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| OF | Hon. Kimani Ichungwa, MP |
| BY: | Leader of Majority |
| CLERK OF THE TABLE: | Ann Shibuko |

THE AUDITOR-GENERAL

ON

**WEBUYE WEST TECHNICAL AND
VOCATIONAL COLLEGE**

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



MINISTRY OF EDUCATION
STATE DEPARTMENT OF TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

**WEBUYE WEST TECHNICAL AND
VOCATIONAL COLLEGE**

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WEBUYE WEST TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

| | |
|--------|--|
| BOG | Board of Governors |
| CSR | Corporate Social Responsibility |
| FY | Financial Year |
| HELB | Higher Education Loans Board |
| KUCCPS | Kenya Universities and Colleges Central Placement Services |
| MP | Member of Parliament |
| NG-CDF | National Government Constituency Development Fund |
| 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 |
| TVC | Technical Vocational College |
| TVET | Technical and Vocational Education and Training |
| TVETA | Technical and Vocational Education Training Authority |

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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2. Key Entity Information and Management

Webuye West Technical and Vocational College, registration number TVETA/PUBLIC/TVC/0005/2020

Under the Ministry of Education was formerly registered as Machakha Vocational College in 2015 by Webuye West CDF on acquisition of its first parcel of land by area Member of Parliament (MP) Hon. Daniel Sitati Wanyama. Over the years, the college has gone through different phases:

In September, 2019 the college enrolled 147 students as its first admission batch; it's first Principal Mr. Barrak Muharo was posted in 2016 and second Principal Madam Lilian Simali posted in 2022; it was registered as an examination centre in February 2021.

Currently the college has 22 PSC trainers, 24 BOG trainers and 16 Essential staff. The college is located in Bungoma County, Webuye West Division, Miendo Location, Machakha village.

It is situated on 5 acres of land with a title deed Parcel Number **2977** Registry Map Sheet No **23**.

The student enrolment as per now stands at **918** trainees. The Institution is managed by Board of Governors made up of the Chairman, Secretary (Principal), County Director of Education (TVET) and other seven professionals.

(a) Background information

The *institution* was incorporated/ established under the TVET Act 2013 Act in 2015. The entity is domiciled in Kenya. The institute is under the Ministry of Education.

(b) Principal Activities

The principal mandates of the Institute are to;

1. To promote positive corporate image;
2. To enhance capacity in TVET and research;
3. To inculcate entrepreneurial culture in trainees;
4. To improve institutional corporate governance; and
5. To promote strategic collaboration and linkages with industry and other institutions.

Our Vision

To be a dynamic centre of excellence in technical and vocational education and training, research and industrial development.

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Our Mission

To develop competent, dependable, innovative and creative human resource that suits dynamic and technological trends for sustainable development.

Quality Policy

Webuye West Technical and Vocational College is committed to produce knowledgeable, skilled, innovative and responsible manpower in Entrepreneurship, Research, Science and Technology to meet the changing needs of industry and society.

To meet this commitment, the College shall comply with all applicable requirements and continually improve on her effectiveness by implementing a Quality management System based on Internal Quality Assurance.

The Institute shall review this quality policy and established quality objectives on annual basis to ensure continuing suitability.

(c) Key Management

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

- Board of Governors/ Council/ Management etc.
- Accounting officer/ Principal
- Management...;

(d) Fiduciary Management

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

| SN. | Designation | Name |
|-----|---------------------------------|-----------------------------------|
| 1. | Principal | Lilian Simali |
| 2. | Deputy Principal Administration | Mr. Japheth M Kiboi |
| 3 | Deputy Principal Academics | Mr. Joseph Barasa Nyongesa |
| 3 | Registrar | Ms Celestine Manyasi |
| 4 | Head of Finance | CPA Jescah Ngichabe |
| 5 | Head of Procurement | Ms Irine Mabele |

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Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Board of Governance Committees

The Board of Governance Committees facilitate decision-making to assist the Board of Governance in the execution of its duties, powers and authority, however delegation of authority to the Committees does not in any way mitigate or dissipate the discharge by the Board of Governance of its duties and responsibilities. Board of Governance Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Board of Governance.

In the financial year 2023/2024 the Board of Governance approved the following committees;

(A) AUDIT, RISK AND COMPLIANCE COMMITTEE

Membership is as below listed:

| NO. | NAME | | | | |
|-----|-------------------------|------------|------------|------------|------------|
| | | Date | Date | Date | Date |
| | | 20/09/2023 | 15/12/2023 | 12/01/2024 | 22/04/2024 |
| 1. | Fanuel Onyango Opondo | ✓ | ✓ | ✓ | ✓ |
| 2. | Patropa Jepkogei Kiptoo | ✓ | ✓ | ✓ | ✓ |
| 3. | CPA Albert Bengula | ✓ | ✓ | ✓ | ✓ |

Mandate

To Examine.

- Compliance with labour laws and regulations.
- Compliance with security, health and safety regulations.
- Compliance with Government of Kenya (GoK) Policy.
- Compliance with Board of Governors Policy.
- Compliance with established professional standards.

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- Compliance with ISO guidelines and standards.
- Compliance with contractual obligations and statutory requirements.
- Compliance with approved Procurement Plan and Budget.

To evaluate.

- Achievement of targets and as set in the strategic and work plan.
- The application of ethical standards and core values in the pursuit of vision goals.
- Overall efficiency and effectiveness.
- Financial records and reporting.
- Benefits of the use of technology.
- Application of the value for money principles and due diligence measures.
- The benchmarking standards being applied in each area of operation.
- The level of utilization of existing capacity all-round the college.
- Achievement of revenue targets in income Generating Projects.
- The level of financial discipline.
- Risk associated with non- optimal stock levels.
- Risk associated with non – compliance with statutory and contractual obligations.
- Cash in transit systems.
- Relations with and levels of satisfaction of key stakeholders.
- Spread and diversification of risks.
- Litigation risks and costs.
- And to identify insurable and no insurable risks.

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(B) STRATEGY, FINANCE AND DEVELOPMENT COMMITTEE

Membership is as below:

| NO. | NAME | | | | |
|-----|----------------------|------------|------------|------------|------------|
| | | Date | Date | Date | Date |
| | | 27/09/2023 | 10/01/2024 | 24/01/2024 | 11/04,2024 |
| 1. | Winnie Mbugua | ✓ | ✓ | ✓ | ✓ |
| 2. | Dr. Edwin Masibo | ✓ | ✓ | ✓ | ✓ |
| 3. | CDTVET Martha Wekesa | ✓ | ✓ | ✓ | ✓ |
| 4. | Lilian Simali | ✓ | ✓ | ✓ | ✓ |

Mandate

1. Oversight of annual operating plan and budget development including recommendation to the management for Board s approval.
2. Oversight of the structure with assistance of staff to develop the fee structure.
3. To ensure the solvency of the Institute – finance mobilization.
4. To safeguard the Institute assets.
5. To ensure the effective and efficient use of resources.
6. To ensure that the funds provided by GoK and any other funding body are used in accordance with the terms and conditions specified.
7. To ensure that financial control systems are in place and are working effectively.
8. To facilitate the preparation of the Institute Strategic Plan for Board approval.
9. To identify and recommend to the Board the Institutes internal auditors.
10. Ensuring accurate and timely report to the Board on all administrative and financial issues.
11. Implementation and supervision of Institutions projects and other Institute projects (internal and external).

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12. Ensure compliance with all statutory and labour laws in management of staff.

13. Mentor other training institutions on behalf of GoK.

(C) RESEARCH, TRAINING AND HUMAN RESOURCE COMMITTEE

| NO. | NAME | | | |
|-----|---------------------------|------------|------------|------------|
| | | Date | Date | Date |
| | | 25/09/2023 | 12/01/2024 | 08/04/2024 |
| 1. | Daisy Nabalayo Wakoli | ✓ | ✓ | ✓ |
| 2. | Dr. Peter Khakina | ✓ | ✓ | ✓ |
| 3. | Martha Wekesa (CDTVET) | ✓ | ✓ | ✓ |
| 4. | Lilian Simali (Principal) | ✓ | ✓ | ✓ |

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Key Entity Information and Management

(a) Entity Headquarters

Webuye West Technical and Vocational College
P.O. Box 444-50205
7 km off Webuye-Bungoma road,
WEBUYE
KENYA

(b) Entity Contacts

Webuye West Technical and Vocational College Contacts
Telephone: +254 768253216/0736681542
Email: webuyewesttvc@gmail.com

(c) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Webuye West Technical and Vocational College Bankers

1. Kenya Commercial Bank
Moi Avenue, Bungoma
KENYA.

Recurrent Account- 1270349953

2. Kenya Commercial Bank

Moi Avenue, Bungoma
KENYA.

