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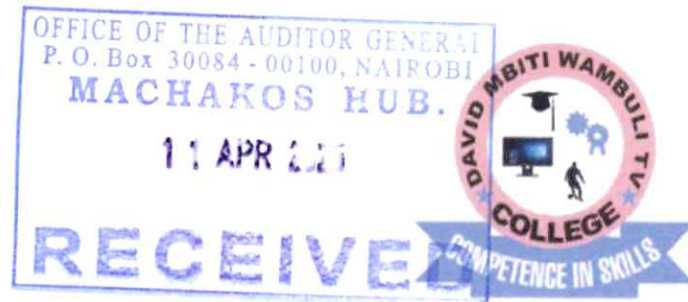
ON

**DAVID MBITI WAMBULI TECHNICAL AND
VOCATIONAL COLLEGE**

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



**DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023**



**DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023

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1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the College

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2. Key College Information and Management

(a) Background information

David Mbiti Wambuli is located in Makueni County, Mbooni West Sub Country. From Machakos its located 19 Km through Kikima - Kali route. It occupies 5ha of land. The college was officially opened in September 2018, teaching a varieties of courses. The courses offered are examined by KNEC. The college is managed by a Board of Governors (BOG) appointed by the cabinet secretary, Ministry of Education as stipulated in the TVET Act 2013.

There are four main academic departments (Electrical, Agriculture, Civil Engineering and Business). Other departments that are coming up are mechanical/automotive engineering, Hair Dressing, Hospitality and Institutional Management.

(b) Principal Activities

The core mandate of the College is provision of TVET training and skills impartation to the youth in Kenya and beyond. Being a community college, outreach activities are carried out from time to time. During such engagements, the youth is offered career talks to enlighten them on the need to train for employment and self-development.

(c) Key Management

The College day-to-day management undertaken by the following key organs:

- Board of Board of Governors
- Accounting officer/ Principal
- Deputy Principal
- Registrar

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Daniel Muumbi
2.	Deputy principal – Administration and Academics	Josephine Nzioki
3	Head of Finance	Jackson Swili

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Key College Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Risk and Audit committee

- i. Financial management
- ii. Reporting of financial information to users of financial reports
- iii. Application of the accounting policies
- iv. Protection of the College assets
- v. Facilitating communication between the Board of directors and internal and external auditors

Finance and infrastructure committee

- i. The role of the committee is to monitor the financial status of the College on behalf of the Board of Governors
- ii. Receive reports from the principal and the accountant on the financial matters of the college.
- iii. Supervise the financial administration of the institute and make the recommendations to Board of Governors where appropriate
- iv. Supervise the arrangements for safeguarding the College assets
- v. Ensure proper financial appraisal and control of projects

Academic board committee

- i. Direct and regulate the teaching and instruction within the College subjects to the powers of the Board.
- ii. Determine the academic policy and advice the Board on the provision of facilities to carry out that policy.
- iii. Approve programmes of study of the College.
- iv. Carry out staff and student's mentorship programs

Governance/strategies/Human Resource committee

- i. Take strategic overview of performance in all areas of college activities.
- ii. Ensure that the Board of Governors is able to take strategic decision relating to college matters.
- iii. Provide leadership in communicating the mission, vision and achievements of the College.
- iv. Identify and fill staffing gaps

(f) College Headquarters

David Mbiti Wambuli TVC
P.O. Box 3308-90100
Machakos-Kali Road

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Machakos, Kenya

(g) College Contacts

Telephone: (254) 743 896 827
E-mail: davidwambulitvc@gmail.com
Website: www.davidmbithiwtvc.ac.ke

(h) College Bankers

Kenya Commercial Bank
Machakos Branch
P.O. Box 652-90100
Machakos, Kenya

(i) Independent Auditors

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




Key College Information and Management (Continued)

(j) 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

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Mr. Michael Muhoho - BOG, Chairman MBA in logistics and supply chain management	Date of birth 1987 MBA in logistics and supply chain management In charge of all the BOG committees. Chairing of full and special BOG meetings
2.	 Dr. Fredrick Kasomi – Member PHD in business Administration/Bachelor in economics	Date of birth :1977 PHD in business Administration/Bachelor in economics Chairs human resource and governance committee.
3.	 Mr. Charles Mwaniki – Member Master's in education planning and administration	Date of birth 1958 Master's in education planning and administration. Chairs audit and risk management committee


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<p>4.</p>	 <p>Mr. Stephen Kyande – Member MBA strategic management</p>	<p>Date of birth:1964 MBA strategic management Finance and resource mobilization committee</p>
<p>5.</p>	 <p><i>Ms. Malvin Nkotoi Member</i> MBA resource mobilization</p>	<p>Date of birth 1967 MBA resource mobilization Member of human resource and governance committee.</p>
<p>6.</p>	 <p><i>Ms. Irene Okeyo, Member</i> Master of architecture Engineering</p>	<p>Date of birth:1972 Master of architecture Engineering Member of finance and resource mobilization committee.</p>

