Sabatia Road. The Institution offers Technical Training in the following Departments, Building and Civil Engineering, Mechanical Engineering, ICT, Business and Institutional Management.

(b) Principal Activities

The principal activity/mission/ mandate of the College is to ...

MISSION. Empowering trainees through Technical Education and skills development that meets the current industry requirements.

VISION. A centre of Excellence in Quality Technical Education, Research and innovation and community Service.

CORE VALUES.

- i. Good Governance.
- ii. Accountability.
- iii. Transparency.
- iv. Professionalism.
- v. Integrity.
- vi. Team Work.
- vii. Efficiency.

(c) Key Management

Wanga Technical and Vocational College day-to-day management is under the following key organs:

- Board of Governors
- Principal
- Senior Management Team.

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Mrs. Grace Opwora.
2.	Deputy Principal Administration And Finance.	Mr. Tom Makomere.
3.	Deputy Principal Academics.	Mrs. Violet Ocharo.
3.	Registrar	Mr. Duncan Owino.
5	Dean of students	Miss. Vivian Mwandu.
6	Head of Finance	Mr. Nathan Khaemba
7	Examination Officer	Mr. Gregory Musonye

Key College Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The Highest decision making organ of Wanga Technical College is the Board of Governors which operates within the prescribed Mwongozo guidelines, TVET Act provisions and the Ministry of Education and National Treasury guidelines. The BOG makes strategic and policy decisions through Board Resolutions upon receiving the reports from the Board Committees which include Education & Training Committee, Finance & Human Resources Committee, Audit & Risk Committee and Infrastructure Development Committee.

The Management is responsible for executing the Board resolutions and ensuring the relevant Acts, Laws, Guidelines and regulations are observed and adhered to. The Management therefore is tasked with the daily running of the Institution as per the Ministry guidelines. The management has a responsibility of ensuring there are sufficient internal check and controls that safeguard the public resources and interest.

Wanga Technical and Vocational College, being a public institution is subject to audit by the Office of the Auditor General and the Ministry of Education Internal Auditors who provide assurance to stakeholders that the affairs of the College are run as per the laid down standards and regulations

(f) College Headquarters
Wanga Technical and Vocational College
Along Shianda Sabatia Road,
P.O. Box 78-50106, Shianda


(g) College Contacts
Telephone: (254) 0115052875
E-mail: Wangatechnical@gmail.com
Website: www.wangatvc.co.ke.

(h) College Bankers
KCB Bank Kenya Limited
MUMIAS Branch
P.O BOX 193-50102
MUMIAS





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



(j) Principal Legal Adviser
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya.

3.The Board of Governors




<i>SN.</i>	<i>Member</i>	<i>Details</i>
1.		<p>D.O.B 11th January 1978.He holds PhD in project planning and management (Finance).He is a business development consultant and part time Lecturer at The University of Nairobi Faculty of Business management Science.</p>
2.	 DR. SAMUEL WAWERU MEMBER	<p>D.O. B 11th November 1960.He is a holder of PhD Civil Engineering and Senior Lecturer in the Department of Civil and Structural Engineering at Masinde Muliro University of Science and Technology. He is currently the Director, Technical and Vocation Education and Training (TVET) at the University. He obtained his Doctor of Philosophy from Masinde Muliro University of Science and Technology and Master of Science in Civil Engineering from Jomo Kenyatta University of Agriculture. He has published in international journals and participated in local and international conferences and workshops. He is the chair Audit Committee.</p>
3.	 PRO.KELVIN OMIENO MEMBER	<p>Born 12th March 1984.He is a holder of PHD in Business Information System. He is an associate Professor of Information Technology and current Founding Dean of the School of Computing and Information Technology at Kaimosi Friends University. He is a Professional member with ACM, Internet Society and Association of Computing Professionals Kenya. He is the Chair Education and Human Resource Committee.</p>

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




4.	 <p>MR. JOSEPH SUNGUTI CDTVET /MEMBER</p>	<p>Born in 1963</p> <p>-He is the TVET regional Director Vihiga/ Kaka mega</p> <p>-Master's in Education</p> <p>-Experience of over 10years in TVET</p>
5.	 <p>MRS. GRACE OPWORA PRINCIPAL/SECRETARY BOG</p>	<p>Born 22nd August 1967. she is a graduate of Egerton University with a Bachelor's degree in Clothing Textiles and Interior Design and a Diploma in teacher Education from KTTC. She has a teaching experience of 30 years having served in various capacities until she rose to be the Principal.</p>
6.	 <p>MRS.HELLEN AKALAPATAN MEMBER</p>	<p>Born 7th July 1983. A holder of Masters of Arts in project planning and management from University of Nairobi and Bachelor's degree in Urban and Regional planning. She is the member of Education and Human Resource Committee.</p>
7.	 <p>MR. CALEB JOTHAM MIYAWA MEMBER.</p>	<p>Born 1/7/1956. BTed (Technology Edu. Mechanical option). He is a member of Audit and Risk Committee.</p>