Development Account – 1322831505

(b) Independent Auditors

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

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Key Entity Information and Management (Continued)

(c) Principal Legal Adviser



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

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3.The Council/Board of Governors

| SN. | Member/ Director | Details |
|-----|--|---|
| 1. | <p><i>PETER M WAMOTO</i></p>  <p><i>BoG Member 1</i> <i>Chairman BoG</i></p> | <p><i>ACADEMIC, PROFESSIONAL QUALIFICATIONS & WORK EXPERIENCE</i> <i>Born in May 1958</i> <i>1998 - 2000</i> <i>Joined University of Middlesex, London United Kingdom - Master of Arts (Human Resource Management).</i> <i>1986 - 1987</i> <i>The Kenya Polytechnic University College, Nairobi. - Kenya for Diploma in Labour Studies & Management.</i> <i>1972 - 1975 /1976 - 1977 – Kakamega High School & Kabarnet High School - Awarded- East African Certificate of Education & East African Advanced Certificate of Education.</i> PROFESSIONAL CAREER <i>June 2020 – To Date</i> <i>Chairperson; Trans Nzoia County Public Service Board. Joined Webuye West TVC in January 2023.</i></p> |
| 2. | <p><i>Dr. PETER N KHAKINA</i></p>  <p><i>BoG Member 2</i> INDEPENDENT MEMBER</p> | <p><i>Born in 1973. Holds PHD in structural Engineering from HIT China, a masters in technology Education from Moi University and a Bachelor's degree in Technology from Moi University. Has served as a lecturer, principal research scientist and member of BCPSB. He is currently a lecturer at Kibabii University.</i></p> |

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| | | |
|----|--|---|
| 3. | <p><i>MARTHA N WEKESA</i></p>  <p><i>CDTVET</i> <i>BoG Member 3</i></p> | <p><i>Martha Wekesa was born on 03/06/1966. Joined in 13th June 2019 as a member of Board of Governors. She is a career civil servant currently serving as the Bungoma County Director TVET and represents the Principal Secretary, State Department of Vocational and Technical Training in the Governing Board from 2015 to date. She has previously worked at the Ministry of Education headquarters from 2011 to 2015. She has a Master's degree in Food Science and Technology, Strategic Leadership Development Program. She has trained in the Senior Management Course. She has previously worked under TSC from 1997 to 2010. She has PGDE from Maseno University.</i></p> |
| 4. | <p><i>CPA PATROPA JEPKOGEI KIPTOO</i></p>  <p><i>BoG Member 4</i></p> | <p><i>Patropa Jepkogei Kiptoo was born on 1st of February 1989. She joined Webuye West TVC as a Board Member on 30th January 2023. Holds a Masters of Science (Corporate Finance Option) at Jomo Kenyatta University, Bachelor of Business Management (Finance and Banking Option), Moi University, CPA(K) from Eldo-Mwangaza College of Accountancy and Commercial Studies. Has served as an internal Auditor and Accounts Assistant at AMPATH from 2016 to date and Accounts Assistant at Eldoret Hospital from 2011-2013.</i></p> |


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| | | |
|----|---|--|
| 5. | <p><i>MS LILIAN SIMALI</i></p>  <p><i>Secretary to the Board</i></p> | <p><i>Born in 1976. Currently pursuing MED in chemistry from University of Eldoret, BED science (Physics and chemistry) from Kampala International University, Diploma in Education Science (Physics, Chemistry and physical education) from Kenya Science Teachers Training College. Has served as a teacher under Teacher's service commission, Deputy dean/Trainer at Kitale National Polytechnic and a Deputy Principal at Matili Technical Training Institute. Has a senior management Course from Kenya School of Government.</i></p> |
| 6. | <p><i>FANUEL O OPONDO</i></p>  <p><i>BoG Member 6</i></p> <p><i>CHAIRMAN AUDIT COMMITTEE</i></p> | <p><i>Fanuel Onyango Opondo was born on 29th November 1960. He joined Webuye West TVC as a Board Member on 30th January 2023.</i></p> <p><i>Holds a Master's Degree from Kenyatta University in Business Management and Bachelor of Education in Business Studies and Economics from Kenyatta University. Has served as County Director TVET (Kisumu/Siaya Counties), Chief Principal Kitale National Polytechnic, Senior Principal Matili TTI, Deputy Principal Administration Nairobi TTI and Bushiangala TTI, Dean of Students Sang'alo Institute and a Lecturer.</i></p> |

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| | | |
|----|--|---|
| 7. | <p><i>WINNIE WAIRIMU MBUGUA</i></p>  <p><i>BoG Member 7</i></p> <p><i>CHAIR FINANCE COMMITTEE</i></p> | <p><i>Winnie Wairimu Mbugua was born on 12th October 1987. She joined Webuye West TVC as a Board Member on 30th January 2023. She is a Business Woman with Van Ken Electronics in Bungoma from 2015 to date. She has a Bachelor's degree in Commerce, Finance and Accounting Option at Strathmore University</i></p> |
| 8. | <p><i>DAISY N WAKOLI</i></p>  <p><i>BoG Member 8</i></p> <p><i>CHAIRPERSON RTHR COMMITTEE</i></p> | <p><i>Daisy Nabalayo Wakoli was born on 2nd April 1984. She joined Webuye West TVC as a Board Member on 30th January 2023. She is an Advocate at Simiyu Partners Advocates from 2019 to date. She worked at the Constitutional Reform and Education Consortium (CREDO) in 2009 at Makadara Law Courts and in Milimani Commercial Courts in 2007. She has a Bachelor's of Law from the University of Nairobi and Post Graduate Diploma from Kenya School of Law.</i></p> |

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| | | |
|----|---|--|
| 9. | <p><i>Dr. EDWIN M MASIBO</i></p>  <p><i>BoG Member 9</i></p> | <p><i>Dr. Edwin Masibo Makhanu was born on 23rd November 1969. He joined Webuye West TVC as a Board Member on 30th January 2023. Holds PhD in Instructional Technology and a Masters of Philosophy in Instructional Technology from Moi University, Post Graduate Diploma in Education from Maseno University and Bachelors of Science (Double Mathematics) from Kenyatta University. Currently a senior Lecturer at Kibabii University and Co-ordinator Centre of Creative Performing Arts and Sports. Has also served as a Lecturer, Assistant Lecturer and Part-Time Lecturer at Kibabii University. Worked as a Teacher under Teachers Service Commission.</i></p> |
|----|---|--|

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4.Key Management Team

| <i>S/N.</i> | <i>Member</i> | <i>Details</i> |
|-------------|---|--|
| 1. | <p>LILIAN SIMALI</p>  <p>PRINCIPAL/ SECRETARY BoG</p> | <p><i>Born in 1976. Currently pursuing MED in chemistry from University of Eldoret, BED science (Physics and chemistry) from Kampal international University, Diploma in Education Science (Physics, Chemistry and physical education) from Kenya Science Teachers Training College. Has served as a teacher under Teachers Service Commission, Deputy dean/Trainer at Kitale National Polytechnic and a Deputy Principal at Matili Technical Training Institute. Has a senior management Course from Kenya School of Government.</i></p> |
| 2. | <p>JAPHETH M KIBOI</p>  <p>DEPUTY PRINCIPAL ADMINISTRATION</p> | <p><i>Born in 1967. Joined Webuye West TVC in May 2023. Holds Masters in Technology Education, Automotive/Mechanical (University of Eldoret), Bachelor of Technology Education Power Mechanics (Moi University), Diploma in Agricultural Engineering (JKUAT), Diploma in Technical Education (KTTC), Diploma Education Management (KEMI), Certificate in Senior Management Course (Kenya School of Government, Kabarnet), Served as Trainer, RVTTI, Deputy Principal and Trainer at Turbo TVC from 2019-2023, Curriculum and Assessment tool Developer with CDACC.</i></p> |

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| | | |
|-----------|--|---|
| <p>3.</p> | <p>MR. JOSEPH BARASA NYONGESA</p>  <p>DEPUTY PRINCIPAL ACADEMIC AFFAIRS</p> | <p><i>Born in 1975. Joined Webuye west TVC in September 2023. Holds Bachelor degree in Mathematics and Computer Science from JKUAT, Post Graduate Diploma in Education (PGDE from Maseno university. Served as trainer/Head of Department at Friends College Kaimosi from 2009 - 2020. Performance contracting Coordinator and trainer at Kongoni TVC from 2020 -2023. Curriculum and assessment tool developer with CDACC.</i></p> |
| <p>4.</p> | <p>CELESTINE MANYASI</p>  <p>REGISTRAR</p> | <p><i>Born in July 1984. Holds a Masters in crop protection from Masinde Muliro University and a Bachelor degree in Horticulture from Egerton university. Possesses wide experience in crop breeding, floriculture, community empowerment and has worked as a trainer in agriculture and Value addition.</i></p> |

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| | | |
|----|--|--|
| 5. | <p>FINANCE OFFICER CPA JESCAH W NGICHABE</p>  <p>BCOM (FINANCE OPTION), CPA</p> | <p><i>Jesciah Wafula Ngichabe was born on 9th April 1982. She joined Webuye West TVC as a Finance Officer on 6th March 2023. Holds Bachelor of Commerce Finance Option from KCA University, and a Certified Public Accountant (CPA). A member of Institute of Certified Public Accountants (ICPAK) and Institute of Internal Auditors (IIA). Member of Supervisory Committee Kitale Catholic Diocese Sacco and Elgon East Religious Society of Friends Sacco. Currently Pursuing Masters of Science in Finance from Jomo Kenyatta University of Agriculture and Technology (MSC Finance- continuing). Has served as an Accountant in St. Theresa's Secondary School-Sikhedu from 2006 to 2020. Also served as an Internal Auditor in Matili Technical Training Institute from 2020 to February 2023.</i></p> |
| 6. | <p>IRINE MABELE</p>  <p>PROCUREMENT OFFICER</p> | <p><i>Irine Nanjala Mabele. Date of Birth: 23/07/1997. Holds a Bachelor's degree in Logistics and supply Chain management from Jaramogi Oginga Odinga University Of science and technology. Member, Kenya Institute of Supplies Management. Started working at Webuye West Technical and Vocational College on 12th of June 2024. Has worked as an intern at Sangalo Institute of Science and technology 2019-2020, Matili technical Training Institute as an intern 2022-2023, PSIP cohort VI intern at the state department of social protection and senior citizen affairs.</i></p> |

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5. Chairman's Statement

On behalf of The Board of Governors of Webuye West Technical and Vocational College, I am pleased to present the Annual Financial Statements for the financial year Ended 30th June 2024. I am proud to be associated with the dynamic team at the institution. Webuye West Technical and Vocational College remains committed to all its stakeholders in executing its mandate as outlined in the 2023-2028 Strategic Plan.