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<p>7.</p>	 <p>Ms. Redempta Kavindu, Member Masters in Business Studies</p>	<p>Date of birth 1987 Masters in Business Studies Chairs academic committee.</p>
<p>8.</p>	 <p>Mr. Washington Gilo, Member Bachelor of Philosophy in Mechanical Engineering</p>	<p>Date of birth 1962 Bachelor of Philosophy in Mechanical Engineering Member of academic committee.</p>
<p>9.</p>	 <p>Mr. John Wamae - County director of TVET, Machakos, Makueni & Kitui Masters in strategic planning</p>	<p>Date of birth: 1965 Masters in strategic planning Representing the Cabinet Secretary Ministry of Education.</p>

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<p>10.</p>	 <p>Mr. Daniel Muumbi – Pricipal /Secretary,BOG Bachelor in Education Technical Education</p>	<p>Date of birth: 1964 Bachelor in Education Technical Education In charge of the overall management of the College</p>
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4. Key Management Team

SN.	Member/ Director	Details
1.	 <i>Mr. Daniel Muumbi</i> Bachelor in Education Technical Education	Principal/Secretary, BOG
2.	 <i>Mrs. Josphine Nzyoki</i> Master's in business administration(strategic management)	Deputy principal
3.	 <i>Mr. Jackson Swili</i> CPA K, Diploma in business Management	Finance Officer

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5. Chairman's Statement

Key activities

During the 2022/2023 financial year the college undertook the following activities:

- i. Training and assessment of trainees with the Kenya National Examination Council.
- ii. Capacity building of trainers through seminars and workshops organised by the Kenya Association of Technical Training Institutes (KATTI) and other service providers.
- iii. Staff and students mentorship
- iv. Constructed a gate funded by the Mbooni Constituency NG-CDF
- v. Entered into agreement with the County Government of Makueni to construct a workshop
- vi. College marketing through visits to the neighbouring secondary schools to offer career talks.

The Management focus is to expand the training space to match the available accommodation. The community had constructed a 700-capacity accommodation facility while the training infrastructure had a capacity of 300 trainees. There is great need to increase the training space to enable programs diversification. This will impact on the increase in student enrolment.

However, its appreciated that the accommodation aspect is not an overriding factor for the community is challenged to put up more as the student population grows.

The Government changed the TVET funding policy through the introduction of capitation to the trainees to improve access and completion rate. This implied that funding was pegged to enrolment. The policy encourages the new colleges to carry out intensive marketing strategies.

The College embraces the national TVET strategy to produce more artisans and craftsmen to match the increasing need to realize the Big 4 agenda (Food security, Manufacturing, Healthy and Housing). This will highly contribute in the achievement of the Kenya Vision 2030.

Challenges

- i. Inadequate trainers
- ii. Inadequate resources
- iii. Inadequate physical infrastructure-lecture rooms, workshops, laboratories, offices
- iv. Lack of College transport.

As we increase the training programs, there arises the need to employ more trainers. This becomes a challenge in the management of the increased wage bill. The College relies on fees collection as the sole means of revenue .

Occasionally the fees is not collected 100%. The Board and the administration is working towards the introduction of income generating activities to improve the resource base.

Introduction of more programs go with the expansion of the training space. Plans are underway to construct more workshops and lecture rooms.

On transport, the college relies on public transport for her activities. Trainees use public means of transport to attend to games and educational tours. This comes with a lot of financial challenges.


Michael Muhoho
Chairman, BOG

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6. Report of the Chief/SeniorPrincipal

The annual financial operations of the college are pegged to the strategic plan. The college is in Performance Contracting with the Ministry of Education. The Board makes commitments with the Cabinet Secretary based on the College annual budget and the procurement plan. This approach focuses the college financial obligations towards the achievement of predetermined objectives and targets.

During the financial year 2022/2023 the college undertook the following activities:

Key Activities

- i. Presented candidates for KNEC examination in July and November 2022.
- ii. Capacity build staff in the areas of MIS application in TVET and in management skills
- iii. College marketing activities through secondary school visits.
- iv. Participation in co-curricular activities

Financial performance during FY 2022/2023

During the audit year, the college did not financially perform well. There was a huge difference between the budget estimates and the actual expenditure (54,902,305 and 25,812,260 respectively). This was caused by the assumption during the budget making process that, the County Government and other donors would provide ksh 15 million. The expected number of trainees was 400 but enrolled 270. The situation is aggravated by the GOK policy to stop development fund grants and the directive to prevent the initiation of new projects.

The Board has put in some corrective measure by advising the finance committee to budget within the available resources and minimise the variance between the estimates and the actual as much as possible.

Challenges

- i. Inadequate physical infrastructure –the College is facing this challenge due to growing numbers of staff and students.
- ii. Inadequate trainers.
- iii. Lack of College means of transport.