MEMBER		
8.	 <p>CPA. BILLIAH SHITSINZI MEMBER</p>	<p><input type="checkbox"/> Member of the Institute of Certified Public Accountants of Kenya, ICPAK M.NO. 4998</p> <p><input type="checkbox"/> Bachelor of Business Management (BBM), Finance & Accounting (2005), Moi University</p> <p><input type="checkbox"/> CFE-2012</p> <p><input type="checkbox"/> Born in 1970.</p> <p><input type="checkbox"/> She is a qualified professional accountant since 2002.</p> <p><input type="checkbox"/> Have served in various capacities; as an external auditor with Kenya National Audit office (KENAO) for 5 years and the remaining years as an accountant in various capacities at Moi University and Alupe University.</p> <p><input type="checkbox"/> Been head of Finance department in a University College set up.</p>
9.	 <p>ENG. ANDREW NG'ENO MEMBER</p>	<ul style="list-style-type: none"> • Registered Professional Engineer with Engineers Board of Kenya (EBK) – M2677 • Corporate Member – Institution of Engineers of Kenya (IEK)-M3951 • Director –AGM Construction and Engineering Ltd • Head of Processing and Engineering – Kenya Seed Co. Ltd • Workshop Manager – Chemelil Sugar Co. Lt • Maintenance Manager – LONRHO Agribusiness E.A Ltd (EATEC) • He is the Chairperson Finance, Infrastructure and General Purpose Committee.

4. Key Management Team

SN.	Member	Details
1.	<p>MRS.GRACE OPWORA</p>  <p>PRINCIPAL/SECRETARY BOG BS-Clothing in Textiles and Interior Design.</p>	<p>THE PRINCIPAL. -Accounting Officer. -Secretary BOG.</p>
2.	<p>MR. TOM MAKOMERE</p>  <p><i>Bsc. Electrical and Electronic Eng. (JKUAT) Bed (Technology), Moi University Member, Engineers Board of Kenya (EBK)</i></p>	<p>DEPUTY PRINCIPAL ADMINISTRATION AND FINANCE. -Head of Administrative matters and Finance.</p>
3.	<p>MRS.VIOLET OCHARO</p>  <p><i>BACHELOR OF TECHNOLOGY IN MECHANICAL ENGINEERING.</i></p>	<p>DEPUTY PRINCIPAL ACADEMICS. In charge of the College Academic Affairs.</p>

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

4	<p>MR.DUNCAN OWINO</p>  <p>HND Building and Civil Engineering.</p>	<p>REGISTRAR In charge of College Marketing and admissions of new trainees and readmission of Continuing trainees.</p>
3.	<p>MR.GREGORY PAUL MUSONYE</p>  <p>BARCHELORS DEGREE IN BUSINESS MANAGEMENT IN HRM.</p>	<p>EXAMINATIONS OFFICER. In charge of internal and external examinations matters.</p>
4.	<p>MR.NATHAN KHAEMBA</p>  <p>CPA PART 2</p>	<p>ACCOUNTANT. -Financial management.</p>
5.	<p>MS.VIVIAN MWANDI</p> <p>Higher National Diploma in Secretarial Management.</p>	<p>DEAN OF STUDENTS. In charge of trainees affairs.</p>

5. Chairman's Statement

I am delighted to present to our stakeholders the Financial Statements for the financial year 2023/2024 for Wanga Technical and Vocational College which is among the TVETs established by the Government of Kenya to ensure realization of its goals and objectives of ensuring that we have graduates who are able to use their skills and participate in nation building.

As the Board of Governors, we are guided by the TVETs Act, Mwongozo guidelines, Ministry of Education & National Treasury guidelines in ensuring we offer strategic and policy direction that is aligned with the Ministry objectives. We are aware of the oversight responsibility bestowed on us individually and collectively in achieving the set targets as signed with the Ministry. We remain focused to offer this critical direction and ensure the success of the college is realized.

While we operate as a Board, we have established relevant Board committees that oversees various aspects of the College and interacts with management proposals as submitted to the committees. We acknowledge that the College requires steady growth and have ensured we maintain desired stakeholder's engagement to support the college as required, Desired goals and objectives. The college, faces a myriad of challenges including lack of enough infrastructural facilities, slow enrolment, lack of sufficient financial support, lack of trainers, inadequate public awareness inter alia. We have however ensured that we set sufficient structures and offer policy direction to ensure we are guided within set rules and policies.

While the Institution has these challenges, we are optimistic that with sufficient financial support from the Ministry and with our developed strategic plan, aggressive market and steady enrolment being observed, we shall be able to set the college on an upward trajectory and ensure the goals are realized. We remain committed as a board to support the Ministry and engage at all levels to ensure Wanga College becomes an enviable institution in the country.

Signed.....



.....Date

28/5/2025

for
DR. TIMOTHY AKALI

Board of Governors Chairman

6. Report of the Principal

During the FY 2023/2024 the College continued to execute its mandate as outlined in its strategic plan. One of the key ingredients of the plan is a system of academic commitment by fostering a climate of Productivity, professionalism, excellence, accountability and transparency, equity, and Innovation in order to be competitive. The strategic plan provides for regular review of curricula and the establishment of linkages with institutions in both the public and private sectors. The other challenges facing the college include; inadequate training classrooms and workshops, inadequate number of Public Service Commission Trainers (which has resulted into the Board of Governors engaging a big number of BOG Contract trainers) ,Fees arrears arising from many students coming from needy families and delay of the government to disburse the Capitation funds and even missing out on some quarters to get capitation grants making it difficult to us as the institution on day to day operations.

