

REPUBLIC OF KENYA



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REPORT

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THE AUDITOR-GENERAL

ON

**WANGA TECHNICAL AND VOCATIONAL
COLLEGE**

FOR THE YEAR ENDED

30 JUNE, 2023

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	08 MAR 2025 DAY: Thursday
TABLED BY:	Hon. Njoroge Njoroge Majority Party Whip
CLERK-AT THE-TABLE:	A. Shikuko



WANGA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2023**

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

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1. Acronyms & Glossary of Terms

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
Fiduciary Management	Key management personnel who have financial responsibility in the entity

2. Key Entity Information and Management

(a) Background information

Wanga Technical and Vocational College was established under the TVET Act 2013 on 1st September 2019. The entity is domiciled in Kenya. The institute is under the Ministry of Education State Department for Vocational and Technical Training. It is Located in Kakamega County, Mumias East Sub county 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 entity is to ...

MISSION. To Provide Quality Technical Training in Engineering and Technology to meet dynamic global needs.

VISSION. To be a leader in Technical Skills, Training, Innovation, Science and Technology.

CORE VALUES.

i. Professionalism. Consistently offer quality training and related services that are market driven.

ii. Team Work. Encourage positive team work and positive contribution from its motivated and innovative work force.

iii. Honesty. Conduct its business with employees, parents, sponsors, customers and other stake holders in an honest and caring manner.

iv. Evidence based decision making. Observe good corporate governance at all times.

v. Competitiveness. Practising fair competition.

vi. Innovation and creativity. Promote innovation and creativity in its training programmes, service delivery and governance.

(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 2023 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Mrs. Grace Opwora
2.	Deputy principal Finance/Academics	Mr. Francis Miheso
3.	Registrar	Mr. Sylvester Burula
5	Dean of students	Mr. Duncan Owino
6	Head of Finance	Mr. Nathan Khaemba
7	Examination Officer	Mr. Gregory Musonye

Key Entity 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) Entity Headquarters

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

(g) Entity Contacts

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

(h) Entity 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




SN	Member	Details
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.</p>
3.	 PRO.KELVIN OMIENO MEMBER	<p>Born 12th March 1984.He is a holder of PHD in Business Information Systems.He is an Associate Professor of Information Technology and also Founding and current Dean,School of Computing and information Technology (SCIT),Kaimosi Friends University (KAFU).He is a professional Member of Association of Computing Machinery,Member of Internet Society and Member of Association of Computing Professionals in Kenya(ACPK).</p>




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<p>4.</p>	 <p>MR. JOSEPH SUNGUTI CDTVET/MEMBER</p>	<p>Born in 1963</p> <p>-He is the TVET regional Director</p> <p>Vihiga/ Kaka mega</p> <p>-Master's in Education</p> <p>-Experience of over 10years in TVET</p>
<p>5.</p>	 <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 27years having served in various capacities until she rose to be the Principal.</p>
<p>6.</p>	 <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 Audit and Risk Committee.</p>
<p>7.</p>	 <p>MR. CALEB JOTHAM MIYAWA</p>	<p>Born 1/7/1956. BTed(Technology Edu. Mechanical option</p>

MEMBER		
8.	 <p>CPA. BILLIAH SHITSINZI MEMBER</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Member of the Institute of Certified Public Accountants of Kenya, ICPAK M.NO. 4998 <input type="checkbox"/> Bachelor of Business Management (BBM), Finance & Accounting (2005), Moi University <input type="checkbox"/> CFE-2012 <input type="checkbox"/> Born in 1970. <input type="checkbox"/> She is a qualified professional accountant since 2002. <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. <input type="checkbox"/> Been head of Finance department in a University College set up.
9.	 <p>ENG. ANDREW NG'ENO MEMBER</p>	<p>A holder of Bsc in Mechanical Engineering Degree from University of Nairobi. Wide experience in Manufacturing Sector both Public and Private Sector. Licensed Professional Mechanical Engineer with Engineers Board of Kenya (EBK) Registration No.M2677. Also a corporate Member of the Institution of Engineers of Kenya (IEK) Registration No.M3951.</p>