Financial performance


During the FY 2023/2024 the institute recorded better financial performance. This is attributed to Government capitation and increased HELB sponsorship due to increase in student enrolment. Due to prudent financial management, we were able to meet some of our financial obligation particularly payment of creditors, although there are more pending bills.

Challenges

Among the challenges facing Webuye West Technical and Vocational College is acute shortage of classrooms, land, labour and task force, unavailability of hostels, administration offices and workshops. The Ministry's target is that the institute should have an enrolment of above 1000 students by the end of year 2024. With an increased number of students, these challenges have to be addressed beforehand to accommodate the large numbers. We, therefore, appeal to the government to help us alleviate this problem.

PETER M WAMOTO

Chairperson Board of Governors

Signature.....

3/6/2025

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6. Report of the Principal

The Financial Year 2023/2024 is a year where the second Board of Governors took over the oversight role in the institution from the first Board. During this period the curriculum changed from KICD to CBET. Therefore, there was a directive from the Ministry of Education State Department of TVET to transit from KNEC examination to TVET CDACC examination body, CBET Curriculum delivery implementation was very successful though mired with challenges of inadequate training materials and facilities due to inadequate funds because of delayed Scholarships and reduced capitation from the government. All new admissions from September, 2023 to date are 382 and training delivery is by CBET Curriculum.

The 2023/2024 financial year saw the expansion of the institution by increased enrolment from 796 to 981 trainees. This called for increased learning resources and therefore the college procured more text books, fabricated 34 Jitume tables that holds 100 new computers donated by the Ministry of ICT for training and doing of online jobs. Wiring and networking of the computers were done and therefore ICT department is equipped for quality training. NG-CDF constructed one classroom worth Ksh.1.5Million. Most projects were not done because of delayed and reduced government Capitation remittance to the institution. The College did not received Scholarships for trainees who joined in January, 2024 and part of those who joined in September, 2023.

The college participated in curricular activities to nurture trainee's talents; These includes regional drama festival, TVET Fair, Athletics and Ball games. One athlete (Female) will be representing Kenya in Cameroon in august, 2024.

The college was privileged to host H.E the President of the Republic of Kenya Dr. William Samoei Ruto on 30th May, 2024 where he officially opened the college and Jitume laboratory. He declared that the government will support the college with Ksh.10 million for expansion, construct hostels for trainees and ensure stable internet connectivity (Fibre Optic) and collaborate with NG-CDF to buy college bus.

Thank you.

Webuye West Technical and Vocational College

fw 

Lilian Simali
Principal/ BoG Secretary.



3/6/2025

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7. Statement of Performance against Predetermined Objectives
The College operational and Financial Performance

Generally, the Institute operated at a net Surplus of **Ksh.515,925,.00** during the financial year.

This was major Challenges faced by the College were;

- Partial Disbursement of Capitation; each student was to receive a total of **Kshs.30,000.00** but the government disbursed only Kshs.**14,000.00** per student for the FY 2023/2024.
- Delayed Disbursement of HELB loans to trainees.
- Inadequate fees payment by trainees who rely largely on capitation, HELB and Bursaries.
- The college did not engage in any Income Generating Projects.

Despite of the above setbacks the Management strived to achieve;

- Reduction on wastage due to clear operational structures introduced in the college through Policy development and Implementation.
- Increase in students' population which reduces marginal cost of operation.

The nets assets base of the college has reduced over the last two years. This is an indication that the college is not doing well because of financial constraints but the going concern is guaranteed.

Compliance with Statutory Requirements

By the end of the year, the college had paid all its statutory requirements in terms of NSSF, and PAYE. More so, the college is operating under legal frame works necessary under public sector requirement such as;

- The Constitution of Kenya, 2010
- TVET Act, 2013
- PFM Act, 2012
- Procurement and Assets Disposal act, 2015
- IPSAS standards.
- All other relevant laws in its operation (regular circulars from treasury and ministry of education)

The college has also internal policies it uses in its operation that were ratified by the BoG.. These policies are in line with all the relevant laws stated above and only direct the specific operations on how tasks are handled.

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Webuye West Technical and Vocational College has 2 strategic objectives within current Strategic Plan for the FY 2023- FY 2028. These strategic pillars are as follows:

Pillar/ theme/issue 1: To increase trainee enrolment and success in the training.

Pillar/ theme/ issue 2: To improve College physical infrastructure and facilities.

Webuye West Technical and Vocational College develops its annual work plans based on the above *two* pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *College* achieved its performance targets set for the FY 2023/24 period for its two strategic pillars, as indicated in the diagram below:

| Strategic Pillar | Objective | Key Performance Indicators | Activities | Achievements |
|--------------------------|---|--|--|---|
| Pillar / theme / issue 1 | To increase trainee enrolment and success in the training | Total number of trainees increased and examination pass rate | -Marketing - Planned. Training and research. | -Increased enrolment by 200 trainees -Exam pass increased by 20% |
| Pillar / theme / issue 2 | To improve College physical infrastructure and facilities | Total number of workshops, laboratories and equipment | -Physical planning -Fund sourcing -BQ | -F& B structure established. - Engineering shed erected One numbered classroom constructed by NG-CDF Webuye West. |

Webuye West Technical and Vocational College
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8. Corporate Governance Statement

The members of board have committed themselves to the service of Webuye West Technical and Vocational College and to uphold the tents of good corporate governance by being innovative, transparent, accountable, persons of integrity, socially responsive, as well as promote excellence and exercise fairness in all their dealings.

The Board Governance

The Board of Governance consists of nine members inclusive of the principal as the secretary.

The Board of Governance members and their attendance are indicated below.

| S/ N o. | Name | Date | Date | Date | Date | Date | Date | Date | Date |
|---------------|-----------------------|--------|---------|----------|----------|----------|----------|----------|----------|
| | | 7/7/23 | 13/7/23 | 28/09/23 | 11/10/23 | 30/01/24 | 12/02/24 | 12/04/24 | 30/05/24 |
| 1 | Peter M Wamoto | | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2 | Dr. Peter N Khakina | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3 | CPA Patropa J. Kiptoo | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4 | Martha Wekesa | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5 | Fanuel Onyango | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6 | Daisy N. Wakoli | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 7 | Winnie W. Mbugua | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 8 | Dr. Edwin M. Makhanu | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 9 | Lilian Simali | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

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The Biographies of the Board Members are published on page xii-xv. These board members possess a broad range skills, qualification and experiences required to direct the affairs of the college.

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013*) - require the board members to prepare financial statements in respect of that *Webuye West Technical and Vocational College* , which give a true and fair view of the state of affairs of the *Webuye West Technical and Vocational College* at the end of the financial year/period and the operating results of the *Webuye West Technical and Vocational College* for that year/period.

The board members are also required to ensure that the *Webuye West Technical and Vocational College* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Webuye West Technical and Vocational College*. The board members are also responsible for safeguarding the assets of the *Webuye West Technical and Vocational College*.

The board members are responsible for the preparation and presentation of the *Webuye West Technical and Vocational College's* financial statements, which give a true and fair view of the state of affairs of the *Webuye West Technical and Vocational College* for and as at the end of the financial year ended on June 30th, 2024.

This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *Webuye West Technical and Vocational College* ;

Webuye West Technical and Vocational College
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- (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 *Webuye West Technical and Vocational College*;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for the *Webuye West Technical and Vocational College* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *the State Corporations Act, and the TVET Act*.

The board members are of the opinion that the *Webuye West Technical and Vocational College's* financial statements give a true and fair view of the state of *Webuye West Technical and Vocational College's* transactions during the financial year ended June 30th, 2024, and of the *Webuye West Technical and Vocational College's* financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the *Webuye West Technical and Vocational College*, which have been relied upon in the preparation of the *Webuye West Technical and Vocational College's* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the board members to indicate that the *Webuye West Technical and Vocational College* will not remain a going concern for at least the next twelve months from the date of this statement.

Webuye West Technical and Vocational College
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Board and Management Succession

The Board will put in place a succession plan for both the Board and Management and review the same regularly.

Existence of the Board Charter

This Board of Governors Charter exists and it defines the Board's roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight function. It provides the Board members with an opportunity to think creatively and critically about how their strategic and operational plans align with the organization's strategic direction and expectations, with respect to governance. The Charter will help the Board in directing the college to maximize the long-term value of services provided for all stakeholders.

The Charter has been adopted by the Institute, acting in accordance with Mwongozo, Code of Governance for State Corporations ('the Code'), and is complementary to the requirements regarding the Board and Board members contained in applicable Kenyan laws and regulations.

The Board of Governors will review this Charter at least annually and, if appropriate, revise this Charter from time to time. This Charter is available to all members of the Board for application and is posted on the Institute's website for the information of stakeholders.

Process of Appointment and Removal of Board Members

- i. The relevant appointing authority shall select and appoint Board members. Every appointment shall;
be by name and by notice in the Kenya Gazette but shall cease if the Board member:
 - a) Serves the appointing authority with a written notice of resignation; or
 - b) Is absent, without the permission of the Chairperson, from three consecutive meetings;
or
 - c) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings; or
 - d) Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Board; or

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- e) Conducts himself in a manner deemed by the appointing authority to be inconsistent with membership of the Board.
 - i. Any removal of a Board member under (i) above, shall be through formal revocation.
 - ii. The record of the appointment letter, gazette notice and written acceptance by the Board member shall kept in the personal file of the Board member.

Evaluations are conducted to review the Board's role, Board processes and committees to support that role and the performance of the Board and each governor. This is undertaken using a variety of techniques including external consultants and Board discussions.

Resignation from Board Membership.

A Board member may resign at any time by giving notice, in writing, to the appointing authority, copied to the Chairperson of the Board and the CEO/Principal of the college. The resignation shall take effect upon receipt of notice by the appointing authority or at any later time specified therein; and unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

Board Responsibilities

The basic responsibility of the Board members is to exercise their best judgment and to act in a manner that they reasonably believe to be in the best interest of the organization and its stakeholders. In discharging that obligation, the members should be entitled to rely on the honesty and integrity of the Institute's management, staff and its external professional advisors and auditors.