Signed.....



Date

DATE

27/6/25

SIGN



PRINCIPAL
WANGA TECHNICAL & VOCATIONAL COLLEGE
P. O. Box 78 - 50106, SHIADA

MRS. GRACE OPWORA
The Principal/Secretary BOG

7. Corporate Governance Statement

Full Board Meetings

No.	Name	Position	Meetings Attended	Meetings Absent
1	DR.TIMOTHY AKALI	B.O.G CHAIRPERSON	6	0
2	PRO.KELVIN OMIENO	EDUCATION RESERCH AND HR COMMITTEE CHAIRPERSON	6	0
3	DR.SAMUEL WAWERU	AUDIT COMMITTEE CHAIRPERSON	6	0
4	ENG.ANDREW NG'ENO	FINANCE COMMITTEE CHAIRPERSON	6	0
5	CPA.BILLIAH SHITSINZI	MEMBER	6	0
6	MR.CALEB MIYAWA	MEMBER	6	0
7	MRS.HELLEN AKALAPATAN	MEMBER	6	0
8	MR.JOSEPH SUNGUTI	CDTVET	5	1

Finance & General Purpose Committee

No.	Name	Position	Meetings Attended	Meetings Absent
1	ENG.ANDREW NG'ENO	CHAIRPERSON	3	0
2	PROF.KELVIN OMIENO	MEMBER	3	0
3	MR.JOSEPH SUNGUTI	MEMBER	2	1

Education Research & Human Resources Committee

No.	Name	Position	Meetings Attended	Meetings Absent
1	PROF.KELVIN OMIENO	CHAIRPERSON	2	0
2	ENG.ANDREW NG'ENO	MEMBER	2	0
3	MRS.HELLEN AKALAPATAN	MEMBER	2	0

Audit and Risk Management Committee

No.	Name	Position	Meetings Attended	Meetings Absent
1	DR.SAMUEL WAWERU	CHAIRPERSON	2	0
2	MR.CALEB MIYAWA	MEMBER	2	0
3	CPA.BILHA SHITSINZI	MEMBER	2	0

8. Management Discussion and Analysis

During the Financial period ending 30th June 2024, the College continued to execute its mandate of skills in Technical Training. The College drafted operational policies on diverse aspects that will assist in governance; these are Academic Policy, Finance Policy, Students Fees Policy, ICT Policy, among others which are in operation to ensure smooth running of the college.

During the Financial year under audit, the college complied with the following statutory requirements among others; TVET Act 2013, PFM Act 2012, Public Audit Act 2015, PSC Act 2017. We have been able to comply with statutory requirements which include the National Social Security Funds (NSSF), National Hospital Insurance Fund (NHIF), Pay as you Earn (PAYE) on behalf of our BOG workers in time and there are no any pending dues which are in arrears. AS the upcoming college, the institution has experienced challenges in Finances arising from student's fees arrears and the government not fully funding the students through government capitation grants and shortage of Public Service Commission Trainers forcing the institution to employ a big number of trainers under Board of Governors thus increasing our wage bill which has been so tough to us the institution.

9. Environmental and Sustainability Reporting Statement

WANGA Technical and Vocational College exists to transform lives. This is our purpose and the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

Sustainability strategy and profile

In the effort of the institution to provide quality Technical training, the Senior management has put in place mechanisms to ensure that the college has modern and adequate training equipment's and tools.

The government started supporting the college in paying part of the fees of the trainees in the form of capitation and Scholarship though missing on some quarters and some students not benefiting but it has has greatly assisted trainees from poor backgrounds. The Higher Education Loans Board is also offering loans and bursaries to those trainees who cannot afford to pay their fees.

The CDF on the other hand provides bursaries for some trainees hence enabling them to complete their trainings.

Challenges in sustainability of our programmes include Insufficient funds due to the failure of the government to fully send the government capitation for all the students, Few trainers by Public service hence forcing the institution to employ trainers on Board thus increasing the wage bill, huge amounts of fees arrears arising from many students coming from needy families.

Environmental performance

The College organizes for tree planting activities and general cleaning of the nearby market centres 'to conserve the environment involving the community. During the financial year under review, the college participated in tree planting activities.

The challenges we are facing is finding seeds for nursery management and particularly the indigenous trees, space for planting seedlings and high demand for free seedlings.

Employee welfare

The College adheres to the OSHA 2007 Act to ensure that employee's welfare is catered for accordingly. We have fire fighting extinguishers in place to ensure safety should there be any fire risks.