4. Key Management Team

<i>SN</i>	<i>Member</i>	<i>Details</i>
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. FRANCIS MIHESO</p>  <p>PHD in Project planning and Management</p>	<p>THE DEPUTY PRINCIPAL. -Head of Academics and Administrative matters.</p>
3.	<p>MR. SYLVESTER BURULA</p>  <p>BSE. Supplies and HR.</p>	<p>REGISTRAR. -Marketing and Admissions.</p>

4.	<p>MR.DUNCAN OWINO</p>  <p>HND.Building and Civil Engineering.</p>	<p>DEAN OF STUDENTS. -Students welfare.</p>
5.	<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>
6.	<p>MR.NATHAN KHAEMBA</p>  <p>CPA PART 2</p>	<p>ACCOUNTANT. -Financial management.</p>

5. Chairman's Statement

I am delighted to present to our stakeholders the Financial Statements for the financial year 2022/2023 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: 24/09/2023

DR. TIMOTHY AKALI
Board of Governors Chairman

6. Report of the Principal

During the FY 2022/2023 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.

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	3	3

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	1	2

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

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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 2023, 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, Audit and Risk Management 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 top 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 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 firefighting 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. The area MP takes part in the nomination of members of the Board of Governors.
- Integrity is one of the core values of Wanga TVC, corrupt practices are prohibited. A committee to check on any occurrences has been created.

It reports its findings to the board of governance

- (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. what Sapp 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

(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 June 30, 2023 which shows the state of Wanga Technical and Vocational College affairs.

Wanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

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.

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 June 30, 2023 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 **24/7/2023** 

PRINCIPAL
WANGA TECHNICAL & VOCATIONAL COLLEGE
P. O. Box 78 - 60106, SHIADA

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

Wanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

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 council 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 Council 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 council members are also responsible for safeguarding the assets of the college.

The Council 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 June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the college, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council 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 council 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 June 30, 2023, and of the college's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the *entity*, 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 Council 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 21st SEPT. 2023 and signed on its behalf by:

DR. TIMOTHY AKALI

Name

Chairperson of the Board

Gvale W. Opwisa


Name

Accounting Officer/Principal

PRINCIPAL

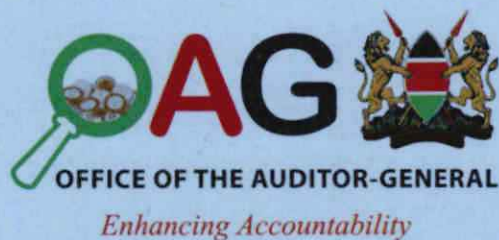
WANGA TECHNICAL & VOCATIONAL COLLEGE

P. O. Box 78 - 50106, SHIMBA

DATE: 24/9/2023 SIGN: 

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, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

The accompanying financial statements of Wanga Technical and Vocational College set out on pages 1 to 39, which comprise the statement of financial position as at 30 June, 2023 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 have been audited on my behalf by Ndakala Advisory LLP, auditors appointed under Section 23 of the Public Audit Act, 2015 and in accordance with the provisions of Article 229 of the Constitution of Kenya. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

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, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical, Vocational and Educational Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy of Property, Plant and Equipment Balance

The statement of financial position and Note 30 of the financial statements reflect property, plant and equipment balance of Kshs.63,055,261. However, the balance contradicts the asset register balance of Kshs.62,039,302 by an unexplained variance of Kshs.1,015,959. Further, the balance includes Kshs.3,600,000 and Kshs.54,504,257 relating to land and buildings respectively, which were not supported by relevant documents including invoices or valuation reports.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.63,055,261 could not be confirmed.