Way forward/future outlook

In order to address those challenges, the College has planned to carry out the following activities during the FY 2022/2023

- i. Construct pit latrines for both trainers and staff
- ii. Partnership with County Government of Makueni to benefit from subsidiary grants and Toyota Kenya Academy for training equipment.
- iii. Increase industrial linkages so as to enhance trainee attachments and employment



Daniel Muumbi
Principal/Secretary, BOG

PRINCIPAL
DAVID M. WAMBULI TECHNICAL &
VOCATIONAL COLLEGE
P. O. Box 3308-90100, MACHAKOS
CEL: 0743 896 827

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7. Statement of Performance against Predetermined Objectives

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

David Mbiti Wambuli has 5 strategic pillars and objectives within its Strategic Plan for the FY 2019/2020- 2023/2024. These strategic pillars are as follows:

Pillar 1: Infrastructure

Pillar 2: Training and research

Pillar 3: Governance

Pillar 4: Access and Equity

Pillar 5: Collaboration

The College develops her annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved her performance targets set for the FY 2022/2023 period for her 5 strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Infrastructure Development	Improve and expand institutional infrastructure	Construction of physical structures that support training eg lecture rooms, labs, workshops, ablution blocks, etc	<ul style="list-style-type: none"> ➤ Improve and expand institutional infrastructure ➤ Erecting of perimeter fence, gate and land scaping ➤ Construct and equip a library ➤ Equip all the academic departments ➤ Construction of 3 pit latrines 2 for students with 4 doors,1 for staff with 2 doors ➤ Construct and equip an electrical installation workshop ➤ Construct a tuition block with ICT lab. ➤ Equip 3 technical drawing rooms ➤ Construct Automotive, Hair & 	<ul style="list-style-type: none"> • Did a fence and a gate • Levelled a play field • Wrote a letter to the Mbiti family successors requesting for 10 more acres. • Constructed an automotive engineering workshop

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				Beauty workshop ➤ Construct administration block complex ➤ Acquire additional 5 acres of land	
Pillar 2:	Training and research	Prudent utilization of resources	Signed budgets and procurement plans	➤ Prepare budgets for approval by the BoG and submit quarterly reports to treasury. ➤ Prepare procurement plan for approval by the BoG ➤ Extract annual work plans from strategic plan for implementation.	<ul style="list-style-type: none"> • Prepared budget and the BOG approved during each financial year. • Prepared annual procurement plans
Pillar 3:	Governance	Improve institutional corporate governance.	Approved policies	➤ Develop institutional policies to align with the strategic plan. ➤ Carry out capacity building for the Top Management and the Staff on leadership. ➤ Carry out Benchmarking on leadership, finance.	Developed policies on: <ul style="list-style-type: none"> • Academic • Human resource • HIV/Aids control • Industrial Attachment • Gender Mainstreaming • Procurement

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				<p>procurement and curriculum implementation.</p> <p>➤ Develop and issue Job descriptions to all staff in the College.</p>	<ul style="list-style-type: none"> • Disaster recovery •
Pillar 4:	Access and Equity	Increase student enrolment	Increased enrolments in each department	<p>➤ Marketing through the media, use of posters and brochures.</p> <p>➤ Participation in trade fairs and exhibitions and one on one meeting.</p> <p>➤ Introduce new programmes</p> <p>➤ Sensitize students and parents on various avenues of funding</p> <p>➤ Capacity building and training of staff</p> <p>➤ Career talks in secondary schools</p> <p>➤ Sensitize the secondary schools' heads on training opportunities in TVET</p> <p>➤ Offer subsidized short courses to continuing students</p>	<p>Advertised through Musyi FM</p> <ul style="list-style-type: none"> • Distributed College brochures after attending the Makueni County Government Agricultural Fair held at Kikima. • Sent staff for capacity building at Mombasa • Participated in regional and national games • Participated in the Machakos international career day
Pillar 5:	Collaboration	Enhance collaboration with the industry	Signed MOUs	<p>➤ Sensitization on opportunities at the College</p> <p>➤ MoUs</p> <p>➤ Timely and accurate reports</p>	<ul style="list-style-type: none"> • Signed an MOU with Mutisya Driving School to offer driving classes at

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				<ul style="list-style-type: none"> ➤ Timely information ➤ Competent personnel handling information 	<p>the College</p> <ul style="list-style-type: none"> • Engaged a number of industries to get attachment slots for our trainees • Hosted a training on agribusinesses presented by Toyota Kenya Foundation
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8. Corporate Governance Statement

Appointment of BOG Members

The Cabinet Secretary, Ministry of Education appoints members of the Board following proposals from the principal of the College. The Board consist of nine members.

Role and functions of Board of Governors

- i. Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law
- ii. Developing and implementing the institutions' strategic plan
- iii. Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions
- iv. Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act;
- v. Mobilizing resources for the institutions
- vi. Developing and reviewing programmes for training and to make representations there on to the Board;
- vii. Approving collaboration or association with other institutions and industries in and outside Kenya
- viii. Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;
- ix. Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- x. Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- xi. Providing for the welfare of the students and staff of the institutions
- xii. Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions
- xiii. Administering and managing the property of the institution

The College give the sitting allowances to Board members to cater for their transport.

Full Board meeting is held once every term.

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9. Management Discussion and Analysis

Financial performance of the College

The main source of revenue is through fees collection. About half of the students are NYS sponsored. When the NYS delays to disburse fees, the College heavily strains to meet her financial obligations. During the year, the College raised about 48% of the budgeted funds. The deficit was due to the low enrolment. The projected enrolment was 400 while the actual was 270. The Risk and Mitigation Board committee has advised that more intensive marketing activities be undertaken to improve the enrolment as this highly impacts the College resource base.

In mitigation the Board has factored and raised the marketing vote head. More activities in this aspect would include use of branded materials during marketing visits to markets, churches, schools, chiefs' meetings and trade fairs.