Market place practices-

Responsible Competition Practice

- Wanga Technical and Vocational College respects its sister Colleges offering similar courses. It collaborates with them to ensure provision of high quality training services to trainees.
 - The local political class is involved in the overall management of the College by way of membership of the Governor's representative on the Board of Governors.
 - Integrity is one of the core values of Wanga TVC, corruption practices are prohibited. A committee to check on any occurrences has been created. It reports its findings to the the Principal for more action incase of any corruption cases.
- (b) The Supply Chain office is manned by qualified officer who ensure compliance with procurement regulations. Procurement of goods and

services are through open bidding/tendering system. Successful suppliers are paid on time - within 90 days.

- (c) Our goods and services are advertised through trusted channels – College website, through posters and social media e.g. WhatsApp groups and Facebook. Accurate and reliable information is communicated to allow users make informed decisions.

- (d) Product Stewardship.

Our trainees are attended to by qualified trainers. They have the right to be trained, change course, advance, and transfer to other colleges, sit for examinations when ready, go for attachment to areas of their choice.

Through their representatives, the College management is able to attend to their concerns.

Corporate Social Responsibility / Community Engagements

The following activities form part of evidence of the College community engagements:

- (a) Giving priority to local community in employment as long as the applicants meet the required qualifications.
- (b) Engaging in tree planting activities with the local community.
- (c) Providing courses that meet the needs of the local community with their qualifications like Artisan and Certificate course and NITA courses which are short courses.

(d) Training the community members on cabro and blocks making using our block making machine.

10. Report of the Board of Governors

The Board members submit this report together with the financial statements for the year ended 30th June, 2024 which shows the state of Wanga Technical and Vocational College affairs.

Principal activities

The principal activity of Wanga Technical and Vocational College is to provide Technical and vocational training.

Board of Governor

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

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

Auditors

The Auditor General is responsible for the statutory audit of Wanga Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 and TVET Act, 2013, Certified Public Accountants may be nominated by the Auditor General to carry out the audit of Wanga Technical and Vocational College for the year ended 30th June, 2024 in accordance with section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

..... Date

MRS.GRACE WETENDE OPWORA
PRINCIPAL/SECRETARY BOG
WANGA TECHNICAL AND VOCATIONAL COLLEGE

PRINCIPAL
WANGA TECHNICAL & VOCATIONAL COLLEGE
P. O. Box 78 - 50106, SHIADA
DATE: 27/6/25 SIGN: 

11. **Statement of Board of Governors Responsibilities**

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

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

The Board members accept responsibility for the College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and The Board members are of the opinion that the college financial statements give a true and fair view of the state of the transactions during the financial year ended 30th June, 2024, and of the college's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the college financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that the college will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The college financial statements were approved by the Board on 27/5/2025 and signed on its behalf by:

DR. TIMOTHY AKALI

Name

for [Signature]
Chairperson of the Board

Grace Opwora

Name

Accounting Officer/Principal

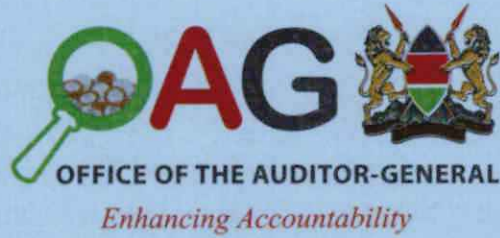
PRINCIPAL

WANGA TECHNICAL & VOCATIONAL COLLEGE
P. O. Box 78 - 50106, SHIADA

DATE 27/5/25 SIGN: [Signature]

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON WANGA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Wanga Technical and Vocational College set out on pages 1 to 35, which comprise of the statement of financial

position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Wanga Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Incorrect Opening Balances

The statement of financial position reflects comparative total current assets balance of Kshs.27,589,567 and fees prepayment balance of Kshs.487,544 while the previous year audited financial statements for the year ended 30 June, 2023 reflect Kshs.27,349,939 and Nil resulting to unexplained and unreconciled variance of Kshs.239,628 and Kshs.487,544 respectively.

Further, the statement of financial performance and Note 9(a) reflects comparative tuition fees Kshs.12,817,289, administrative costs Kshs.8,587,200 and personnel emoluments Kshs.7,422,360 while the previous year audited financial statements for the year ended 30 June, 2023 reflect Kshs.4,261,033, Kshs.Nil and Kshs.9,560 respectively resulting to unreconciled variance of Kshs.8,556,256, Kshs.8,587,200 and Kshs.7,412,800 respectively.

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

2. Inaccuracy of the Statement of Changes in Net Assets

The statement of changes in net assets reflects capital fund comparative balance of Kshs.58,546,279 while the previous year audited financial statements for the year ended 30 June, 2023 reflect Kshs.31,837,635 resulting to unreconciled variance of Kshs.26,708,644.

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

3. Inaccuracy of the Statement of Cash Flows

The statement of cash flows reflects finance cost comparative balance of Kshs.14,451 while the previous year audited financial statements for the year ended 30 June, 2023 reflects Kshs. Nil resulting to unreconciled variance of Kshs.14,451

Further, the statement of cash flows reflects net cash flows from operating activities balance of Kshs.3,272,012. However, Management has not made disclosure Note on the same as provided for in the Public Sector Accounting Standards Board reporting template.