2. Inaccuracy in the Financial Statements

Review of the financial statements and supporting documents provided for audit review revealed the following anomalies:

- i. The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.24,795,884. However, accrued income of Kshs.24,556,256 did not have corresponding receivables balance.
- ii. The statement of financial performance reflects total income of Kshs.40,475,836. However, prepayment balance of Kshs.487,544 was erroneously classified under income.
- iii. The statement of cash flows reflects changes in payables and receivables amounting to Kshs.1,097,174 and Kshs.3,443,001, respectively. However, re-computation of the amounts indicates changes in payables and receivables amounting to Kshs.1,163,220 and Kshs.142,873, resulting to unexplained variances of Kshs.66,046 and Kshs.3,300,128, respectively. Further, the changes in payables and receivables were erroneously classified under cash flows from investing activities instead of cash flows from operating activities as required by accounting standards.

- iv The statement of comparison of budget and actual amounts was erroneously prepared under accrual basis of accounting instead of cash basis of accounting contrary to the requirements of the Public Sector Accounting Standards Board reporting template.

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

3. Unsupported Revenue

The statement of financial performance reflects rendering of services revenue amounting to Kshs.33,400,346 and as disclosed in Note 10 to the financial statements. The amount includes accrued rendering of services revenue amounting to Kshs 24,556,256. However, the ledger supporting the income was not provided for audit review.

In the circumstances, the accuracy and completeness of rendering services revenue amounting to Kshs.24,556,256 could not be confirmed.

4. Unsupported Capital Grant

The statement of changes in net assets reflects capital grants received during the year amount of Kshs.26,708,644. However, the nature of the grant was not disclosed and supporting documents were not provided for audit review.

In the circumstances, the accuracy and completeness of capital grants received during the year amounting to Kshs.26,708,644 could not be confirmed.

The audit was conducted in accordance with the International Standards for 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.

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 audit report of the previous year, several issues were raised under Report on Financial Statements and the Report on Effectiveness of Internal Controls, Risk

Management and Governance. However, no evidence was provided for audit review indicating whether or not the issues were resolved. Further, the prior year issues are not disclosed under progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board reporting template.

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 and Management, the Board of Governors, Management Team, Chairman's Statement, Report of the Principal, Corporate Governance Statement, Management Discussion and Analysis, Report of the Board of Governors, Statement of Board of Governors' Responsibilities and Environmental and Sustainability Reporting Statement. 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 effects of the matter 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

Non-Compliance with Law on Staff Ethnic Diversity

Analysis of the payroll and staff list provided for audit review revealed that during the year under review, the College had sixty (60) employees, both teaching and non-teaching and on permanent and pensionable and contractual terms. However, out of the total number, fifty-five (55) employees or 92% were from one ethnic community. This was contrary to

Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that no public establishment shall have more than one third of its staff from one ethnic community.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Internal Controls Weaknesses in Data Management

Review of the college's operations revealed Management's involvement in processing and storage of Personal Identifiable Information (PII) including information of employees during payroll processing and information of students during admission and funding purposes. However, the College is not registered as a data controller or a data processor contrary to Section 18 (1) of the Data Protection Act, 2019, which states that no person shall act as a data controller or data processor unless registered with the data commissioner.

Further, the College had not developed a data protection and privacy policy as at the time of the audit in December, 2024. In addition, the College had not carried out data protection impact assessment to identify and mitigate privacy risks before they occur and ensure that data protection and privacy principles are effectively incorporated in the operations of the College in line with Section 31 of the Act.

In the circumstances, the College risks potential fines and penalties in case of data breach to the respective individuals or suppliers.

2. Weaknesses in Information Communication Technology (ICT) Internal Controls

Review of the College's Information Communication Technology (ICT) control environment revealed that the College did not have ICT security policy, disaster recovery plan and an off-site back-up plan.

In the circumstances, the confidentiality, integrity and safety of the College's information and data could not be confirmed.

3. Failure to Evaluate Board's Performance

The statement of financial performance and Note 17 to the financial statements reflect Board expenses amounting to Kshs.1,380,614. However, there was no evidence provided for audit review to show that the Board carried out an annual evaluation of its performance at the end of the period. Further, the Board of Governors' annual work plan was not provided for audit review.

In the circumstance, the performance of the Board and effectiveness of the College's governance could not be confirmed.