In furtherance of its responsibilities, the Board will:

- a) Determine the college's Mission, Vision, Purpose and Core Values;
- b) Review, evaluate and approve, on a regular basis, long-term plans for the College;
- c) Review, evaluate and approve the college budget and financial forecasts;
- d) Review, evaluate and approve major resource allocations and capital investments;
- e) Ensure that the procurement process is cost-effective and delivers value for money;
- f) Review and approve the operating and financial results of the Institute;
- g) Ensure effective, accurate, timely and transparent disclosure of pertinent information on the Institute operations and performance;

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- h) Ensure that effective processes and systems of risk management and internal controls are in place;
- i) Review, evaluate and approve the overall Institute structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- j) Review, evaluate and approve the remuneration structure of the Institute;
- k) Adopt, implement and monitor compliance with the Institute's Code of Conduct and Ethics;
- l) Review on a quarterly basis the attainment of targets and objectives set out in the agreed performance measurement framework with the Government of Kenya;
- m) Review periodically the Institute's strategic objectives and policies relating to sustainability and social responsibility/investment;
- n) Enhance the Institute's organization's public image and ensure engagement with stakeholders through effective communication;
- o) Monitor compliance with the Constitution, all applicable laws, regulations and standards;
- p) Review, monitor and ensure that the College is effectively and consistently delivering on its mandate.

Responsibilities of Individual Board Members

Each Board member shall:

- a) Exercise the highest degree of care, skill and diligence in discharging their duties;
- b) Act in the best interest of the Institute and not for any other purpose;
- c) Act honestly at all times and must not place themselves in a situation where their personal interests' conflict with those of the Institute;
- d) Exercise independent judgment;
- e) Devote sufficient time to carry out their responsibilities, regularly update their knowledge and enhance their skills;
- f) Promote and protect the image of the Institute;
- g) Owe their duty to the Institute and not to the nominating or appointing authority; and
- h) Owe the Institute the duty to hold in confidence all information available to them by virtue of their position as a Board member.

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Induction and Training

In order to provide directions for the effective governance and oversight of the Institution, the Ministry of Education conducts induction and Training of the new board. The inductions program runs for specified days and covers a variety of areas including; Rationale & Status of On-going Reforms, An Overview of Mwongozo. The Role of Boards & Its Organs, Legal & Institutional framework for governance of TVET Institutions, Obligations, Accountability & Internal Controls in TVETs, Highlight on Key Policy Issues Governing Board Operations, The Role of Board in Organizational Competency Development, Board Dynamics & Evaluation (including Board tools), Statutory & Legal compliance, Risk Management in State Corporations, Institutionalizing Anti-Corruption Mechanism in TVETs, Ethical Leadership on Boards, Public Procurement and Disposal in TVETs.

Board Performance

The Board will conduct an annual evaluation to appraise its performance. This evaluation will be carried out in accordance with the Board Evaluation Tool. The Board evaluation provides an opportunity for Board members to identify strengths, collective skill gaps and individual areas of improvement. The Board will also review the performance of each committee against the agreed Terms of Reference. The Board will also evaluate the performance of the CEO/Principal/Secretary to the Board.

Conflict of Interest

A conflict of interest may arise where a Board member or close family member such as a spouse, child, parent or sibling has private interests that could improperly influence the performance of the Board member's official duties and responsibilities. Conflict may also arise where a Board member uses their office for personal gain.

Board members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the college. However, a Board member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the Board. In so reporting, the Board member is required to provide all relevant information, including information which relates to their immediate family members by blood or marriage which is related to the area of conflict. When declared, the Board member shall abstain from decisions where the conflict exists.

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The Board Secretary should keep a record of conflicts of interest declared, for accountability purposes, and as a rule of good practice on appointment and on regular intervals or at any time when circumstances change, all members shall in good faith disclose to the Board for recording, any other business or interest likely to create a potential conflict of interest.

Board Remuneration

Board members shall be remunerated for their services in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. In line with best practice, the remuneration should include basic pay, attendance allowances and bonuses.

Ethics and Conduct

Code of Ethics for Board Members Goal aims establishing a set of principles and practices of the College Board of Governors that will set parameters and provide guidance and direction for board conduct and decision-making.

Members of the Board of Governors of the college are committed to observing and promoting the highest standards of ethical conduct in the performance of their responsibilities on the board of Webuye West Technical and Vocational College. Board members pledge to accept this code as a minimum guideline for ethical conduct and shall:

Accountability:

1. Faithfully abide by the Articles of Incorporation, by-laws and policies of the college.
2. Exercise reasonable care, good faith and due diligence in organizational affairs.
3. Fully disclose, at the earliest opportunity, information that may result in a perceived for actual conflict of interest.
4. Fully disclose, at the earliest opportunity, information of fact that would have significance in board decision-making.

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5. Remain accountable for prudent fiscal management to association members, the board, and non-profit sector, and where applicable, to government and funding bodies.
Professional Excellence.
6. Maintain a professional level of courtesy, respect, and objectivity in college activities.
7. Strive to uphold those practices and assist other college members of the board in upholding the highest standards of conduct Personal Gain.
8. Exercise the powers invested for the good of all members of the college rather than for his or her personal benefit, or that of the non-profit they represent.
9. Equal Opportunity: Ensure the right of all association members to appropriate and effective services without discrimination on the basis of geography, political, religious, or socio-economical characteristics of the state or region represented.
10. Ensure the right of all association members to appropriate and effective services without discrimination on the basis of the organization's volunteer or staff make-up in respect to gender, sexual orientation, national origin, race, religion, age, political affiliation or disability, in accordance with all applicable legal and regulatory requirements.
11. Respect the confidentiality of sensitive information known due to board service.
Collaboration and Cooperation.
12. Respect the diversity of opinions as expressed or acted upon by the college board, committees and membership, and formally register dissent as appropriate.
13. Promote collaboration, cooperation, and partnership among association members.

Governance Audit

The Board should ensure that a governance audit of the college is undertaken on an annual basis. The purpose of the governance audit is to ensure that the Institute conforms to the highest standards of good governance. The governance audit should cover the following parameters among others:

- a) Leadership and strategic management;
- b) Transparency and Disclosure;
- c) Compliance with Laws and Regulations;
- d) Communication with stakeholders;
- e) Board independence and governance;
- f) Board systems and procedures; and
- g) Consistent stakeholders' value enhancement

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9. Management Discussion and Analysis

Key Projects the College

The college Budgeted for Development expenditure as shown below but did not implement projects during the year 2023/2024 due to financial constraints. The projects to be implemented the year under review were as below;

| | |
|---|-----------------------------------|
| Purchase of Management Information System | Kshs 2,000,000.00 |
| Purchase of College land (2 Acres) | Kshs 4,000,000.00 |
| Landscaping College Compound | Kshs. 500,000.00 |
| Installation of Electric Pump | Kshs. 1,500,000.00 |
| Construction of temporary Classrooms | Kshs. 1,700,000.00 |
| Construction of Dairy Cattle Structure and purchase of dairy cows | Kshs. 600,000.00 |
| Temporary Dining Hall | Kshs. 2,000,000.00 |
| Purchase of College Vehicle | Kshs. 5,000,000.00 |
| TOTAL | <u>Kshs. 17,300,000.00</u> |

NG-CDF under the able leadership of Hon. Daniel Sitati Wanyama constructed one numbered classroom worth Ksh.1.5Million. Most projects were not done because of delayed and reduced government Capitation and Scholarship remittance to the institution by MOE.

Landscaping was done on an average level.

Management successfully tendered for MIS System which will be implemented FY 2024/2025

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10. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

Our approach to Environmental and sustainability reflects the steps that we are taking to ensure we are, and remain, a good corporate citizen. Social responsibility encompasses everything we do that has an impact on society around us – it is our values and behaviour as a Public Entity.

Our role in supporting education, training and research makes a valuable contribution to the continuing development of a training society. As a TVET Institution that champion's competency based for our trainees, and online research and learning resources and services, we also support our members to deliver on their environmental priorities.

We are committed to ensuring that Webuye West Technical and Vocational College is a responsible corporate citizen. To do this, we;

- Minimise the environmental impact of our corporate activities;
- Identify and address issues of equality, diversity and inclusion amongst our current and future workforce;
- Ensure that employees are supported in their mental and physical health and treated with dignity, respect and in accordance with basic human rights;
- Enhance our fundraising and volunteering activities for third party good causes;
- Understand our suppliers' commitments to CSR issues and practices and ethical approaches to business in our investment strategy.

Our achievements:

In 2023- 2024 we demonstrated our commitment:

- To the wellbeing of our employees – by participating in reproductive health days at the Institution and training peer counsellors.
- To supporting staff in volunteering – by giving employees an opportunity to raise funds for the bereaved staff.

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- Attending TVET Fair, Ball games, Athletics and TVET @ 100 events in the year.
- Hosting H.E Dr. William Samoei Ruto president of the Republic of Kenya who officially opened the college and launched 100 Jitume Computers.
- Construction of one numbered classroom by NG-CDF Webuye West at Kshs.1,500,000.00 to ease trainee congestion.
- Ratification of College Policies by Board of Governors.
- Increased trainee enrolment.

In 2023-2024 we also:

- Provided o spaces to write to minimise use of flipcharts/magic paper, getting as much natural light into the building as possible, recycling existing office furniture/assets, Energy efficient appliances, worked with suppliers to ensure products such as tea, coffee, cleaning products etc. have as low-impact as possible and the best quality is supplied.
- On supply chain management, we require the suppliers in our supply chain to conform their adherence to environmental regulations.
- Increase our focus on how we address disability gaps.
- Values, behaviours and supporting staff during celebrations such as weddings and funerals.
- Fundraising and volunteering.

Environmental performance

We are committed to ensuring that Webuye West Technical and Vocational College is a responsible corporate citizen. To do this, we;

- Minimise the environmental impact of our corporate activities by;
 - i. Planting of trees and flowers
 - ii. Ensuring proper disposal of waste material.
 - iii. Keeping the compound tidy at all times.

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Employee welfare

The College Human Resource Policy guides the hiring process and takes into account the gender ratio, Regional Balance, Ethnicity, Competencies, Gender, Marginalisation, stakeholder engagements and how often they are improved. The stakeholders Include;

The Government of Kenya, MOE, HELB, NG-CDF, KUCCPS and more.

Appraisals were done as per the statutory requirements, Career office is in place to advise trainees on matters of career progression, and the college conforms to matters of policy on safety and compliance with the Occupational Safety and Health Act of 2007 (OSHA).

Market place practices-

a) Responsible competition practice

Webuye West technical and vocational college ensures responsible competition practice by ensuring that ethical issue is put in place to avoid cases of corruption. Accountability and financial responsibility by the institution to its clients. Open and free trade with partners by the institution leads to fair competition.

b) Responsible supply chain and supplier relations

Webuye West Technical and Vocational College maintains good business practices by ensuring environmental sustainability, business process automation through the purchase of management Information System, Suppliers management through regular prequalification of suppliers, effective communication to our suppliers, and financial responsibility and accountability to our suppliers through timely payment of contracts.

c) Responsible marketing and advertisements

Webuye West Technical and Vocational College makes efforts to ethical marketing practices by ensuring that advertisements are made through media that are recognized and registered with Nation media group of Kenya. We also focus on providing added value to our customers by seeking to meet their desires without any moral harm. Ethical communication through proper channels on various platforms and programs. Webuye West Technical and Vocational College has also made efforts of balancing interest and corporate social responsibility by helping provide solutions to the community. To add on, we have ensured that our staffs and students' staffs and students stay away from misleading ads but rather focus on education and education matters alone.

d) Product stewardship

Webuye West Technical and Vocational College ensures that we give the right products to our students who are our main customers by ensuring that we employ qualified trainers to feed them with the right knowledge and information that is required in the field of work.

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Corporate Social Responsibility / Community Engagements

Webuye West Technical and Vocational College balances its own interests and the interests of the community around by adopting an active role in supporting social projects, contributes to raising businesses and improving people's lives. We also engage local entrepreneurs to partner in supplying goods to our institutions

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11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30th 2024, which show the state of the *entity's* affairs.

Principal activities

The principal activities of the entity are continued to be

1. To promote positive corporate image;
2. To enhance capacity in TVET and research;
3. To inculcate entrepreneurial culture in trainees;
4. To improve institutional corporate governance; and
5. To promote strategic collaboration and linkages with industry and other institutions.

Results

The results of the entity for the year ended June 30th 2024 are set out on page 1 to 5.

Board of Governors

The members of the Board who served during the year are shown on page xi-xv.

Auditors

The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the *entity* for the year/period ended June 30th, 2024, in accordance to 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

for.....


Lilian Simali

Secretary of the Board

Webuye West Technical and Vocational College

Date: 3/6/2025



3/6/2025

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12. Statement of Board of Governors/ Council's Responsibilities

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

The Board members are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30th 2024. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*,
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- (iv) Safeguarding the assets of the *entity*,
- (v) Selecting and applying appropriate accounting policies, and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the *entity's* 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 State Corporations Act, and the TVET Act*) – *entities should quote applicable legislation as indicated under*). The Board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30th 2024 and of the *entity's* financial position as at that date. The Board members further confirm the completeness of the accounting records

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maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

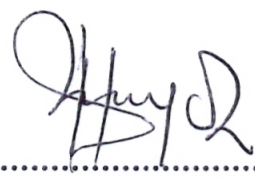
In preparing the financial statements, the principal has assessed the *entity's* ability to continue as a going concern. Nothing has come to the attention of the Board members to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The *entity's* financial statements were approved by the Board on 20th September 2024 and signed on its behalf by:

.....


Mr. Peter W Wamoto
Chairperson of the Board

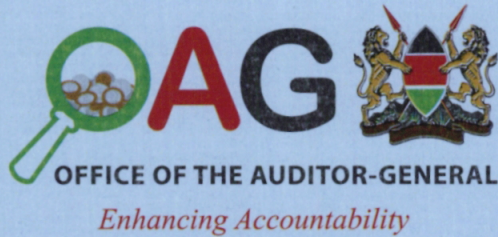
for 
.....

Ms Lilian Simali
Accounting Officer/Principal



REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Webuye West Technical and Vocational College set out on pages 1 to 36, which comprise of the statement of financial

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

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

Basis for Qualified Opinion

1. Misstatement of Revenue from Rendering of Services

The statement of financial performance reflects revenue from rendering of services- fees from students amounting to Kshs.42,241,406 which differs from disclosure Note 7 to the financial statements amount of Kshs.53,120,321, resulting to unreconciled variance of Kshs.10,878,915.

In the circumstances, the accuracy and completeness of revenue from rendering of services- fees from students amounting to Kshs.42,241,406 could not be confirmed.

2. Long Outstanding Receivables from Exchange Transactions Balance

The statement of financial position and Note 15 to the financial statements reflects current portion of receivables from exchange transaction balance of Kshs.38,470,674 in respect of students debtors. Review of the debtors aging analysis revealed that student debtors amounting to Kshs.15,489,969 had been outstanding for more than twelve (12) months. However, Management has not demonstrated mechanisms put in place to collect the long outstanding debts. Further, the bad and doubtful debts has not been provided for in the financial statements.

In the circumstances, the accuracy and recoverability of current portion of receivables from exchange transaction balance of Kshs.38,470,674 could not be confirmed.

3. Unsupported Disclosure on Valuation of Assets

The statement of financial position reflects property, plant and equipment balance of Kshs. 179,206,562 as disclosed in Note 17 to the financial statements. Although the Note in respect to valuation of property, plant and equipment states that, the College's land and buildings were valued as per The National Liabilities and Management Policy Guidelines, 2020. Evidence to support the valuation was not provided for audit, making the disclosure inaccurate.

In the circumstances, the reliability of the disclosure on valuation of assets could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Webuye West 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.

Budgetary control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.57,620,000 and Kshs.19,646,103 respectively, resulting to under-collection of Kshs.37,973,897 or 66% of the budget. However, the total actual revenue balance of Kshs.19,646,103 differs with Kshs.54,095,321 disclosed in the statement of financial performance by the resulting variance of Kshs.34,449,218 which has not been explained.

Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.21,015,313 against budgeted receipts of Kshs.40,320,000 respectively, resulting to under- expenditure of Kshs.19,304,687 or 48% of the budget. Further, the approved budget was not provided for audit review.

In the circumstances, the Management did not observe fiscal discipline.

My opinion is not modified in respect of this matter.

Other Information

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

In connection with my audit on the College's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit

or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Staff Ethnic Diversity

Review of the College's staff compliment for the month of June, 2024 revealed that out of sixty-eight (68) permanent and pensionable employees, fifty-five (55) or approximately 81% were from one dominant ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which states that no public establishment shall have more than one third of its staff from the same ethnic community.

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

2. Long Outstanding Accounts Payable

The statement of financial position and Note 18 to the financial statements indicate trade and other payables from exchange transactions balance of Kshs.8,401,156. However, the ageing analysis reveals that payables amounting to Kshs.1,027,419 had been outstanding for a period of more than a year and the Management did not demonstrate efforts made to settle the long outstanding payables. This was contrary to Regulation 42(1)(a) of Public Finance Management (National Government) Regulations, 2025 which requires that debt service payments shall be a first charge and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

In the circumstances, Management was in breach of law.

3. Failure to Undertake Board Performance Evaluation

Review of Board members records revealed that the Board did not establish performance targets, conduct board evaluations for the full Board, its committees, or individual members and did not submit performance reports to its stakeholders during the year under review contrary to Section 4.12 of Chapter 1 of Mwongozo Code of Governance

for State Corporations which requires that the Board should determine its performance and undertake an evaluation of its performance.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Debtors Policy

The statements of financial position reflect current portion of receivables from exchange transactions balance of Kshs.38,470,674 as disclosed in Note 15 to the financial statements. However, the College does not have an approved debtors' policy which provides guidance of debtors' management while considering the students debt limits, estimation of doubtful debts, bad debts, written-offs, and measures to be deployed in the recovery of receivables.

In the circumstances, the effectiveness of the debtors' management could not be confirmed.

2. Lack of an Approved Staff Establishment and Career Guidelines

Review of the payroll data for the month of June, 2023 and Human Resource function revealed that the College had sixty-eight (68) employees. However, the College does not have an approved staff establishment and salary structure for identifying the required staff and career prospects. Further, the segregation of duties was lacking since the finance officer conducted the functions of Human Resource unit due to lack of a Human Resource officer.

In the circumstances, the effectiveness of human resource management at the College could not be confirmed.