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

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final budget and actual on comparable basis of Kshs.53,470,500 and Kshs.34,164,915 respectively resulting to underfunding of Kshs.34,164,915 or 36% of the budget. Similarly, the College spent Kshs.30,857,296 against an approved budget of Kshs.45,682,165 resulting to under-expenditure of Kshs.14,824,869 or 32% of the budget.

Further, the statement reflects actual rendering of services balance of Kshs.23,328,849, use of goods and service Kshs.20,064,901 and surplus for the period balance of Kshs.3,307,296 while the statement of financial performance shows Kshs.44,171,587, Kshs.20,983,299 and Kshs.10,584,267 respectively resulting to unreconciled variances of Kshs.20,842,738, Kshs.918,398 and Kshs.7,276,971, respectively. In addition, the statement of comparison of budget and actual amounts does not show budget utilization differences as provided for in the Public Sector Accounting Standards Board reporting template.

The underfunding and underperformance affected planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the previous year's audit, issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Management has not indicated under the progress on follow up on Auditor's recommendations section whether the issues have been resolved or not resolved. However, no explanations were given on when the outstanding issues will be fully resolved.

In the circumstances, the issues remain unresolved.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in 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. Anomalies in Presentation and Disclosure of Annual Report and Financial Statements

The statement of cash flows reflects cash and cash equivalents balance as at 1 July, 2023 of Kshs.2,683,622 and cash and cash equivalents as at 30 June, 2024 balance of Kshs.6,514,392 with supporting Note 26. However, Note 26 to the financial statements on page 34 relates to events after the reporting period.

Further, the implementation status of Auditor General's recommendations has been omitted in the annual report and financial statements contrary to the Public Sector Accounting Standards Board reporting template. The statement of performance against predetermined objectives was also omitted.

In the circumstances, financial statements have not been prepared in accordance with the requirements of the Public Sector Accounting Standards Board reporting template.

2. Noncompliance with Law on Ethnic Diversity

Review of staff bio data for the month of June, 2024 revealed that the College had forty-three (43) staff on contract, permanent and pensionable terms, out of which forty-one (41) staff or 95% were from one ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which states that no public establishment shall have more than one third of its staff from the same ethnic community.

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

3. Failure to Undertake Board Performance Evaluation

Review of Board members records revealed that the Board did not establish performance targets, conduct board evaluations for the full Board, its committees, or individual members and did not submit performance reports to its stakeholders during the year under review contrary to Section 11 of Chapter 1 of Mwongozo Code of Governance for State Corporations.

In the circumstances, the Board was in breach of the Law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the 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 controls, risk management and governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply 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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 June, 2025


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

13. Statement of Financial Performance for The Year Ended 30th June 2024

	Notes	Current FY	Comparative
		2023/2024	FY 2022/2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	10,609,186	6,775,000
Grants from donors and development partners	7	-	-
Public contributions and donations	8	-	-
		10,609,186	6,775,000
Revenue from Exchange transactions			
Rendering of services- fees from students	9(a)	44,171,587	33,400,346
Sale of goods	10	226,880	15,390
Rental revenue from facilities and equipment	11	-	75,200
			33,700,836
Total Revenue		44,398,467	40,475,836
Expenses			
Use of goods and services	12	20,983,299	10,050,047
Employee costs	13	7,006,457	5,178,814
Board of Governors Expenses	14	1,216,654	1,380,614
Depreciation and amortization expense	15	2,001,899	2,283,181
Repairs and maintenance	16	2,569,284	1,299,430
Finance costs	17	36,607	14,451
Total Expenses		33,814,200	20,206,537
Other Gains/(Losses)			
Gain on sale of assets		-	-
Impairment loss		(-)	(-)
Total Other Gains/(Losses)		-	-
Net surplus/(deficit) for the year		10,584,267	20,269,299

(The notes set out on pages' 19 to 33 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 4 were signed by:

DR. TIMOTHY AKALI **Grace Opwong** **Collins Wamalwa**
 Chairman of Council/Board Principal Finance Officer
 Date **28-5-2025** Date **27/5/2025** ICPAK No **21211-**
 WANGA TECHNICAL & VOCATIONAL COLLEGE Date **27/5/2025**
 P.O. Box 78 - 50106, SHIADA
 DATE: **27/5/25** SIGN: 

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

14. Statement of Financial Position as at 30th June 2024

Description	Notes	Current FY 2023/2024	Comparative FY 2022/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	18	6,514,392	2,683,622
Current portion of receivables from exchange transactions	19(a)	20,842,738	24,795,884
Inventories	20	152,878	110,061
Total Current Assets		27,510,008	27,589,567
Non-Current Assets			
Property, plant, and Equipment.	22	61,053,639	63,055,261
Intangible assets		-	-
Investment property		-	-
Biological Assets		-	-
Total Non-Current Assets		61,053,639	63,055,261
Total Assets (A)		88,563,647	90,405,200
Liabilities			
Current Liabilities			
Fees prepayments	21	341,171	487,544
Trade and other payables from exchange transactions	23	1,259,569	1,510,266
Refundable deposits from customers	24	134,000	134,000
Total Current Liabilities		1,734,740	1,644,266
Non-Current Liabilities			
Total non-current liabilities		-	-
Total Liabilities (B)		1,734,740	1,644,266
Net Assets (A-B)		86,828,907	88,760,934
Represented By:			
Surplus for the period			20,269,299
Accumulated Surplus		67,507,566	36,654,000
Capital Fund		58,546,279	31,837,635
Net Assets		126,053,845	90,405,200