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

Responsibilities of the Management and 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 terminate the College or 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 for 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

27 January, 2025

Wanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

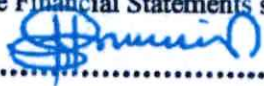


13. Statement of Financial Performance for The Year Ended 30 June 2023

	Notes	FY 2021/2022	FY 2021/2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	6,775,000	11,736,200
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
		6,775,000	11,736,200
Revenue from Exchange transactions			
Rendering of services- fees from students	10	33,400,346	41,048,715
Sale of goods	11	15,390	-
Rental revenue from facilities and equipment	12	75,200	15,000
Finance income	13	-	-
Miscellaneous income	14	209,900	-
Revenue from Exchange transactions		33,700,836	41,063,715
Total Revenue		40,475,836	52,799,915
Expenses			
Use of goods and services	15	10,050,047	8,247,244
Employee costs	16	5,178,814	3,694,393
Board Expenses	17	1,380,614	1,192,585
Depreciation and amortization expense	18	2,283,181	2,251,155
Repairs and maintenance	19	1,299,430	430,435
Contracted services	20	-	-
Grants and subsidies	21	-	-
Finance costs	22	14,451	14,103
Total Expenses		20,206,537	15,829,915
Other Gains/(Losses)			
Gain on sale of assets		-	-
Gain/ Loss on fair value of investments		-	-
Impairment loss		-	-
Total Other Gains/(Losses)		-	-
Net surplus/(deficit) for the year		20,269,299	36,970,000

(The notes set out on pages' 21 to 22 form an integral part of the Annual Financial Statements).

Wanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

The Financial Statements set out on pages 1 to 7 were signed by

Chairman of Board

Finance Officer

Principal

Date 24/09/2023

ICPAK No
Date 24/9/2023

PRINCIPAL
WANGA TECHNICAL & VOCATIONAL COLLEGE
P.O. Box 78-50106, SHIRAZI
Date 24/9/23 **Signature** 

Wanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

14. Statement of Financial Position as at 30th June 2023

Description	Notes	FY 2022/2023	FY 2021 /2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents.	26	2,683,622	3,171,172
Current portion of receivables from exchange transactions.	27(a)	24,795,884	24,938,757
Receivables from non-exchange transactions.		-	3,060,500
Inventories.	28	110,061	128,500
Investments in financial assets.	29	-	-
Total Current Assets		27,349,939	31,298,929
Non-Current Assets			
Property, plant, and equipment.	30	63,055,261	64,448,442
Intangible assets.	31	-	-
Investment property.	32	-	-
Total Non-Current Assets.		63,055,261	64,448,442
Total Assets.		90,405,200	95,747,371
Liabilities.			
Current Liabilities.			
Trade and other payables from exchange transactions.	33	1,510,266	347,046
Refundable deposits from customers.	34	134,000	53,000
Payments received in advance.		-	147,046
Total Current Liabilities.		1,644,266	547,092
Non-Current Liabilities.		-	-
Total non- current liabilities.		-	-
Total Liabilities.		1,644,266	547,092
Net Assets.		88,760,934	95,200,279
Surplus/Deficit.		20,269,299	-
Accumulated Surplus.		36,654,000	36,654,000
Capital Fund.		31,837,635	58,546,279
Total Net Assets and Liabilities.		90,405,200	95,200,279

Wanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

The Financial Statements set out on pages 1 to 7 were signed by:



Chairman of Board

Date

24/09/2023

Finance Officer

Principal

ICPAK No

Date

24/9/2023

Date

PRINCIPAL
WANGA TECHNICAL & VOCATIONAL COLLEGE
P.O. Box 78 - 50106, SHIADA
DATE: 24/9/23 SIGN: 

15. Statement of Changes in Net Asset For The Year Ended 30 June 2023

Description	Revaluation 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
At July 1, 2022	-	36,654,000	58,546,279	95,200,279
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	20,269,299	-	
Capital grants received during the year	-	-	26,708,644	26,708,644
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	-	56,923,299	31,837,635	88,760,934