Institute's compliance with statutory requirements

The College complies with the legal requirements of submission of statutory deductions to the relevant bodies.

Major risks facing the College

Financial mitigation – due to limited finances, the College has not been able to start any income generating activities. However, plans are underway to register driving school to serve as a production unit.

A committee has been appointed to develop a risk management plan to outline the best approach to mitigate any arising financial risk.

Material arrears in statutory /financial obligations

At end of the financial year 2022/2023 the College carried out the construction of a workshop fully funded by the County Government of Makueni.

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10. Environmental and Sustainability Reporting Statement

David Mbiti Wambuli Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 4 key areas- putting the customer first. We offer industry-driven courses as we improve operational excellence.

We are a centre of excellence in Electrical/ Electronic Engineering. The other courses are ICT, Business Studies and Agricultural Value Addition. All the courses are offered at both diploma and certificate level. Below is a brief highlight of our achievements in each area.

Sustainability strategy and profile

A sustainability strategy is a prioritized set of actions. It provides an agreed framework to focus investment and drive performance, as well as engage internal and external stakeholders. Our immediate stake holders are our trainees. We endeavour to ensure that the learning environment is friendly. We have located suggestion/opinion boxes at strategic points in order to capture and implement any idea that will eventually improve our stay. Besides this is a complaints box where any unsatisfied person can drop his/her complaint. A complaints committee opens the box weekly and responds to arising issues accordingly.

The table below shows all our stake holders, their possible expectations against ours.

NAME OF STAKEHOLDER	STAKEHOLDER EXPECTATION	DMWTVC EXPECTATION
➤ Students	<ul style="list-style-type: none"> ➤ Accessible and Confidential counselling services ➤ Comprehensive accessible and prompt service provision ➤ Quality training ➤ Timely information 	<ul style="list-style-type: none"> ➤ Pass exams ➤ Timely information ➤ Feedback ➤ Maintain discipline ➤ Avail themselves for training
➤ Parents/Guardians/ Sponsors	<ul style="list-style-type: none"> ➤ Safety of their children ➤ Timely communication with identified channels of communication ➤ Value for money 	<ul style="list-style-type: none"> ➤ Prompt payment of fees ➤ Provision of relevant information ➤ Harmonious co-existence ➤ Support and guide the students
➤ Community	<ul style="list-style-type: none"> ➤ Employment and Business opportunities ➤ Good public relation ➤ Solution to their problems 	<ul style="list-style-type: none"> ➤ Harmonious co-existence ➤ Provision of relevant information

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➤ Government (MOE)	<ul style="list-style-type: none"> ➤ Prudent utilization of fund resources ➤ Total compliance to statutory and regulatory guides ➤ Timely information and access to information by authorized personnel 	<ul style="list-style-type: none"> ➤ Provision of relevant information ➤ Adequate financial and technical support ➤ Enabling Policy Framework
➤ External Providers (Suppliers)	<ul style="list-style-type: none"> ➤ Timely feedback ➤ Integrity and fairness when evaluating and awarding ➤ Prompt Payment ➤ Provision of Business opportunities ➤ Adherence to contract terms 	<ul style="list-style-type: none"> ➤ Timely feedback ➤ Timely and quality of goods service and works ➤ Adherence to contract terms
➤ Staff	<ul style="list-style-type: none"> ➤ Career development ➤ Conducive working environment ➤ Open communication channels and feed back ➤ Rewards, Team Building, Fairness & Recognition 	<ul style="list-style-type: none"> ➤ Effective delivery of service ➤ Cohesion among staff
➤ Industry	<ul style="list-style-type: none"> ➤ Competent graduates ➤ Enhanced collaborations ➤ Efficient and effective communication ➤ Insurance for the students 	<ul style="list-style-type: none"> ➤ Attachment opportunities for students ➤ Job opportunities for graduates ➤ Provision of occupational standards for CBET curriculum development ➤ Safety for the attached students
➤ Local and National leaders	<ul style="list-style-type: none"> ➤ Prudent use of public resources 	<ul style="list-style-type: none"> ➤ Goodwill

The College is in the process of developing a sustainability strategy. This is an ideal opportunity to engage external stakeholders and colleagues across the education field. Top and senior management is involved in this essential process. We have involved all the staff on the issues that matter to the training. We have identified measurable objectives - alongside long-term risks and opportunities. This renders our strategy resilient, and creates value for the College community.

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Environmental performance

The college fraternity is aware of the effects of environmental degradation and pollution. Kenya aims to transition the waste sector in every county away from low collection rates, illegal dumping and uncontrolled dumpsites to affordable waste collection, recycling and composting, and secure final disposal in engineered landfills for the remaining fraction of the waste stream.

The national waste management Policy aims to create the necessary regulatory environment that will enable Kenya to effectively tackle the waste challenge, through systematic collection of waste sorted at source and disposal, processing activities aimed at reusing, recycling or composting waste materials into useful products or sources of energy. To promote sustainable waste management as an income generating venture, it will be necessary to create an enabling policy and regulatory environment that will incentivize and facilitate the establishment of multiple links in the waste value chain that are currently missing in Kenya.