The Financial Statements set out on pages 1 to 4 were signed by:

DR. TIMOTHY AKALI

Chairman of Council/Board

Date 28-5-2025

Grace Opona

Principal

Date

WANGA TECHNICAL & VOCATIONAL COLLEGE
P.O. Box 78 - 50106, SHIADA

DATE 27/5/25 SIGN: 

Collins Wamukwa

Finance Officer

ICPAK No 22211-

Date 27/5/2025

15. Statement of Changes in Net Asset For The Year Ended 30 June 2024

Description	Revaluati on reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2021	-	8,482,005	67,457,101	75,939,106
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	28,171,995	8,910,822	19,261,173
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2022	-	36,654,000	58,546,279	95,200,279
		36,654,000	58,546,279	95,200,279
At July 1, 2022				
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	20,269,299	-	20,269,299
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	-	56,923,299	58,546,279	115,469,578
At 1st July 2023		56,923,299	58,546,279	115,469,578
Revaluation gain				
Surplus/deficit for the year		10,584,267		10,584,267
Capital grants received during the year				
Transfer of depreciation/amortisation from capital fund to Retained earnings				
At June 30, 2024		67,507,566	58,546,279	126,053,845

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

Description		Current FY 2023/2024	Comparative FY 2022/2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	10,609,186	6,775,000
Grants from donors and development partners		-	-
Public contributions and donations		-	-
Rendering of services- fees from students	9(b)	23,328,849	33,400,346
Sale of goods	10	226,880	15,390
Rental revenue from facilities and equipment	11	-	75,200
Total Receipts		34,165,915	40,475,836
Payments			
Use of goods and services	12	20,064,901	10,050,047
Employee costs	13	7,006,457	5,178,814
Board Expenses	14	1,216,654	1,380,614
Repairs and maintenance	16	2,569,284	1,299,430
Finance Costs	17	36,607	14,451
Total Payments		30,893,903	17,923,356
Net Cash Flows from operating activities		3,272,012	22,552,480
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(-)	(890,000)
Decrease /Increase in payables		-	1,097,174
Decrease/Increase in Receivables			3,443,001
Decrease /Increase in Inventories			18,439
Net cash flows used in investing activities		(-)	3,668,614
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		(-)	(-)
Net cash flows used in financing activities		(-)	(-)
Net Increase/(Decrease) in Cash and Cash equivalents		-	(487,550)
Cash and Cash equivalents at 1JULY 2023	26	2,683,622	3,177,132
Cash and Cash equivalents at 30 JUNE 2024	26	6,514,392	2,683,622

(PSASB has prescribed the direct method of cash flow preparation and presentation for all public sector entities reporting under the IPSAS Accrual basis of accounting)

17. Statement of Comparison of Budget Actual Amounts For Year Ended 30th June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue					
Transfers from other National Government entities	27,000,000	(-)	27,000,000	10,609,186	(16,390,814)
Rendering of services- fees from students	26,120,500	(-)	26,120,500	23,328,849	2,791,651
Sale of goods	350,000	(-)	350,000	226,880	123,120
Miscellaneous Income	-	(-)	-	-	
Total Income	53,470,500	(-)	53,470,500	34,164,915	19,304,585
Expenses					
Use of goods and services	26,007,909	-	26,007,909	20,064,901	5,943,008
Employee costs	16,177,256	(-)	16,177,256	7,006,457	(9,170,799)
Board Expenses	1,472,000	(-)	1,472,000	1,216,654	(255,346)
Repairs and maintenance	2,025,000	(-)	2,025,000	2,569,284	544,284
Total Expenditure	45,682,165	(-)	45,682,165	30,857,296	
Surplus For the Period	7,788,335	-	7,788,335	3,307,619	

(Budget notes)

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis(budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

18. Notes to the Financial Statements

1. General Information

Wanga TVC is established by and derives its authority and accountability from TVET Act 2013. Wanga TVC is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is offering Technical 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 *College's* accounting policies. The areas involving a higher degree of judgement 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 *College*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 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 College. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by:

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

	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an College shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on 27th *June 2023*. 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 College upon receiving the respective approvals to conclude the final budget. Accordingly, the College recorded additional appropriations on the FY 2023/2024 budget following the Board's approval. The College's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented.

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)

Summary of Significant Accounting Policies (Continued)

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an -year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The College assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The College recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

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

j) Inventories

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

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

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

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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

The *College* recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

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

Summary of Significant Accounting Policies (Continued)

s) Service concession arrangements

The *College* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *College* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *College* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) 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.

u) Comparative figures

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

v) Subsequent events

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *College'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 College based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the College. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

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.