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

Wanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

16. Statement of Cash Flows For The Year Ended 30 June 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	6,775,000	11,736,200
Grants from donors and development partners		-	-
Transfers from other levels of government		-	-
Public contributions and donations		-	-
Rendering of services- fees from students	10	33,400,346	4,408,053
Sale of goods	11	15,390	-
Rental revenue from facilities and equipment	12	75,200	15,000
Miscellaneous income	14	209,900	28,000
Total Receipts		40,475,836	16,187,253
Payments			
Use of goods and services	15	10,050,047	8,247,244
Employee costs	16	5,178,814	3,694,493
Board Expenses	17	1,380,614	1,192,585
Repairs and maintenance	19	1,299,430	430,435
Contracted services		-	-
Grants and subsidies		-	-
Total Payments		17,923,356	13,578,860
Net Cash Flows from operating activities		22,552,480	2,608,393
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		-	-
Capital Funds		26,708,644	
Net cash flows used in financing activities		(26,708,644)	-
Net Increase/(Decrease) in Cash and Cash equivalents		(487,550)	-
Cash and Cash equivalents at 1 JULY	26	3,171,172	562,779
Cash and Cash equivalents at 30 JUNE	26	2,683,622	3,171,172

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

Wanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

17. Statement of Comparison of Budget Actual Amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	15,000,000	-	15,000,000	6,775,000	-	45%
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other levels of government	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- fees from students	17,390,118	-	17,390,118	33,400,346	-	-
Sale of goods	-	-	-	15,390	-	0%
Rental revenue from facilities and equipment	100,000	-	100,000	75,200	-	75%
Finance income	-	-	-	-	-	-
Miscellaneous Income	-	-	-	209,900	-	-
Total Income	32,490,118	-	32,490,118	40,475,836	-	
Expenses						
Use of goods and services	19,067,924	-	19,067,924	10,050,047	-	53%
Employee costs	12,138,248	-	12,138,248	5,178,814	-	43%
Board Expenses	1,180,000	-	1,180,000	1,380,614	-	-
Repairs and maintenance	-	-	-	1,299,430	-	-
Contracted services	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	-
Finance costs	60,000	-	60,000	14,451	-	-
Depreciation	-	-	-	2,283,181	-	-
Total Expenditure	32,446,172	-	32,446,172	20,206,537	-	-
Surplus For the Period	43,946	-	43,946	20,269,299	-	-
Capital Expenditure	-	-	-	-	-	-

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 entity'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 *entity'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 *entity*. 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. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

**Wanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023**

Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. 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 entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

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 2022/2023 was approved by the Council or Board on 31st January 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations on the FY 2022/2023 budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented.

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

e) Property, plant and equipment

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

f) Leases

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

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

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

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

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

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

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 entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

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 *Entity*.

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

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 entity 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 entity 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 *Entity* creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

n) Changes in accounting policies and estimates

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Service concession arrangements

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

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, 2023.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

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

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8. Transfers from Other Levels of Government

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Transfer from County	-	-
Transfer from University	-	-
Transfer from Institute	-	-
Total Transfers	-	-

9. Public Contributions and Donations

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
Total Donations and Contributions	-	-

(Provide brief explanation for this revenue)

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Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

10. Rendering of Services

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Tuition Fees	4,261,033	4,435,704
Activity Fees	-	50,550
Industrial Attachment Fees	179,050 ✓	165,000
Examination Fees	904,801	1,288,725
Library Fees	-	20,674
Students ID cards fees	208,500	28,227
Registration Fees	216,050 ✓	63,900
Students debtors recovered	1,717,552	1,067,732
KUCCPS Placement	653,500	-
Insurance Fees	68,000	20,000
Students Council fees	4,300	26,824
EWC	200	37,726
Personal Emoluments	9,560	274,313
Caution Money	134,000	-
Sale of tenders	-	28,000
Accommodation	-	34,500
Medical fee	-	17,621
RMI	-	38,800
LTST	-	86,196
ADMC	-	91,766
Prepayments	487,544	-
Accrued Income	24,556,256	24,938,757
Total Revenue from The Rendering of Services	33,400,346	32,715,015