These include: effective and affordable waste collection in all neighbourhoods; sorting posts where waste will be separated and sorted for subsequent recycling; composting facilities for the organic waste; waste to energy facilities; and fiscal incentives for investment in recycling technologies and facilities. This policy also supports the creation of the planning, finance, technical and governance capacities that county governments need to effectively deliver on their mandate under the Constitution of Kenya 2010, to be the lead actors in delivering sustainable waste management services.

In her contribution the College has planted 100 trees to help in greening the compound. We have a pit from where all solid waste like paper, cloth, rubbish is burned. The compound is drug-free. The College have not carried out a survey to determine our performance index. This will be done in the next financial year.

Employee welfare

The College has a Human Resource Policy which guides in the execution of employment procedures. The College has a BOG subcommittee that handles HR issues, conducts interviews during employments and attends to all HR issues.

The procedure for hiring is outlined in the HR policy. The vacancies arise as per existing staff needs/gaps and ability to pay. The other factors are gender and qualifications. The College is an equal employer and encourages people living with disabilities to apply.

Upon employment, employees are issued with employment letters clearly describing the job and remuneration. After reporting for work, a new worker signs an acceptance letter and completes a bio-data form. Thereafter an induction process is undertaken.

The workers enter into goal/target setting each with the immediate supervisor at the beginning of each financial year. The targets are reviewed quarterly and a final evaluation done at the end of the 4th quarter. The employee performance is rated and awards or sanctions are implemented.

Market place practices-

The college ensures responsible competition in marketing by preparing the action plans such that we do not appear at the market place outreach on the same timings with similar colleges. During competitions like ball or field events, the college engages the services of professional referees to minimise disputes.

**DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023**

a) Responsible Supply chain and supplier relations-

The college is guided by the government policy on procurement practices where the youth and persons with disabilities are allowed to access 30% of the procurement budget. This is applied all the time during tendering advertisements.

b) Responsible marketing and advertisement-

The college has a team that ensures our products are original in design. The aspect of copy-pasting is discouraged. During trade fair exhibitions, the participants ensure originality of ideas to avoid reproducing what the other competitors display.

c) Product stewardship- outline efforts to safeguard consumer rights and interests.

The college has a committee that works closely with the National Commission for Science, Technology and Innovation. This body ensures ideas that pass that meet certain criteria are registered for patenting

Corporate Social Responsibility / Community Engagements

The college works with the community in order to help mitigate the technological challenges they face in their day to life. This directly links with our program's suitability to the rapidly changing technology in all aspects.

There are deliberate community engagements where the college team organize meetings for career guidance in secondary schools in the sub county. During such activities, both parents and their children who are about to finish secondary school are guided in career selection and post-secondary training.

The college management will further construct bus stop sheds at the junction near Mulaani secondary to improve on the convenience of the Boda Boda riders against harsh weather

**DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
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JUNE 2023**

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the College's affairs.

Principal activities

The principal activities of the College are Provision of Technical and Vocational Training.

Results

The results of the College for the year ended June 30 are set out on page 1 to 54

Board of Governors

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

Auditors

The Auditor General is responsible for the statutory audit of the College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Secretary of the Board/Council

Nairobi

Date:



**PRINCIPAL
DAVID M. WAMBULI TECHNICAL &
VOCATIONAL COLLEGE
P. O. Box 3308-90100, MACHAKOS
CEL: 0743 896 827**

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

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

The Board members are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the College, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

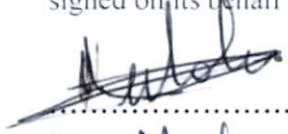
The Board members accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The council members are of the opinion that the College's financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30, 2023, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.


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

DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
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Approval of the financial statements

The College's financial statements were approved by the Board on 15/2/2023 and signed on its behalf by:


.....
Name Michael Muhohu
Chairperson of the Board/Council


.....
Name Gene Wambui
Accounting Officer/Principal

PRINCIPAL
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REPUBLIC OF KENYA

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Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; 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

The accompanying financial statements set out on pages 1 to 36 which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial

performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by Gikuri and Associates, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of David Mbiti Wambuli Technical and Vocational College as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unvalued Property, Plant and Equipment

The statement of financial position and as disclosed in Note 16 to the financial statements reflect property, plant and equipment balance of Kshs.4,973,818. However, assets listed in the assets register include land, buildings, computers, equipment, other equipment and furniture and fittings had not been valued. In addition, Management did not provide ownership documents to the land on which the college is built for audit review.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.4,973,818 could not be ascertained.

2. Inaccuracies in Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 15 to the financial statements reflect current portion of receivables from exchange transactions of Kshs.1,343,217. Review of the supporting schedules revealed that student debts were posted in block amount instead of maintaining individual accounts for the students. Further, some of the debtors' balances relate to students who have cleared college and exited. In addition, there is no recoverability of debts strategies and the college does not have a policy on provision for bad and doubtful debts.

In the circumstances, the accuracy and recoverability of receivables from exchange transactions of Kshs.1,343,217 could not be ascertained.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the David Mbiti Wambuli 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. There were no key audit matters to report on during the year under review.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total budgeted revenue of Kshs.54,902,305 and actual receipts of Kshs.20,960,432 resulting to under realization of Kshs.33,941,873 or approximately 62% of the budget.

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

My opinion is not modified in respect of this matter.