6. Transfers from other National Government entities

Description	FY 2023/2024	Comparative FY 2022/2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants Q1	1,977,500	1,935,000
Q2	2,789,500	1,920,000
Q3	3,188,000	1,920,000
Q4	1,670,425	-
Recurrent grant Q1	500,000	1,000,000
Q2	483,761	
Development grants	-	-
Other Grants	-	-
Total unconditional Grants	10,609,186	6,775,000
Conditional Grants amortised/ recognised in revenue		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
Total Government Grants and Subsidies	10,609,186	6,775,000

7. Grants from Donors and Development Partners

Description	FY 2023/2024	Comparative FY 2022/2023
	Kshs	Kshs
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Donations transferred to revenue-conditions met	-	-
Other Grants (specify)	-	-
Total Grants from Development Partners	-	-

8. Public Contributions and Donations

Description	FY 2023/2024	Comparative FY 2022/2024
	Kshs	Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
Total Donations and Contributions	-	-

9. (a) Rendering of Services

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Tuition Fees	23,084,482	12,817,289
Activity Fees	-	-
Industrial Attachment Fees	318,100	179,050
Examination Fees	2,359,576	904,801
Registration Fees	161,000	216,050
Fees arrears collected	3,738,500	1,717,552
Administrative Cost	8,031,460	8,587,200
Personal Emoluments	5,196,298	7,422,360
Trainees Union Fee	245,500	4,300
Trainees ID Cards	124,900	208,500
KUCCPS Fees	432,500	653,500
Tveta fees	137,600	
Ewc	-	200
Insurance Fees	-	68,000
Caution Money	-	134,000
RMI	500	
Fees Paid in Advance	341,171	487,544
Total Revenue from The Rendering of Services	44,171,587	33,400,346

N/B The note above affects the statement of financial performance since the revenue is on accrual basis.

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(b)Rendering of Services

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Tuition Fees	15,084,482	4,261,033
Activity Fees	-	-
Industrial Attachment Fees	318,100	179,050
Examination Fees	2,359,576	904,801
Registration Fees	161,000	216,050
Fees arrears collected	3,738,500	1,717,552
Administrative Cost	31,460	-
Personal Emoluments	353,560	9,560
Trainees Union Fee	245,500	4,300
Trainees ID Cards	124,900	208,500
KUCCPS Fees	432,500	653,500
Tveta fees	137,600	
Ewc	-	200
Insurance Fees	-	68,000
Caution Money	-	134,000
RMI	500	
Fees Paid in Advance	341,171	487,544
Total Revenue from The Rendering of Services	23,328,849	8,844,090

(The note above affects the statement of cash flow since its prepared on cash basis)

10.Sale of Goods

Description	FY 2023/2024	Comparative FY 2022/2023
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	-	-
Cafeteria sales and Cabros	226,880	15,390
Other sales (specify)	-	-
Total Revenue from Sale of Goods	226,880	15,390

(This revenue was collected from the sale of cabros and meals done during food and beverage class practicals)

11. Rental revenue from facilities and equipment

Description	FY 2023/2024	Comparative FY 2022/2023
	Kshs	Kshs
Hire of Facilities and Equipment	-	75,200
Contingent Rentals	-	-
Operating Lease Revenue	-	-
Others (<i>specify</i>)	-	-
Total	-	75,200

12. Use of Goods and Services

Description	FY 2023/2024	Comparative FY 2022/2023
	Kshs	Kshs
Teaching and learning materials	5,968,646	617,688
Industrial attachment costs	163,218	63,301
Electricity	193,806	164,570
Local Transport and travelling	782,413	398,900
Trainees Union Fees	234,630	60,570
Activity Fees	386,550	670,400
Examination fees	2,274,770	1,477,924
Medical Expense	4,350	-
Trainees ID Expenses	93,750	9,000
Administrative Cost (Trainings, Accommodation and subsistence)	9,495,908	5,015,644
KUCCIPS Placement Charges	199,500	-
Production unit expenses	95,600	8,350
Tendering Expenses	13,960	3,000
Accommodation Expenses	157,800	5,000
Postage	-	7,725
Accrued Expenses	918,398	1,510,266
Insurance	-	37,709
Total goods and services	20,983,299	10,050,047

13. Employee Costs

Description	Current FY 2023/2024	Comparative FY 2022/2023
	Kshs	Kshs
Salaries and wages	7,006,457	5,178,814
Employee Costs	7,006,457	5,178,814

14. Board of Governors Expenses

Description	Current FY 2023/2024	Comparative FY 2022/2023
	Kshs	Kshs
Board of Governors Allowances	1,216,654	1,380,614
Other Allowances	-	-
Other Board	-	-
Total	1,216,654	1,380,614

15. Depreciation and Amortization expense

Description	Current FY 2023/2024	Comparative FY 2022/2023
	Kshs	Kshs
Property, plant and equipment	2,001,899	2,283,181
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	2,001,899	2,283,181

16. Repairs and Maintenance

Description	Current FY 2023/2024	Comparative FY 2022/2023
	Kshs	Kshs
Property Equipment and Machinery	2,569,284	1,299,430
Investment property—earning rentals	-	-
Vehicles	-	-
Total Repairs and Maintenance	2,569,284	1,299,430