(Provide brief explanation for this revenue)

11. Sale of Goods

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	15,390	-
Cafeteria sales	-	-
Other sales (specify)	-	-
Total Revenue from Sale of Goods	15,390	-

Income from sale of maize from the farm

Wanga Technical and Vocational College
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12. Rental revenue from facilities and equipment

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Hire of Facilities and Equipment	75,200	15,000
Contingent Rentals	-	-
Operating Lease Revenue	-	-
Total	75,200	15,000

The institution hired land survey equipments to Sang'ala Institute of science and technology where the income was derived.

Notes to the Financial Statements (Continued)

13. Finance Income

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

(Provide brief explanation for this revenue.)

14. Miscellaneous Income

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	23,000	-
Services concession income	-	-
Reimbursements and refunds	186,900	-
Graduation fees	-	-
Bad debts recovered	-	-
Income written back	-	-
Miscellaneous income (<i>specify</i>)	-	-
Total other income	209,900	-

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified.)

**Wanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023**

Notes to the Financial Statements (Continued)

15. Use of Goods and Services

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Teaching and learning materials	617,688	1,021,070
Industrial attachment costs	63,301	135,999
Electricity	164,570	325,794
Security	-	-
Professional and consultancy services	-	-
Subscriptions	-	-
Advertising	-	-
Examination fees	1,477,924	689,028
Audit fees	-	-
Catering, conferences, and delegations	-	-
Travelling and accommodation	398,900	324,640
Fuel and oil	-	-
Insurance	37,709	-
Trainees ID cards	9,000	80,000
Licenses and permits	-	-
Postage	7,725	-
Printing and stationery	-	155,705
Income Generating expenses	8,350	-
Rent expenses	5,000	33,000
Activity (Co-curriculum)	670,400	739,445
Tendering expenses	3,000	11,000
Students Council expenses	60,570	66,070
Training and administrative expenses	5,015,644	4,544,493
Other (specify) Accrued Expenses	1,510,266	200,000
Total good and services	10,050,047	8,247,244

**Wanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023**

Notes To the Financial Statements (Continued)

16. Employee Costs.

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Salaries and wages	4,989,814	3,694,493
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Salary advances	189,000	-
Social contributions	-	-
Employee Costs	5,178,814	3,694,493

17. Board Expenses.

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	1,380,614	1,055,000
Other Allowances	-	-
Other Board Expenses(MEALS)	-	137,585
Total	1,380,614	1,192,585

18. Depreciation and Amortization expense.

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Property, plant and equipment	2,283,181	2,251,155
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	2,283,181	2,251,155

19. Repairs and Maintenance

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Property	1,299,430	430,435
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-

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Total Repairs and Maintenance	1,299,430	430,435
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Notes To the Financial Statements (Continued)

20. Contracted Services

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Other (specify)	-	-
Total contracted services	-	-

21. Grants and Subsidies

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Total Grants and Subsidies	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

22. Finance Costs

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Bank charges	14,451	14,103
Total Finance Costs	14,451	14,103

Wanga Technical and Vocational College
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Notes To the Financial Statements (Continued)

23. Gain On Sale of Assets

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

24. Gain/(loss) on Fair Value Investments

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

25. Impairment Loss

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

26. Cash and Cash Equivalents

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Current Account	2,679,467	3,067,288
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify) Cash at hand	4,155	103,884
Total Cash and Cash Equivalents	2,683,622	3,171,172

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

Wanga Technical and Vocational College
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Notes To The Financial Statements (Continued)

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

Financial Institution	Account number	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1269736981	876,763	2,252,376
	1269737082	1,581,714	361,414
	1269737066	220,990	453,498
Sub- Total		2,679,467	3,067,288
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		4,155	103,884
Mobile Money account		-	-
Sub- Total		4,155	103,884
Grand Total		2,683,622	3,171,172