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

Responsibilities of the Management and 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 applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease its operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards 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 IFPP 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

12 June, 2025

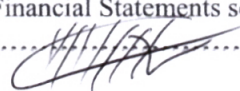
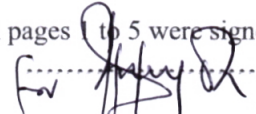
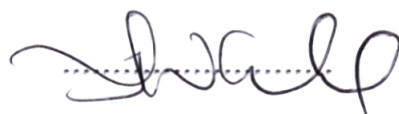
Webuye West Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

14. Statement of Financial Performance for the Year Ended 30 June 2024

| | Notes | 2023-2024 | 2022-2023 |
|---|-------|----------------------|------------------------|
| | | Kshs | Kshs |
| Revenue from Non-Exchange transactions | | | |
| Transfers from other National Government entities | 6 | | 6,497,000.00 |
| Capitation | | 8,500,425.00 | |
| Scholarship | | 2,378,490.00 | |
| Totals | | 10,878,915.00 | 6,497,000.00 |
| Revenue from Exchange transactions | | | |
| Rendering of services- fees from students | 7 | 42,241,406.00 | 12,723,923.00 |
| Rental revenue from facilities and equipment | | | |
| Other Income | 8 | 975,000.00 | 19,000.00 |
| Revenue from Exchange transactions | | 43,216,406.00 | 12,742,923.00 |
| | | | |
| Total Revenue | | 54,095,321.00 | 19,239,923.00 |
| | | | |
| Expenses | | | |
| Use of goods and services | 9 | 18,912,821.00 | 9,336,706.00 |
| Employee costs | 10 | 5,731,568.00 | 5,541,295.00 |
| Board /Council Expenses | 11 | 1,898,800.00 | 515,400.00 |
| Depreciation and amortization expense | 12 | 15,591,839.00 | 18,431,427.00 |
| Repairs and maintenance | 13 | 565,443.00 | 841,450.00 |
| Total Expenses | | 42,700,471.00 | 34,666,278.00 |
| Net surplus/(deficit) for the year | | 11,394,850.00 | (15,426,355.00) |

The notes set out on pages 7 to 35 form an integral part of the Annual Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed by:

.....




Peter Wamoto
Chairman of Council/Board

Lilian Simali
Principal

Jeseah Ngichabe
Finance Officer

Date: 3/6/2025



ICPAK No 22024

Date: 3/6/2025

3/6/2025

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

15. **Statement of Financial Position as at 30th June 2024**

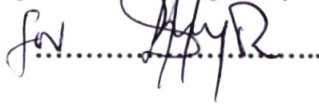
| Description | Notes | 2023-2024 | 2022-2023 |
|---|-------|-----------------------|-----------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 14 | 802,802.00 | 2,540,301.00 |
| Current portion of receivables from exchange transactions | 15 | 38,470,674.00 | 15,489,969.00 |
| Inventories | 16 | 242,042.00 | 615,500.00 |
| Prepayments | 19 | 2,298,860.00 | |
| Total Current Assets | | 41,814,378.00 | 18,645,771.00 |
| Non-Current Assets | | | |
| Property, plant, and equipment | 17 | 179,206,562.00 | 190,625,992.00 |
| Total Non-Current Assets | | 179,206,562.00 | 190,625,992.00 |
| Total Assets | | 221,020,940.00 | 209,271,762.00 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables from exchange transactions | 18 | 8,401,156.00 | 8,046,828.00 |
| Total Current Liabilities | | 8,401,156.00 | 8,046,828.00 |
| Non-Current Liabilities | | | - |
| Total non-current liabilities | | | - |
| Total Liabilities | | 8,401,156.00 | 8,046,828.00 |
| Total Net Assets and Liabilities | | | 8,046,828.00 |
| Revaluation Reserves | | - | - |
| Accumulated Surplus | | (45,370,395.00) | (56,765,245.00) |
| Capital Fund | | 257,990,179.00 | 257,990,179.00 |
| Total Net Assets and Liabilities | | 212,619,784.00 | 209,271,762.00 |
| Total Liabilities and Capital & Reserves | | 221,020,940.00 | 209,271,762.00 |

The Financial Statements set out on pages 1 to 5 were signed by:

.....



Peter Wamoto
Chairman of Council/Board

Date: 26/2025

.....


Lilian Simali
Principal



.....


Jescah Ngichabe
Finance Officer

ICPAK No 22024
 Date: 26/2025

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

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

| Description | Revaluation reserve | Fair value adjustment reserve | Retained earnings | Capital Grants/ Fund | Total |
|---|---------------------|-------------------------------|-------------------|----------------------|-----------------|
| Balance b/f as at 30th June 2023 | - | - | (41,338,891.00) | 257,990,179.00 | 216,651,288.00 |
| Balance b/f as at July 1st 2023 | - | - | (41,338,891.00) | 257,990,179.00 | 216,651,288.00 |
| Revaluation gain | - | - | - | - | - |
| Surplus/(deficit) for the year 2022/2023 | - | - | (15,426,355.00) | - | (15,426,355.00) |
| Capital grants received during the year | - | - | - | - | - |
| Transfer of depreciation/amortisation from capital fund | - | - | - | - | - |
| Retained earnings | - | - | - | - | - |
| Balance b/f as at June 30th 2023 | - | - | (56,765,245.00) | 257,990,179.00 | 201,224,933.00 |
| Revaluation gain | - | - | - | - | - |
| Surplus/Deficit for the year 2023/2024 | - | - | 11,394,850.00 | - | 11,394,850.00 |
| Capital Grants received during the year | - | - | - | - | - |
| Transfer of depreciation/amortisation from capital Fund | - | - | - | - | - |
| Retained Earnings | - | - | - | - | - |
| Balance as 30th June 2024 | - | - | (45,370,395.00) | 257,990,179.00 | 212,619,783.00 |

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

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

| Description | Note | 2023-2024 | 2022-2023 |
|---|------|-----------------------|----------------------|
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from other National Government entities | 6 | 10,878,915.00 | 6,497,000.00 |
| Rendering of services- fees from students | 7 | 37,643,864.00 | 12,723,923.00 |
| Rental revenue from facilities and equipment | | - | - |
| Other Income | 8 | 975,000.00 | 19,000.00 |
| Total Receipts | | 49,497,599.00 | 19,239,923.00 |
| Payments | | | |
| Use of goods and Services | 9 | 18,912,821.00 | 9,336,706.00 |
| Employee costs | 10 | 5,731,568.00 | 5,541,295.00 |
| Board /Board Expenses | 11 | 1,898,800.00 | 515,400.00 |
| Repairs and Maintenance | 13 | 565,443.00 | 841,450.00 |
| Total Payments | | 27,108,632.00 | 16,234,850.00 |
| Cash flows from operating activities | | 22,388,967.00 | 3,005,073.00 |
| Increase in Receivables | | (22,980,705.00) | (6,585,849.00) |
| Decrease in Inventories | | 373,458.00 | (118,011) |
| Increase in Trade and other payables | | 354,328.00 | 6,140,424.00 |
| Prepayments | | 2,298,860.00 | |
| Net Cash Flows from operating activities | | 2,434,908.00 | 2,441,637.00 |
| Cash flows from investing activities | | | |
| Purchase of property plant and equipment | | (4,172,407.00) | - |
| Net Cash flows from investing activities | | | |
| Cash flows from financing activities | | | |
| Proceeds from borrowing | | - | - |
| Repayment of borrowing | | - | - |
| Net Cash flows used in financing activities | | | |
| Net Increase/(Decrease) in Cash and Cash equivalents | | (1,737,499.00) | 2,441,637.00 |
| Cash and Cash equivalents at 1 st July 2023 | | 2,540,301.00 | 98,664.00 |
| Cash and Cash equivalents at 30th June 2024 | | 802,802.00 | 2,540,301.00 |

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

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

| Description | Original budget | Adjustments | Final Budget | Actual on comparable basis | Performance difference | Utilization Difference |
|---|----------------------|-------------|----------------------|----------------------------|------------------------|------------------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs | % |
| Revenue | | | | | | |
| Transfers from other National Government entities | 30,000,000.00 | 0.00 | 30,000,000.00 | 10,878,915.00 | 19,121,081.00 | 64% |
| Rendering of services- fees from students | 27,320,000.00 | 0.00 | 27,320,000.00 | 19,070,104.00 | 8,249,896.00 | 30% |
| Other Income | 300,000.00 | 0.00 | 300,000.00 | 576,000.00 | 276,000.00 | 0% |
| Total Income | 57,620,000.00 | 0.00 | 57,620,000.00 | 19,646,104.00 | 27,094,981.00 | 47% |
| Expenses | | | | | | |
| Use of goods and services | 28,402,000.00 | 0.00 | 28,402,000.00 | 13,495,256.00 | 14,906,744.00 | 53% |
| Employee costs | 10,668,000.00 | 0.00 | 10,668,000.00 | 5,244,814.00 | 5,423,186.00 | 51% |
| Board /Council Expenses | 0.00 | 0.00 | 0.00 | 1,898,000.00 | (1,898,000.00) | 0% |
| Repairs and maintenance | 1,250,000.00 | 0.00 | 1,250,000.00 | 377,243.00 | 872,757.00 | 70% |
| Total Expenditure | 40,320,000.00 | 0.00 | 40,320,000.00 | 21,015,313.00 | 19,304,687.00 | 48% |
| Surplus For the Period | 17,300,000.00 | 0.00 | 17,300,000.00 | 528,791.00 | 7,790,294.00 | 45% |
| Capital Expenditure | 17,300,000.00 | 0.00 | 17,300,000.00 | 0.00 | 17,300,000.00 | 100% |

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

Budget notes

- i. The variance on transfers from other National government entities is that not all trainees received capitation and scholarship and all trainees were under funded.
- ii. The variance on rendering of services is because of inadequate payment of fees by trainees and delay in disbursement of HELB loans.
- iii. Other income increased because the college received Kshs.300, 000.00 from NG-CDF Webuye West for KUCCPS placement
- iv. The variance on use of goods and Services was as a result of underfunding by the government and inadequate payment of fees by trainees
- v. The variance on employee costs was as a result of underfunding by the government and inadequate payment of fees by trainees who largely rely on capitation, HELB, Bursary and Scholarship.
- vi. The variance repairs and maintenance was as a result of underfunding by the government and inadequate payment of fees by trainees who largely rely on capitation, HELB, Bursary and Scholarship.
- vii. Board expenses budget were budgeted under administrative costs.

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

19. Notes to the Financial Statements

1. General Information

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements on Cost.

2. Statement of Compliance and Basis of Preparation

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

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

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

| | |
|--|--|
| | <p>IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> |
| IPSAS 47: Revenue | <p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> |
| IPSAS 48: Transfer Expenses | <p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> |
| IPSAS 49: Retirement Benefit Plans | <p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector</p> |

iii. Early adoption of standards

Webuye West Technical and Vocational College did not early adopt any new or amended standards in year 2023/2024 the entity adopted standard.

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The 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.

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

Notes to the Financial Statements (Continued)

b) Budget information

The original budget for FY 2023/2024 was approved by the Board or Board on *12th January 2023*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of on the FY 2023/2024 budget following the Board/ 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 on page 5 under section one of these financial statements

c) Taxes

Current income tax

The entity is not exempt from paying 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.

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

Notes to the Financial Statements (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 useful life 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.

Webuye West Technical and Vocational College Depreciates its assets using Reducing balance Method on the net book values using the following annual depreciation Rates;

| Item | Depreciation Rate % |
|------------------------|----------------------------|
| Land | Nil |
| Motor Vehicle | 25% |
| Furniture and Fittings | 12.5% |
| Computers | 33% |
| Buildings | 2% |
| Library Books | 20% |
| Plant and Equipment | 12.5% |

Notes to the Financial Statements (Continued)

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.

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.

Notes to the Financial Statements (Continued)

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.

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 an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

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.

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.

Notes to the Financial Statements (Continued)

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 benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

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) 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.

p) 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.

Notes to the Financial Statements (Continued)

q) 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.

r) 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.

s) 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.

t) Comparative figures

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

u) 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 30th 2024.

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.

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

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

| Description | 2023-2024 | 2022-2023 |
|--|----------------------|---------------------|
| | KShs | KShs |
| Unconditional grants | | |
| Scholarship | 2,378,490.00 | |
| Capitation | 8,500,425.00 | 6,497,000.00 |
| Total Government grants and subsidies | 10,878,915.00 | 6,497,000.00 |

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

Notes to the Financial Statements (Continued)

7. Rendering of Services

| Description | 2023-2024 | 2022-2023 |
|------------------------------------|----------------------|----------------------|
| | KShs | KShs |
| Tuition fees | 20,972,737.00 | 4,696,197.00 |
| Activity fees | 2,358,171.00 | 427,325.00 |
| Admission Fees | 81,500.00 | 2,000.00 |
| Administrative income | 8,531,899.00 | 1,889,937.00 |
| Arrears | 1,415,840.00 | |
| RMI | 1,810,257.00 | 245,821.00 |
| EWC | 2,218,413.00 | 525,355.00 |
| Student Union | 259,700.00 | 14,700.00 |
| Attachment and insurance | 1,193,782.00 | 387,572.00 |
| Local transport and travel | 5,387,736.00 | 466,575.00 |
| Personal Emolument | 8,890,285.00 | 4,051,441.00 |
| Total Rendering of Services | 53,120,321.00 | 12,723,923.00 |

8. Other Income

| Description | 2023-2024 | 2022-2023 |
|---------------------------|----------------------|----------------------|
| | KShs | KShs |
| Admission Fees | 81,500.00 | 2,000.00 |
| Student ID | 95,000.00 | 1,500.00 |
| Accommodation | 77,000.00 | 15,500.00 |
| KUCCPS | 721,500.00 | |
| Total other income | 975,000.00 | 19,000.00 |
| TOTAL INCOME | 54,095,321.00 | 19,239,923.00 |

Webuye West Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024
Notes to the Financial Statements (Continued)

9. Use of Goods and Services

| Description | 2023-2024 | 2022-2023 |
|---------------------------------|----------------------|---------------------|
| | KShs | KShs |
| Electricity Water & Conservancy | 384,325.00 | 297,674.00 |
| Tuition | 4,014,868.00 | 1,782,499.00 |
| Administration | 5,487,497.50 | 5,381,206.00 |
| Tax | 154,372.00 | - |
| TVET Greening | 22,350.00 | - |
| Internet Bundles | 77,602.00 | - |
| Performance Contracting | 109,000.00 | - |
| Marketing | 120,000.00 | - |
| KATTI | 230,120.00 | - |
| Student ID | 35,122.00 | - |
| Student Union | 187,200.00 | - |
| Internal Audit Services | 69,000.00 | - |
| Quality Assurance | 4,000.00 | - |
| Exams | 1,837,270.00 | - |
| KUCCPS Application | 649,095.00 | - |
| TVET Fair | 612,130.00 | - |
| LTT | 2,500,325.00 | 816,510.00 |
| Activity | 1,395,583.00 | 329,100.00 |
| Medical/insurance/Attachment | 110,960.00 | 61,975.00 |
| Accounting Services | - | 10,000.00 |
| Postal Charges | 7,725.00 | 7,725.00 |
| Security services | 720,000.00 | 288,000.00 |
| Bank Charges | 17,976.50 | 9,615.00 |
| Accomodation | 166,300.00 | 352,400.00 |
| Total good and services | 18,912,821.00 | 9,336,706.00 |

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

Notes to the Financial Statements (Continued)

10. Employee Costs

| Description | 2023-2024 | 2022-2023 |
|-----------------------------|---------------------|---------------------|
| | KShs | KShs |
| Salaries and wages | 5,406,428.00 | 4,326,326.00 |
| NHIF | 140,200.00 | 187,550.00 |
| NSSF | 184,940.00 | 1,027,419.00 |
| Total Employee costs | 5,731,568.00 | 5,541,295.00 |

11. Board/Council Expenses

| Description | 2023-2024 | 2022-2023 |
|----------------------------------|---------------------|-------------------|
| | KShs | KShs |
| Director's emoluments | 1,898,800.00 | 515,400.00 |
| Total director emoluments | 1,898,800.00 | 515,400.00 |

Note

Board allowances increased because of board related activities that were conducted for example board induction, public service trainers' shortlisting and interviews meetings.

12. Depreciation and Amortization expense

| Description | 2023-2024 | 2022-2023 |
|--|----------------------|----------------------|
| | KShs | KShs |
| Motor Vehicle | 93,750.00 | 125,000.00 |
| Furniture and Fittings | 475,636.00 | 450,907.00 |
| Computers | 354,872.00 | 110,109.00 |
| Buildings | 135,099.00 | 1,378,560.00 |
| Library Books | 255,450.00 | 81,100.00 |
| Plant and Equipment | 14,277,031.00 | 16,285,749.00 |
| Total depreciation and amortization | 15,591,839.00 | 18,431,427.00 |

13. Repairs and Maintenance

| Description | 2023-2024 | 2022-2023 |
|--------------------------------------|-------------------|-------------------|
| | KShs | KShs |
| Repairs and Maintenance | 565,443.00 | 841,450.00 |
| Total Repairs and Maintenance | 565,443.00 | 841,450.00 |

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

Notes to the Financial Statements (Continued)

14. Cash and Cash Equivalents

| Description | 2023-2024 | 2022-2023 |
|---|-------------------|---------------------|
| | KShs | KShs |
| Total cash and cash equivalents | 802,802.00 | 2,540,301.00 |
| 14 (b). Detailed Analysis of Cash and Cash equivalents | | |
| Financial Institution | Kshs | KShs |
| KCB | | |
| Cash at Hand | 280.00 | 288.00 |
| Bank Recurrent Account Number (1270349953) | 172,371.00 | 2,540,013.00 |
| Bank Development Account Number (1322831505) | 630,151.00 | |
| Sub-total | 802,802.00 | 2,540,301.00 |
| TOTAL | 802,802.00 | 2,540,301.00 |

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

Notes to the Financial Statements (Continued)

15. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

| Description | KShs | KShs |
|----------------------------|----------------------|----------------------|
| Current receivables | | |
| Student debtors 2020/2021 | 3,961,385.00 | 3,961,385.00 |
| Student Debtors 2021/2022 | 4,942,735.00 | 4,942,735.00 |
| Student Debtors 2022/2023 | 6,585,849.00 | 6,585,849.00 |
| Student Debtors 2023/2024 | 22,980,705.00 | - |
| Total receivables | 38,470,674.00 | 15,489,969.00 |

(b) Ageing Analysis of Receivables from Exchange transactions

| Description | 2023-2024 | | 2022-2023 | |
|--------------------|----------------------|-------------|-----------------------|-------------|
| | Kshs | | Kshs | |
| | Current FY | % of total | Comparative FY | % of total |
| Less than 1 year | 0 | 0% | 0 | 0% |
| Between 1- 2 years | 22,980,705.00 | 56% | 11,528,584.00 | 74% |
| Between 2-3 years | 29,556,554.00 | 76% | 15,489,969.00 | 100% |
| Over 3 years | 15,489,969.00 | 51% | 15,489,969.00 | 100% |
| Total | 38,470,705.00 | 100% | 15,489,969.000 | 100% |

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

Notes to the Financial Statements (Continued)

16. Inventories

| Description | 2023-2024 | 2022-2023 |
|----------------------------------|-------------------|-------------------|
| | KShs | KShs |
| Consumable stores & Other stores | 242,042.00 | 615,500.00 |
| Total Inventories | 242,042.00 | 615,500.00 |

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

Notes to the Financial Statements (Continued)

17. Property, Plant and Equipment

| Cost | Land | Buildings | Motor vehicles | Furniture and fittings | Computers | Plant and Equipment | Library Books | Capital Work in progress | Total |
|-------------------------------------|---------------------|----------------------|---------------------|------------------------|---------------------|-----------------------|---------------------|--------------------------|-----------------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| At 1 July 2023 | 5,000,000.00 | 67,549,440.00 | 375,000.00 | 3,156,350.00 | 220,550.00 | 114,000,249.00 | 324,402.00 | | 190,625,992.00 |
| Additions | - | - | - | 648,740.00 | 854,821.00 | 216,000.00 | 952,847.00 | 1,500,000.00 | 4,172,408.00 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Transfers/Adjustments | - | - | - | - | - | - | - | - | - |
| At 30th June 2022 | 5,000,000.00 | 71,800,000.00 | 1,000,000.00 | 4,809,675.00 | 990,000.00 | 173,714,665.00 | 675,839.00 | | 257,990,179.00 |
| Additions | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Transfer/Adjustments | - | - | - | - | - | - | - | - | - |
| At 30th June 2024 | 5,000,000.00 | 63,163,781.00 | 375,000.00 | 3,805,090.00 | 1,075,371.00 | 114,216,249.00 | 1,227,249.00 | 1,500,000.00 | 194,798,399.00 |
| Depreciation And Impairment | | | | | | | | | |
| At 30th June 2023 | - | 4,250,560.00 | 625,000.00 | 1,653,325.00 | 769,450.00 | 59,714,416.00 | 351,437.00 | - | 67,364,187.00 |
| Depreciation | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Impairment | - | - | - | - | - | - | - | - | - |
| At 30th June 2024 | | | | | | | | | |
| Depreciation | - | 135,090.00 | 93,750.00 | 475,636.00 | 354,872.00 | 14,277,031.00 | 255,450.00 | - | 15,591,839.00 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Impairment | - | - | - | - | - | - | - | - | - |
| Transfer/Adjustment | - | - | - | - | - | - | - | - | - |
| At 30th June 2024 | - | 4,385,659.00 | 718,750.00 | 2,128,961.00 | 1,124,322.00 | 73,991,447.00 | 606,886.00 | | 82,956,026.00 |
| Net Book Values | | | | | | | | | |
| At 30th June 2023 | 5,000,000.00 | 67,549,440.00 | 375,000.00 | 3,156,350.00 | 220,550.00 | 114,000,249.00 | 324,402.00 | | 190,625,992.00 |
| At 30th June 2024 | 5,000,000.00 | 67,414,341.00 | 281,250.00 | 3,329,454.00 | 720,499.00 | 99,939,218.00 | 1,021,800.00 | 1,500,000.00 | 179,206,562.00 |

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

Notes to the Financial Statements (Continued)

WORK IN PROGRESS

| PROJECT | Budgeted Cost | Contract Sum | Amount Paid |
|----------------------------|----------------------|---------------------|---------------------|
| CDF One Numbered Classroom | 1,500,000.00 | 1,500,000.00 | 822,248.00 |
| Tax paid | | | 45,551.00 |
| Bank Charges | | | 2,050.00 |
| Bank Balance | | | 630,151.00 |
| Totals | 1,500,000.00 | 1,500,000.00 | 1,500,000.00 |

Notes

i. Desktop Computers

The college received one hundred (**100**) Desktop Computers on 29th May 2024 from GOK as a donation whose value has not been disclosed because the college management is arranging for valuation by a professional valuer from MOE.

ii. Buildings

The addition of Kshs.1, 500,000.00 refers to one numbered classroom still work-in-Progress constructed by Webuye West NG-CDF.

iii. Furniture and Fittings

The additional refers to thirty-four tables that were fabricated to keep the one hundred desktops donated by GOK.

iv. Plant and Equipment

The additional refers to a lawn mower purchased at Kshs.66,000.00 and Kyocera Copier Machine at Kshs.150,000.00.

v. Depreciation

Depreciation has been computed using reducing balance method based on the useful life of Property, Plant and Equipment.

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

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were not revalued by professional valuers.

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 | 5,000,000.00 | 0.00 | 5,000,000.00 |
| Buildings | 71,800,000.00 | 4,385,659.00 | 67,414,341.00 |
| Plant And Machinery | 173,714,665.00 | 73,991,447.00 | 99,939,218.00 |
| Motor Vehicles including Motorcycles | 1,000,000.00 | 718,750.00 | 281,250.00 |
| Computers and Related Equipment | 990,000.00 | 1,124,322.00 | 720,499.00 |
| Office Equipment, Furniture, And Fittings | 4,809,675.00 | 2,128,961.00 | 3,329,454.00 |
| Work in Progress | 1,500,000.00 | 0.00 | 1,500,000.00 |
| Library Books | 1,277,249.00 | 606,886.00 | 1,021,800.00 |
| Total | 257,990,179.00 | 82,956,026.00 | 179,206,562.00 |

18. Trade and Other Payables

| Description | 2023-2024 | 2022-2023 |
|--|---------------------|---------------------|
| | Kshs | Kshs |
| Trade and Other Payables | 6,102,295.76 | 6,238,617.00 |
| Student Fees received in Advance /Prepaid Fees | 2,298,860.15 | 27,000.00 |
| HELB | | 566,242.00 |
| NHIF | | 187,550.00 |
| NSSF | | 1,027,419.00 |
| Total Trade and Other Payables | 8,401,156.00 | 8,046,828.00 |

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

Notes to the Financial Statements (Continued)

| | Current FY | % of the Total | Comparative FY | % of the Total |
|-------------------------|---------------------|-----------------------|-----------------------|-----------------------|
| Ageing analysis: | | | | |
| Under one year | 7,373,737.00 | 88% | 7,019,409.00 | 87% |
| 1-2 years | 0 | % | 0 | 0% |
| 2-3 years | 0 | % | 1,027,419.00 | 13% |
| Over 3 years | 1,027,419.00 | 12% | 0 | 0% |
| Totals | 8,401,156.00 | % | 8,046,828.00 | |

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

Notes to the Financial Statements (Continued)

19. Prepayments.

| Description | 2023-2024 | 2022-2023 |
|--------------------------|---------------------|-----------|
| | KShs | KShs |
| Prepayments | 2,298,860.00 | - |
| Total Prepayments | 2,298,860.00 | - |

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 45,732.00 per month.

20. Financial Risk Management

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

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

(i) Credit risk

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

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

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the

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

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.

Notes to the Financial Statements (Continued)

(iii) 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.

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

b) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Webuye West Technical and Vocational College
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Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase.

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

Notes to the Financial Statements (Continued)

iv) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the entity's ability to continue as a going concern. **Related Party Balances**

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;
- v) KUCCPS
- vi) HELB
- vii) NG-CDF

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

Notes to the Financial Statements (Continued)

21. Events After The Reporting Period

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

22. 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.

23. Currency

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

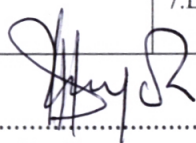
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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) |
|--|---------------------------------------|---|-----------------------------------|
| Report for the Year Ended 30/6/2022 | 1. Inaccuracy of Comparative Balances | Management has revised Financial statements accordingly. | Resolved. |
| | 2. Unsupported Capital Reserves | Management has revised Financial statements accordingly supported the Capital Reserves. | Resolved. |
| | 3. Unsupported Receivables | Management provided updated student debtors, debtors register, Debtors Policy was inclusive in the Finance Policy and Debtors aging analysis was also provided. | Resolved. |
| | 4. Unsupported Board Expenses | Management has revised Financial statements accordingly and supported value of Board Expenses. | Resolved. |
| | 5. Budgetary Control and Performance | Management informed the Board of Governors on the budget underperformance and the budget was adjusted accordingly. | Resolved. |
| | 6. Unresolved Prior Year Issues | Management resolved all Prior Year Issues. | Resolved. |
| | 7. Lack of Approved Budget Estimates | Management submitted the Annual all subsequent Budget Estimates to relevant authorities for approval. | Resolved. |

for 

Lilian Simali
 Accounting Officer/Principal
 Date 3/6/2025.....



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

Appendix II: Projects Implemented by Webuye West Technical and Vocational College

Projects

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

| Project title | Project Number | Donor | Period/ duration | Donor commitment | Separate donor reporting required as per the donor agreement (Yes/No) | Consolidated in these financial statements (Yes/No) |
|--------------------------|----------------|--------------------|---------------------|---------------------|--|--|
| 1.One Numbered Classroom | | NG-CDF Webuye West | One Year | | NO | YES |

Status of Projects completion

The project is 90% complete and college has paid to the contractor a total of Kshs.822,248.00 out of a contract sum of Kshs.1,500,000.00.

| | Project | Total project Cost | Total expended to date | Completion % to date | Budget | Actual | Sources of funds |
|---|---------------------------|-----------------------|---------------------------|-------------------------|--------------|--------------|--------------------|
| 1 | One Numbered Classroom | 1,500,000.00 | 868,849.00 | 90% | 1,500,000.00 | 1,500,000.00 | NG-CDF Webuye West |

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

Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity Ministry of Education State Department of TVET

Name of beneficiary entity Webuye West Technical and Vocational College

Confirmation of amounts received by Webuye West Technical and Vocational College as at 30th June 2024

| Reference Number | Date Disbursed | Recurrent (A) | Development (B) | Total (C)=(A+B) | Remarks |
|------------------|----------------|---------------|-----------------|----------------------|---------------|
| | 02/10/2023 | 2,114,000.00 | 0 | 2,114,000.00 | Quarter One |
| | 18/01/2024 | 2,128,000.00 | 0 | 2,128,000.00 | Quarter Two |
| | 05/02/2024 | 2,432,000.00 | 0 | 2,432,000.00 | Quarter Three |
| | 27/02/2024 | 2,331,458.00 | 0 | 2,331,458.00 | Scholarship |
| | 06/03/2024 | 47,032.00 | | 47,032.00 | Scholarship |
| | 31/05/2024 | 1,826,425 | 0 | 1,826,425 | Quarter Four |
| | TOTALS | | | 10,878,915.00 | |

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

Head of Accounts Department – MOE State Department of TVET

Name Sign Date

Head of Accounts Department – Webuye West Technical and Vocational College

Name CPA Jescah W Ngichabe Sign  Date...3/6/2025