17. Finance Costs

Description	Current FY 2023/2024	Comparative FY 2022/2023
	Kshs	Kshs
Bank Charges	36,607	14,451
Finance Leases(Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Others (specify)	-	-
Total Finance Costs	36,607	14,451

*(*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)*

18. Cash and Cash Equivalents

Description	Current FY 2023/2024	Comparative FY 2022/2023
	Kshs	Kshs
Current Account	6,460,935	2,679,467
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify) Cash at Hand	53,457	4,155
Total Cash and Cash Equivalents	6,514,392	2,683,622

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

Financial Institution	Account number	Current FY 2023/2024	Comparative FY 2022/2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1269736981	5,463,626	876,763
	1269737082	125,748	1,581,714
	1269737066	871,561	220,990
Sub- Total		6,460,935	2,679,467
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Sub- Total		-	-
c) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Sub- Total		-	-
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		-	-
Sub- Total		-	-
e) Others(Specify)			
Cash in Transit		-	-
Cash in Hand		53,457	4,155
Mobile Money account		-	-
Sub- Total		53,457	4,155
Grand Total		6,514,392	2,683,622

19 Receivables from Exchange transactions

19(a) Current Receivables from Exchange transactions

Description	Current FY 2023/2024	Comparative FY
	Kshs	Kshs
Current Receivables		
Student Debtors	20,842,738	24,795,884
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	(-)	(-)
Total Current Receivables	20,842,738	24,795,884

19(b) Long- term Receivables from Exchange transactions

Description	Current FY 2023/2024	Comparative FY 2022/2023
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	(-)	(-)
Total	-	-
Current Portion Transferred To Current Receivables	(-)	(-)
Total Non-Current Receivables	-	-
Total Receivables	-	-

20. Inventories

Description	Current FY 2023/2024	Comparative FY 2022/2023
	Kshs	Kshs
Consumable stores	104,880	66,854
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	21,420	10,462
Catering stores	26,578	32,745
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	152,878	110,061

21. Prepayments

Description	Current FY 2023/2024	comparative FY 2022/2023
	Kshs.	Kshs.
Prepaid Rent	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>) Tuition Fees	341,171	487,544
Total	341,171	487,544

22. Property, Plant and Equipment Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 st July 2022	3,600,000	56,751,621	2,737,255	910,704	2,700,017	-	66,699,597
Additions	-	-	24,000	793,000	73,000	-	890,000
Disposals	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-
Cost At 30 th June 2023	3,600,000	56,751,621	2,761,255	1,703,704	2,773,017	-	67,589,597
Depreciation And Impairment							
At 30 Jun 2022	-	1,135,032	410,588	300,532	405,003	-	2,251,155
Depreciation for the year ended June 2023	-	1,112,332	352,600	463,047	355,202	-	2,283,181
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-
Accumulated at 30 th Jun 2023	-	2,247,364	763,188	763,579	760,205	-	4,534,336
Depreciation for the year ended June 2024	-	1,090,085	299,651	310,241	301,922	-	2,001,899
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-
Accumulated at 30 th Jun 2024	-	3,337,449	1,062,839	1,073,820	1,062,127	-	6,536,235
Net Book Values							
As at 30 th June 2023	3,600,000	54,504,257	1,997,676	940,125	2,012,812	-	63,054,870
As at 30 th June 2024	3,600,000	53,414,449	1,698,416	629,884	1,710,890	-	61,053,639

N/B: Depreciation rates are as follows:

Land	0.00%
Building	2.00%
Furniture and fittings	15.00%
Plant and equipment	15.00%
Computers	33.00%

Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by professional valuers. These amounts were adopted in the financial statements on 30th June 2024.

23. Trade and Other Payables

Description	Current FY 2023/2024		Comparative FY 2022/2023	
	Kshs		Kshs	
Trade payables	918,398		1,022,722	
Fees paid in advance	341,171		487,544	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
Total Trade and Other Payables	1,259,569		1,510,266	
	Current FY 2023	% of the Total	Comparative FY	% of the Total
Ageing analysis:				
Under one year	1,259,569	%	1,510,266	
1-2 years		%		
2-3 years		%		
Over 3 years		%		
Total (to tie to totals above)	1,259,569	%	1,510,266	

24. Refundable Deposits from Students

Description	FY 2023/2024		FY 2022/2023	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	134,000		134,000	
Other refundable deposits	-		-	
Total Deposits	134,000		134,000	
Ageing analysis:	Current FY 2022/2023	% of the Total	Comparative FY 2021/2022	% of the Total
Under one year	134,000	1.00	134,000	1.00
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals deposits above)	134,000	1.00	134,000	1.00

NB.The caution money collected during the previous financial year had not been paid back since the trainees had not completed their course so it had to be carried forward to the Financial year under review.

25. Financial Risk Management

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

(i) Credit risk

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

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

Financial risk management (continued)

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

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

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

(iii) Market risk

The College has put in place an internal audit function to assist it in assessing the risk faced by the College on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the College's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The College's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the College's exposure to market risks or the manner in which it manages and measures the risk.

26.Events After The Reporting Period

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

27.Ultimate And Holding College

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

28.Currency

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

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Appendix II: Projects Implemented by

Projects

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

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

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

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