Other Information

The Management is responsible for the other information set out on pages v to xxvii which comprise of Key College Information and Management, Board of Governors, Key Management Team, Chairperson's Statement, Report of the Principal, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors and the Statement of Board of Governor's 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 thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain

assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for conclusion

1. Lack of an Accounting System

Review of the College operations and processes revealed that the College did not have an accounting system and relied on a manual cash book and Microsoft Excel for the recording of transactions and generation of financial reports. Excel worksheets do not have the necessary checks and balances that limit manipulation of data. Although Management has subsequently acquired a Management Information System (MIS), the same has not been fully operationalized which include the educational and registration modules, resulting in manual posting of transactions.

In the circumstances, the effectiveness of the internal controls could not be confirmed

2. Lack of Internal Audit Department

During the year under review, the College did not have an internal audit function and an audit committee to play the oversight role of development, performance, and maintenance of an effective system of internal control. This is contrary to Section 73 (1) (a) of the Public Finance Management Act, 2012 which provides that every National Government entity shall ensure that it complies with the Act and makes the appropriate arrangements to conduct Internal Audits in accordance with the guidelines of the Accounting Standards Board.

In the circumstances, existence of an effective system of internal controls could not be confirmed

3. Lack of Effective implementation of Risk Management Policies

Review of the College operations and processes revealed that the College's Management did not effectively adhere to the risk management policies. There was no maintenance of a risk register to monitor, manage and mitigate risks. The assets of the College have not been tagged, there was no insurance cover against fire, theft and student unrest despite high value assets in its premises. The College premises have not been fitted with burglar

proof systems to help manage any risks of theft. This is in contravention of section 165 of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the National government entity develops risk management strategies, which include fraud prevention mechanism and system of risk management and internal control that builds robust business operations.

In the circumstances, existence of effective risk management measures 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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Governing Council

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for such 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 April, 2025

DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023

14. Statement of Financial Performance for the Year Ended 30 June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	1,500,000	6,000,000
Revenue from Exchange transactions			
Rendering of services- fees from students	7	19,084,222	12,008,760
Miscellaneous income	8	376,210	-
Total Revenue		20,960,432	18,008,760
Expenses			
Use of goods and services	9	17,615,913	12,279,829
Employee costs	10	2,737,637	3,330,518
Board /Council Expenses	11	577,500	237,000
Repairs and maintenance	12	1,309,176	941,360
Finance costs	13	27,142	-
Total Expenses		22,267,368	16,788,707
Net surplus/(deficit) for the year		(1,306,936)	1,220,053

(The notes set out on pages 28 to 54 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 54 were signed by:



Chairman of Council/Board

Date



Finance Officer

ICPAK No 32267

Date 15/12/2025



Principal

Emme Wambury

Date 15/12/2025

PRINCIPAL
DAVID M. WAMBULI TECHNICAL &
VOCATIONAL COLLEGE
Box 3308-90100, MACHAKOS
0743 896 827

DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023

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

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	819,798	7,739,782
Current portion of receivables from exchange transactions	15	1,343,217	677,140
Total Current Assets		2,163,015	8,416,922
Non-Current Assets			
Property, plant, and equipment	16	4,973,818	-
Total Non-Current Assets			
Total Assets		7,136,833	8,416,922
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	17	1,624,045	-
Refundable deposits from customers	18	431,000	250,000
Payments received in advance	19	1,277,011	3,055,209
Total Liabilities (B)		3,332,056	3,305,209
Net Asset (A-B)		3,804,777	5,111,713
Net Assets			
Accumulated Surplus		3,804,777	5,111,713
Capital Fund		-	-
Total Net Assets and Liabilities		3,804,777	5,111,713

DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023

The Financial Statements set out on pages 1 to 54 were signed by:



Chairman of Council/Board

Michael Muboko

Date ~~28/3/2025~~
15/2/2025



Finance Officer

ICPAK No 32267

Date 15/2/2025



Principal

Emile Wambury

Date 15/2/2025

PRINCIPAL
DAVID M. WAMBULI TECHNICAL &
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CEL: 0743 896 827

DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023

16. Statement of Changes in Net Asset for the Year Ended 30 June 2023

Description	Accumulated Fund	Capital Grants/Fund	Total
As at July 1, 2022	3,891,660	-	3,891,660
Surplus for the year	1,220,053	-	1,220,053
Capital grants received during the year	-	-	-
As at June 30, 2023	5,111,713	-	5,111,713
As at July 1, 2023			
Adjustment	(5,000,000)	5,000,000	-
Surplus/(deficit) for the year	(1,306,936)	-	(1,306,936)
Capital grants received during the year	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-
At June 30, 2023	(1,195,223)	(5,000,000)	3,804,777

Adjustment

The adjustment Kes 5,000,000/= relates to capital donation to the College by the County Government of Makueni in year 2022 for construction of learning facilities. The same had been recognised as income through the Statement of Financial Performance as opposed to recognition as capital grants via the capital fund in the Statement of Changes in Net Assets. Amendment has been made progressively in the capital fund.

DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023

17. Statement of Cash Flows for the Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	1,500,000	6,000,000
Rendering of services- fees from students	7	19,084,222	12,008,760
Miscellaneous income	8	376,210	
Total Receipts		20,960,432	18,008,760
Payments			
Use of goods and services	9	17,615,913	12,279,829
Employee costs	10	2,737,637	3,330,518
Board /Council Expenses	11	577,500	237,000
Repairs and maintenance	12	1,309,176	941,360
Finance costs	13	27,142	-
Total Payments		22,267,368	16,788,707
Cash-flow (used in) / from operating activities		(1,306,936)	1,220,053
Adjustments (working capital)			
(Increase) in receivables		(666,077)	(677,140)
Increase in payables		26,847	3,275,877
Total adjustments		639,230	2,598,737
Net Cash Flows from operating activities		(1,946,166)	3,818,790
Cash flows from investing activities			
Purchase of property, plant and equipment		(4,973,818)	-
Net cash flows used in investing activities		(4,973,818)	-
Net Increase/(Decrease) in Cash and Cash equivalents		6,919,984	3,818,790
Cash and Cash equivalents at 1 JULY	14	7,739,782	3,920,992
Cash and Cash equivalents at 30 JUNE	26	819,798	7,739,782

**DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	2,000,000		2,000,000	1,500,000	500,000.00	25%
Public contributions and donations	15,000,000		15,000,000	-	15,000,000.00	100%
Rendering of services- fees from students	37,902,305		37,902,305	19,084,222	18,818,083.00	50%
Miscellaneous Income				376,210	(376,210)	
Total Income	54,902,305		54,902,305	20,960,432.	28,941,873.00	62%
Expenses						
Use of goods and services	48,770,305		48,770,305	17,615,913	31,154,392	64%
Employee costs	3,600,000		3,600,000	2,737,637	862,363	24%
Board /Council Expenses	480,000		480,000	577,500	(97,500)	(20)%
Repairs and maintenance	2,052,000		2,052,000	1,309,176	(40,930)	(2%)
Contracted services						
Finance costs				27,142	(27,142)	(100)
Use of goods and services						
Total Expenditure	54,902,305		54,902,305	22,267,368	26,133,188.00	(58%)
Surplus For the Period	-		-	(1,306,936)		
Capital Expenditure						

DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2023

19. Notes to the Financial Statements

1. **General Information**

David Mbiti Wambuli TVC is established by and derives its authority and accountability from TVET Act. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is providing the knowledge and skills to the people in the whole world.

2. **Statement of Compliance and Basis of Preparation**

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

DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2023

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of a entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between a College's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>The College does not have material disclosures affected by this standard</p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting College provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the College.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the College's</p>

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Standard	Effective date and impact:
	financial performance, financial position and cash flows. The College did not early adopt this standard
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. <p>The College did not adopt any new or amended standards in year 2023</p>
Other improvements to IPSAS	Applicable 1st January 2023 <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p>The College did not adopt any new or amended standards in year under review</p>

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

Standard	Effective date and impact:
IPSAS 43	Applicable 1st January 2025 <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of the College.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The College did not early adopt this standard</p>

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Standard	Effective date and impact:
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.
	The College did not early adopt this standard

iii. **Early adoption of standards**

The College did not early-adopt any new or amended standards in year 2023.

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4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2022/2023 was approved by the Board on 25/06/2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the College upon receiving the respective approvals to conclude the final budget.

The College's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 1 of these financial statements.

c) Taxes

Current income tax

The College is exempted from paying taxes as per First Schedule Section 10 subsection (a) and (b) of the 2010 income tax Act.

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.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the College. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The College also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the College will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the

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lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the College. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in

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surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The College recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social

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benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the College will incur in fulfilling the present obligations represented by the liability.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

The College creates and maintains reserves in terms of specific requirements

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The College provides retirement benefits for its employees and Board of Governors. Defined contribution plans are post-employment benefit plans under which the College pays fixed contributions into a separate Scheme (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

The College contributes to NSSF for pension obligations, there are no legal or constructive obligations to pay further contributions if NSSF does not have sufficient funds to pay retirement benefits as they fall due.

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.

q) Related parties

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

r) Service concession arrangements

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

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 30, 2023.

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Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

There were no provisions raised during the year under review.

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Unconditional Grants		
Operational Grant - Recurrent Grant	1,500,000	1,000,000
Total unconditional Grants	1,500,000	1,000,000
Conditional Grants amortised/ recognised in revenue		
Learning Facilities Grant	-	5,000,000
Total Government Grants and Subsidies	1,500,000	6,000,000

7. Rendering of Services

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Teaching and learning fees	2,349,892	3,848,959
Activity Fees	513,518	413,740
Industrial Attachment Fees	82,350	186,010
Examination Fees	1,031,500	1,362,810
Accommodation and Meals Fees	7,611,450	-
Personal Emolument	1,484,258	-
Registration Fees	30,500	8,350
Others	5,980,754	6,188,891
Total Revenue from The Rendering of Services	19,084,222	12,008,760

8. Miscellaneous Income

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Miscellaneous income (<i>Hiring of training facilities</i>)	376,210	-
Total miscellaneous income	376,210	-

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Notes to the Financial Statements (Continued)