Wanga Technical and Vocational College
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Notes to the Financial Statements (Continued)

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Current Receivables		
Student Debtors	24,795,884	24,938,757
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	24,795,884	24,938,757

28. Inventories

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Consumable stores	66,854	103,000
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	10,462	25,500
Catering stores	32,745	-
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	110,061	128,500

Notes to the Financial Statements (Continued)

29. Investments in financial assets

Description	FY 2021/2023	FY 2021/2023
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks		
Bank X	-	-
Bank Y	-	-
Sub- Total	-	-
c) Equity Investments (Specify)		
Equity/ Shares in Company Xxx	-	-
Sub- Total	-	-
Grand Total	-	-

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

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

30. 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 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	-	-	-	-	-	-	-
At 30th 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	-	1,112,332	352,600	463,047	355,202	-	2,283,181
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-
Accumulated at 30th Jun 2023	-	2,247,364	763,188	763,579	760,205	-	4,534,336
Net Book Values							
At 30th Jun 2022	3,600,000	55,616,589	2,326,667	610,172	2,295,014	-	64,448,442
At 30th Jun 2023	3,600,000	54,504,257	1,998,067	940,125	2,012,812	-	63,055,261

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%

Wanga Technical and Vocational College
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Notes to the Financial Statements (Continued)

30 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	3,600,000	-	3,600,000
Buildings	56,751,621	2,247,364	54,504,257
Plant And Machinery	2,773,017	760,205	2,012,812
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	1,703,704	763,579	940,125
Office Equipment, Furniture, And Fittings	2,761,255	763,188	1,998,067
Total	67,589,597	4,534,336	63,055,261

31. Intangible Assets

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Additions-internal development	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

Notes to the Financial Statements (Continued)

32. Investment Property

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain or loss on fair value- if fair value is elected	-	-
At end of the year	-	-

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

33. Trade and Other Payables

Description	FY 2022/2023		FY 2021/2022	
	Kshs		Kshs	
Trade payables	1,022,722		347,046	
Fees paid in advance	487,544		147,046	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
Total Trade and Other Payables	1,510,266		494,092	
	Current FY	% of	Comparative FY	% of
Ageing analysis:	2022/2023	the	2021/2022	the
Under one year	1,510,266	1.00	494,092	1.00
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals above)	1,510,266	1.00	494,092	1.00

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34. Refundable Deposits from Students

Description	FY 2022/2023		FY 2021/2022	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	134,000		53,000	
Other refundable deposits	-		-	
Total Deposits	134,000		53,000	
Ageing analysis:	Current FY 2022/2023	% of the Total	Comparative FY 2021/2022	% of the Total
Under one year	134,000	1.00	53,000	1.00
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals deposits above)	134,000	1.00	53,000	1.00

35. Borrowings

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	(-)	(-)
Repayments of domestic borrowings during the year	(-)	(-)
Balance at end of the year	-	-

Notes to the Financial Statements (Continued)

36. Financial Risk Management

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

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

Notes to the Financial Statements (Continued)

Financial risk management (continued)

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

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

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

(i) Liquidity risk management

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

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

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Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade Payables	-	-	200,000	200,000
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2023	-	-	-	-
Trade Payables	-	-	-	1,510,266
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total				1,710,266

Notes to the Financial Statements (Continued)

Financial risk management (continued)

(ii) **Market risk**

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity 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 entity'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 entity'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 entity's exposure to market risks or the manner in which it manages and measures the risk.

37. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	Current FY	Comparative
	2022/2023	FY
	Kshs	2021/2022
		Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Contingent Liabilities

Description	Current FY 2022/2023	Comparative FY 2021/2022
	Kshs	Kshs
Contingent Liabilities		
Court Case Xxx against Wanga TVC	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

38. Capital Commitments

Capital Commitments	Current FY 2022/2023	Comparative FY 2021/2022
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)

Notes to the Financial Statements (Continued)

39. Events After the Reporting Period

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

40. Ultimate and Holding Entity

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

41. Currency

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