9. Use of Goods and Services

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Teaching and learning materials	2,971,947	4,733,771
Industrial attachment costs	99,000	162,800
Electricity	283,023	349,774
Water	49,250	26,450
Administration costs	582,713	-
Refunds	22,980	-
Examination fees	1,919,470	1,136,730
Accommodation & Meals	5,597,660	1,317,140
Local Transport & Travelling	1,383,100	-
Insurance	54,337	29,050
Activity expenses	879,778	-
Bank charges	27,146	-
Printing and stationery	511,530	-
Student Ids	26,250	-
Driving course	97,284	-
Medical expenses	139,683	-
Internet expenses	1,837,932	-
Training expenses	1,132,830	-
Other	-	4,524,114
Total good and services	17,615,913	12,279,829

10. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages	2,698,967	3,202,500
Employee related costs - contributions to pensions and medical aids	-	128,018
Social Contributions	38,670	-
Employee Costs	2,737,637	3,330,518

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Notes to the Financial Statements (Continued)

11. Board/Council Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
BOG Allowances	577,500	237,000
Total	577,500	237,000

12. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
Furniture and fittings	2,092,930	941,360
Total Repairs and Maintenance	2,092,930	941,360

13. Finance Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank charges	27,142	-
Total Finance Costs	27,142	-

14. Cash and Cash Equivalents

14 (a). Cash and Cash equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Account	819,798	7,739,792
Total Cash and Cash Equivalents	819,798	7,739,792

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

Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1253017115	811,125	2,730,884
	1253017980	7,963	5,000,000
b) Others			
Cash in Hand		710	8,898
Grand Total		819,798	7,739,782

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Notes to the Financial Statements (Continued)

15. Receivables from Exchange transactions

15 (a) Current Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Student Debtors	1,343,217	677,140
Total Current Receivables	1,343,217	677,140

15 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	1,343,217		677,140	%
Between 1- 2 years	-		-	%
Between 2-3 years	-		-	%
Over 3 years	-		-	%
Total (a+b)	1,343,217		677,140	%

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Notes to the Financial Statements (Continued)

16. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2022					-	-
Additions					4,973,818	4,973,818.
Disposals					-	-
Transfer/Adjustments					-	-
At 30 th June 2023					4,973,818	4,973,818
Depreciation						
At 1 June 2022					-	-
Charge for the year					-	-
Disposals					-	-
Net Book Values						
At 30 th June 2022					4,973,818	4,973,818
At 30 th June 2022					4,973,818	4,973,818

17. Trade and Other Payables

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Trade payables	1,624,045		-	
	Current FY	% of the Total	Comparative FY	% of the Total
Ageing analysis:				
Under one year	1,624,045		-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals above)	1,624,045	%	-	-

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Notes to the Financial Statements (Continued)

18. Refundable Deposits from Customers/Students

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Caution money	431,000		250,000	
Total Deposits				
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	181,000	%	250,000	%
1-2 years	250,000		-	%
2-3 years	-		-	%
Over 3 years	-		-	%
Total	431,000		250,000	%

19. Payments received in advance.

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Fees received in advance	1,277,011		3,055,209	
Others (Specify)				
Total				
	1,277,011		3,055,209	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total		%		%

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Notes to the Financial Statements (Continued)

20. Cash generated from operations.

	2022-2023	2021-2022
	Kshs	Kshs
Surplus for the year before tax	(1,306,936)	1,220,053.00
Adjusted for:		
Increase in receivables	(666,077)	(677,140)
Increase in payables	26,847	3,275,877
Net Cash Flow from Operating Activities	(1,946,166)	3,818,790

21. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Notes to the Financial Statements (Continued)

(ii) Liquidity risk management

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

(iii) Market risk

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

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

iv) Related Party Balances

Nature of related party relationships

Entities and other parties related to the College 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 College, holding 100% of the College's equity interest. The Government of Kenya provides full guarantees to all long-term lenders of the College, both domestic and external. Other related parties include:

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

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Notes to the Financial Statements (Continued)

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Transactions with Related Parties		
a) Grants /Transfers from the Government		
Grants from National Government	1,500,000	1,000,000
Grants from County Government	-	5,000,000
Total	1,500,000	6,000,000

22. Events After the Reporting Period

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

23. Ultimate and Holding College

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

24. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Misstated property, land and equipment balances	The board discussed the matter and resolved to source for a registered valuer to carry the valuation of all the College assets.	Not resolved	January 2024
2.	Unsupported remuneration of directors	The College was using typed attendance register but has introduced an attendance register	Resolved	
3.	Errors in Annual Report and Financial Statements	The board has resolved the errors	Resolved	

Guidance Notes:

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

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Name *Eme Wamborg*

Accounting Officer

David Mbiti Wambuli TVC

Date *15/06/2023*

PRINCIPAL
DAVID M. WAMBULI TECHNICAL &
VOCATIONAL COLLEGE
P. O. Box 3308-90100, MACHAKOS
CEL: 0743 896 827

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Appendix II: Projects Implemented by the 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						
2						

Status of Projects completion

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

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

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Appendix III- Inter-College Confirmation Letter

Confirmation of amounts received by [Insert name of beneficiary College] as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023				Amount Received by [Beneficiary College] (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter- Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of Accountants department of beneficiary College:

Name SignDate

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Source Of Funds				Implementing Partners
				Q1	Q2	Q3	Q4	

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments