



*Enhancing Accountability*

## REPORT

THE NATIONAL ASSEMBLY	
DATE: 00 MAR 2023	
WEDNESDAY	
TABLED BY	Hon Owen Baya CBS, MP Deputy Majority Leader
CLERK-AT THE TABLE	Miriam Moko

OF

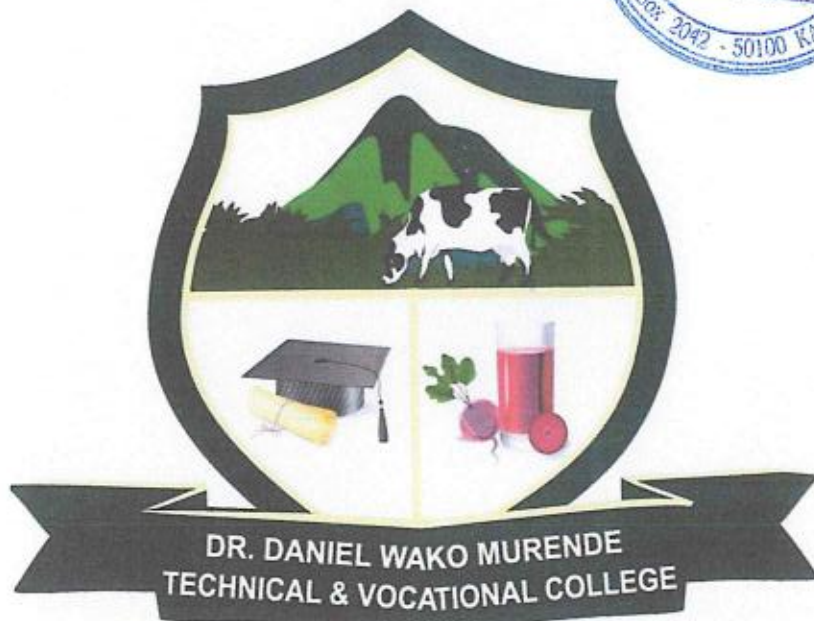
THE AUDITOR-GENERAL

ON

**DR. DANIEL WAKO MURENDE TECHNICAL  
AND VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2021**





---

**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 JUNE, 2021**

---

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





**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2021**

**TABLE OF CONTENT**

<b>I. KEY DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE INFORMATION AND MANAGEMENT .....</b>	<b>ii</b>
<b>II.THE BOARD OF GOVERNORS.....</b>	<b>v</b>
<b>III.MANAGEMENT TEAM .....</b>	<b>viii</b>
<b>IV.CHAIRMAN'S STATEMENT .....</b>	<b>ix</b>
<b>V. REPORT OF THE PRINCIPAL.....</b>	<b>xi</b>
<b>VI. REVIEW OF DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE.....</b>	<b>xiii</b>
<b>VII. CORPORATE GOVERNANCE STATEMENT .....</b>	<b>xv</b>
<b>VIII. MANAGEMENT DISCUSSION AND ANALYSIS .....</b>	<b>xvi</b>
<b>IX. CORPORATE SOCIAL RESPONSIBILITY STATEMENT /SUSTAINABILITY REPORT .....</b>	<b>xvii</b>
<b>X. REPORT OF THE BOARD OF GOVERNORS .....</b>	<b>xix</b>
<b>XI. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES .....</b>	<b>xx</b>
<b>XII. REPORT OF THE AUDITORS-GENERAL ON THE DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE. ....</b>	<b>xxii</b>
<b>XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021 .....</b>	<b>1</b>
<b>XIV.STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021 .....</b>	<b>2</b>
<b>XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021 .....</b>	<b>3</b>
<b>XVI.STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021 .....</b>	<b>4</b>
<b>XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021 .....</b>	<b>5</b>
<b>XVIII. NOTES TO THE FINANCIAL STATEMENTS .....</b>	<b>6</b>
<b>APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....</b>	<b>18</b>
<b>APPENDIX III: INTER-ENTITY TRANSFERS .....</b>	<b>19</b>



**I. KEY DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE INFORMATION AND MANAGEMENT**

**(a) Background information**

Dr. Daniel Wako Murende Technical and Vocational College started training programmers on 10th, February 2020 after deployment of the principal by the Ministry of Education, State Department for Vocational and Technical Training.

Dr. Daniel Wako is currently the only government TVET College in Matayos sub-county, Matayos constituency in Busia County. It is the only Institution offering Food Science and Processing Technology (Agricultural Value Addition) in Busia County as well as a Centre of excellence. The college is located within the slopes of Murende Hills along Busia-Kisumu Highway in Matayos Sub-county, Matayos Constituency, Nangoma Location and Murende Sub-location. It stands on 7 1/2 acres of piece of land which was donated by Hon. Amos Wako. The Institution was funded by the Government of Kenya (National Government and Constituency Development Fund). Dr. Daniel Wako Murende Technical and Vocational College is aligned with the Ministry of Education Vision, Mission, Objectives and in line with the National TVET policy and Vision 2030. The college admit students for Artisan, Craft and Diploma Courses.

**(b) Principal Activities**

The mandate of Dr. Daniel Wako Murende Technical and Vocational College encompasses the following: -  
Training and developing middle level manpower for national development, advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-employment and the National production system. Offering courses leading to the award of Artisan, Craft and Diploma Certificates in TVET programmes in collaboration with other tertiary institutions and appropriate industries across the board.

**(i) Vision**

To be Centre of excellence in technical and vocational education.

**(ii) Mission**

To promote technical and vocational education through relevant innovative training, research and community service.





**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2021**

**(c) Fiduciary Management**

No.	Designation	Name
1.	Principal	Mr. Wilberforce B.Musumba
2	Deputy principal Academics	Mrs. Beatrice Mathu
3	Registrar	Mr. Kevin Maliga
4	Dean of students	Mr. Ibrahim Tiema
5	Head of Finance	Ms. Celestine omollo

**(d) Fiduciary Oversight Arrangements**

- ☐ Finance, planning and Development committee
- ☐ Academic, human resource and welfare committee
- ☐ Audit and Risk committee

**(e) Dr. Daniel Wako Murende Technical and Vocational College Headquarters**

P.O Box 149-50400

College Building

Off Kisumu - Busia Road

Busia (Kenya)

**(f) Dr. Daniel Wako Murende Technical and Vocational College Contacts**

Telephone: +2547078772451/+254721226269

E-mail: drdanielwakomurendetvc@gmail.com

Website: www.drdanielwakomurendetvc.ac.ke

**(g) Dr. Daniel Wako Murende Technical and Vocational College Bankers**

**i. Central Bank of Kenya**

Haile Selassie Avenue

P.O. Box 60000

City Square

00200



**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2021**

Nairobi, Kenya

**ii. National Bank of Kenya**

P.O Box 264-50400

Busia (Kenya)

**iii. Equity bank**

P.O Box 553-50400

Busia (Kenya)

**(h) Independent Auditors**

Auditor General

Office of Auditor General

Anniversary Towers, university Way

P.O. Box 30084 GPO 00100

Nairobi, Kenya

**(i) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya.



## II.THE BOARD OF GOVERNORS



Mr. Charles Wako  
 Chairman of the Board  
 Tel.+254705149300  
 Self employed-chairman SAX Airline

Date of Birth 1950  
 M.A Degree (marketing option)  
 Thesis on cost analysis.B.A in business administration






Prof. John O. Shiundu  
 Board member  
 Tel. +254723 333 560  
 Lecturer Masinde Muliro University of science  
 and technology.  
 Box 190-50100 Kakamega  
 E-Mail: jshiundu@mmust.ac.ke

Date of birth. 1948  
 Professor of education at Masinde Muliro University of  
 Science and Technology, Kakamega  
 Chairman Board of governors  
 Member of Finance , Planning and Development  
 committee







**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2021**

 <p>Ms. Ruth Anyango Ouko          Member of the Board          Tel.+254737633422          B.Sc. Agriculture (University of Nairobi)</p>	<p>Date of birth.1964</p> <p>Quality inspector, Mumias Sugar Co. Ltd Busia zone</p> <p>Member of Finance , Planning and Development committee</p>
 <p>Mrs. Patricia C. Okello          Member of the Board          Tel.+254724238841          M.A in labour management,B.A in business Management (HR OPTION)</p>	<p>Date of birth 1972</p> <p>Chairperson human resource committee</p>
 <p>Mr. Wanzala Dancun</p>	<p>Date of birth 1980</p> <p>Director Seahawk General LTD</p> <p>Chairperson finance committee</p>





**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2021**

<p>Member of the Board  Tel.+254720118647  B.A in commerce marketing option  Diploma in ICT  CPA5</p>	
 <p>Mr. Zakayo I. Amayi  Board member  Tel 0724160617  BA (Hons), MPhil, PhD</p>	<p>DATE OF BIRTH 1975  Member human resource committee</p>
 <p>MR. Wilberforce Barasa Musumba  Secretary to the Board</p>	<p>Date of Birth. 1963    Diploma in Technical Education (Building and Civil Engineering) KTTC.</p>





III.MANAGEMENT TEAM

	<p>PRINCIAPAL/SECRETARY B.O.G</p> <p>Diploma in Technical Education (Building and Civil Engineering) KTTC.</p>
	<p>DEPUTY PRINCIPAL</p> <p>Bachelor of science(clothing textile interior)</p>



#### **IV. CHAIRMAN'S STATEMENT**

Following the appointment of the Board of Dr. Daniel Wako Murende Technical and Vocational College and its individual members in January 2021, I'm pleased, proud and satisfied that the Board has moved in quickly to discharge its functions. In February 2021 there was inaugural of the Board of Governors' meeting, where stakeholders from Matayos Sub-county, Senator of Busia county, county commissioner representative and principal of the mentor institution (Bumbe TTI) attended and they were extremely happy for the occasion. With the experience of the Board members witnessed, they will guide all the aspects of the activities in the Management of the institution. Board and committee meetings have taken place as prescribed and scheduled in Government regulations. Within the first full Board meeting the three committees were mandated to carry on their duties as required. On 3<sup>rd</sup> May 2021 the finance, planning and development committee met and deliberated on important issues of the institutions. And they approved the FY 2020/2021 Budget since they were assigned by the full Board members.

On 4<sup>th</sup> May, 2021 the Human Resource, academics and welfare committee met and deliberated on defined issues of the institution concerning recruitment of personnel which they approved

The audit and Risk committee are in the process of conducting the meeting under the chairmanship of Prof. John. O. Shiundu.

Proper guidance was made to the Principal and the Mentor Principal to organize for the handover exercise as soon as possible.

#### **CHALLENGES**

The college has faced several constraints especially COVID-19 PANDEMIC which required many things to be put in place,

Landscaping is to be done so that the college can have play field for students.

COVID-19 protocol is to be followed therefore the budget has to be honored and the Ministry has not released the funds for the same.

Reliance on part-time trainers with issues in the regulation and the burden of paying them falls on the Board of Governors and support staff inclusive

The ministry promised to equip computer Lab with desktops for full implementation of ICT programmers in the institution but up to date nothing has taken place. Managing expectations of the college and the surrounding community-instant transformation was expected therefore a handle to reckon with.



## WAY FORWARD

With good political will and opportunities from institutions within Busia County and beyond the college stands a good chance for getting sponsors since the institution is a Centre of excellence in technical and vocational education.

The Board of Governors have already come up with strategic plan which will attract more students as per their marketing strategy at 300 students within 2020/2021

The Board of Governors have come up with performance contract with the Ministry wait for vetting exercise

A resourceful mobilization strategy to attract funding for identified priority projects for instance dairy farming as well fish farming development. For proper planning of the institution concerning infrastructure, master plan has been developed by county Architect also the institution land was valued by the Government valuer therefore the current market rate stands at accost of ksh. 10,000,000

The Board of Governors will also approve business models to make the college self-sustaining.

## ACKNOWLEDGEMENT

The Board and in particular as the chairman, iam grateful to Board members for quickly bonding and providing a mature and rational outlook when transacting Board business. Therefore, the Board wishes to thank Matayos NG-CDF for undertaking key crucial projects namely: Construction of kitchen and by extension dining hall at a cost of ksh. 5,500,000/= in the same appreciation the Board also thank the area MCA Matayos South Ward fund donating 2 chary animals to the institution. The Board also thanks the principal and the staff for their dedication, commitments and collaboration. The Regional TVET office has been supportive and we say thank you. Lastly the Ministry leadership of the Department of TVET at the national level, we are grateful to acknowledge the installation of the switch gear at a cost of Ksh. 18,000,000/=..installation of electricity to the institution, posting 5 trainers, deputy principal by public service commission and operational support for mentoring Dr. Daniel Wako Murende Tvc.

Signature.....

Date..... 20/05/2022





## **V. REPORT OF THE PRINCIPAL**

Dr. Daniel Wako Murende Technical and Vocational College sited in Murende village, Murende sub location, Nangoma location Matayos sub-county and Busia County. It is a public institution with a registration No. TVETA/PUBLIC/TVC/00028/2020. The College was mentored by Bumbe technical training institute. The (7 ½ ) acre college land registration No. Bukhayo/Matayos/5117 was donated by Hon. Amos Wako. The one storey building that was constructed by GOK houses twin workshops for food science and processing technology (Agricultural value addition) 4 classrooms, 4 laboratories, library space and office. The college opened its doors for students in february2020 with thine first intake.

### **1.0 Human Resource**

The college currently is managed by Board of Governors' led by Mr. Charles Wako. The Board of Governors inaugurated in February 2021 led by Mr. Charles B. Wako. The Board of Governors administer all the relevant functions of the institution in collaboration with the accounting officer/principal. Currently, there are nineteen trainers in the college, seven deployed by the Ministry and twelve on Board employment.

The college has seventeen Board employees for support service.

### **2.0 Courses and Enrolment**

The college is a Centre of excellence in agriculture value addition (food science and processing technology). other courses include, building & civil engineering (building technology option), civil engineering, water and sanitation engineering, plumbing and masonry, ICT, sales and marketing, human resource management, general agriculture, supply chain management, and social work and community development, food and beverage lastly textile and garment making. The total enrolment as at June 2021 was 126 trainees across the courses

### **3.0 Projects Undertaken**

With the support of the CDF-NGO Matayos sub-county, the college has undertaken various projects though currently they are constructing kitchen by extension dining hall.

With the support of MCA Matayos South Ward fund two dairy animals were donated to the institution

Currently the college has a master plan and the land was valued by the Government valuer

The Board of Governors approved the construction of cowshed which was designed by the county architect

### **4.0 Strengths**

- The college is strategic because it is the only of its kind in Busia County
- The college is close to Busia-Kisumu Highway, next to Bumala hence there is opportunity to begin town campus.
- There is a good political will as well as the community



## 5.0 Challenges

- I. The college is in dire need of Public service trainers to ease the burden on B.O.G
- II. Installation of 630KVA transformer so that equipment and machinery of milk processing products can be functional
- III. Construction of power house
- IV. Backup generator of 660kva
- V. Hostels to attract students from all over the country
- VI. Landscaping for development of the fields for co-curriculum activities
- VII. Equipment and tools for technical courses i.e building and civil engineering, water and sanitation engineering, food and beverage, textile and garment making as well as technical drawing equipment for hands on training.
- VIII. Transportation –double cabin and bus for mobility and training
- IX. E-library, computers, laptops, printers, tablets for resource and innovation needs
- X. Well equipped computer lab with modern computers, providing LAN and internet connectivity and other resources
- XI. Full administration position for efficient operation of the college.

Signature.....



Date.....

20/5/2022





## VI. REVIEW OF DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE

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.

Dr. Daniel Wako Murende Technical and Vocational College has five (5) strategic pillars and objectives within its draft Strategic Plan. These strategic pillars are as follows:

Pillar 1: Establish Infrastructure that will promote Quality training

Pillar 2: To Establish Linkages

Pillar 3: Mounting of Market Driven Courses/Tailor made Courses

Pillar 4: Food Security

Pillar 5: Establish and Promote Good Governance and Corporate Image

The college develops its 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 its performance targets set for the 1<sup>st</sup> July 2020 to 30 June 2021 period for its strategic pillars, as indicated in the diagram below

Strategic Pillars	Strategic Objectives	Strategic Activities	Key Performance Indicator	Achievement
Establish Infrastructure that will promote Quality training	To promote Quality Education in Technical Training	Scheduling Board Meetings	Board Minutes Available.	Held two meetings to Brainstorm on the Infrastructure.
			Calling Letter to the Meeting Available	
To Establish Linkages	To Collaborate with the industries and other TVET Institutions	Board Meetings,	Signed M.O.U	Signed two M.O.U
		Reconnaissance visits	Board Minutes	1) With Bumble TTI
		Drafting of official letter		2) With Helb Loans Board



**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2021**

Mounting of Market Driven Courses/Tailor made Courses	To Provide Employment to citizens both as trainers and support staff.	Board Meeting	Board Minutes	Filed Board Minutes
		Calling Letter.	Calling letter.	Filed Calling Letters.
		Interviews.	Shortlisting	Employment letters.
Food Security	To promote Value addition to sustain food in food science and processing Technology	Acquiring of Raw materials.	Well Equipped Twin Workshop.	Well Equipped Twin Workshop.
			Electricity available	Electricity.
				Lab Technicians in place.
Establish and Promote good	To Provide Quality Management	Hiring Expert.	Establish a Quality Assurance office	In the Process.
		Procurement of Computers.		
Governance and Corporate Image	system in the Institution	Connect Internet and Network	and Appoint an Officer. Form QS Committee	
			Provide Training and Induction to the Officer in-charge	



## VII. CORPORATE GOVERNANCE STATEMENT

Dr Daniel Wako Murende Technical and Vocational College is driven by its mission to be a Centre of research and innovation by providing excellence in technical services which ensures food security and sustainable development to ensure production of competent human personnel with the requisite skills. The college shall be governed by the Board of governors appointed by the cabinet secretary in the ministry of education.

### Functions of the Board of Governors

The functions of the BOG include:

1. Fostering the college's objective and developing policies and strategies conducive to the attainment of the college objective, vision and mission;
2. Managing the college's funds for the college best interests;
3. Receiving on behalf of the institution gifts, donations, grants or other monies and make disbursements to other bodies or persons;
4. Provide for welfare of the staff and students of the college;
5. Make regulations governing college's conduct and discipline of the staff and students;
6. Appoint trainers and non-trainers upon such terms and conditions of service as approved;
7. Overseeing the conduct of education and training in the institution in accordance with the provision of this act and any other written laws;
8. Promoting and maintaining standards, equality and relevance in education and training in the institution in accordance with this act and any other written laws;
9. Preparing annual estimates of revenue and expenditure on behalf of the institution and incurring expenditure on behalf of the institution;
10. Mobilizing resources for the institution;
11. Developing and reviewing programmes for training and to make representations thereon to the Board;
12. Regulating the admission and exclusion of the students from the institution, subjects to a qualification framework and the provisions of this act;
13. Approving collaborations or associations with other institutions in and outside Kenya;
14. Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institution;
15. Administering and managing the property of the institution;
16. Developing and implementing the institution strategic plan;
17. Determine the fees payable and prescribing condition under which the fees maybe remitted;
18. Recruiting and appointing trainers from among qualified professionals and practicing trade persons in relevant sector of industry;
19. Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institution;
20. Preparing comprehensive annual reports on all areas of their mandate, including training services and submit the same to the Board;
21. Discharging all other functions conferred upon it by the Act or any other written law;
22. The second schedule of the TVET Act allows the CS to appoint members of the Board of Governors consisting of not less than seven and not more than nine members. Other members of the Board include the Regional county Direct TVET and the principal who is the secretary to the Board

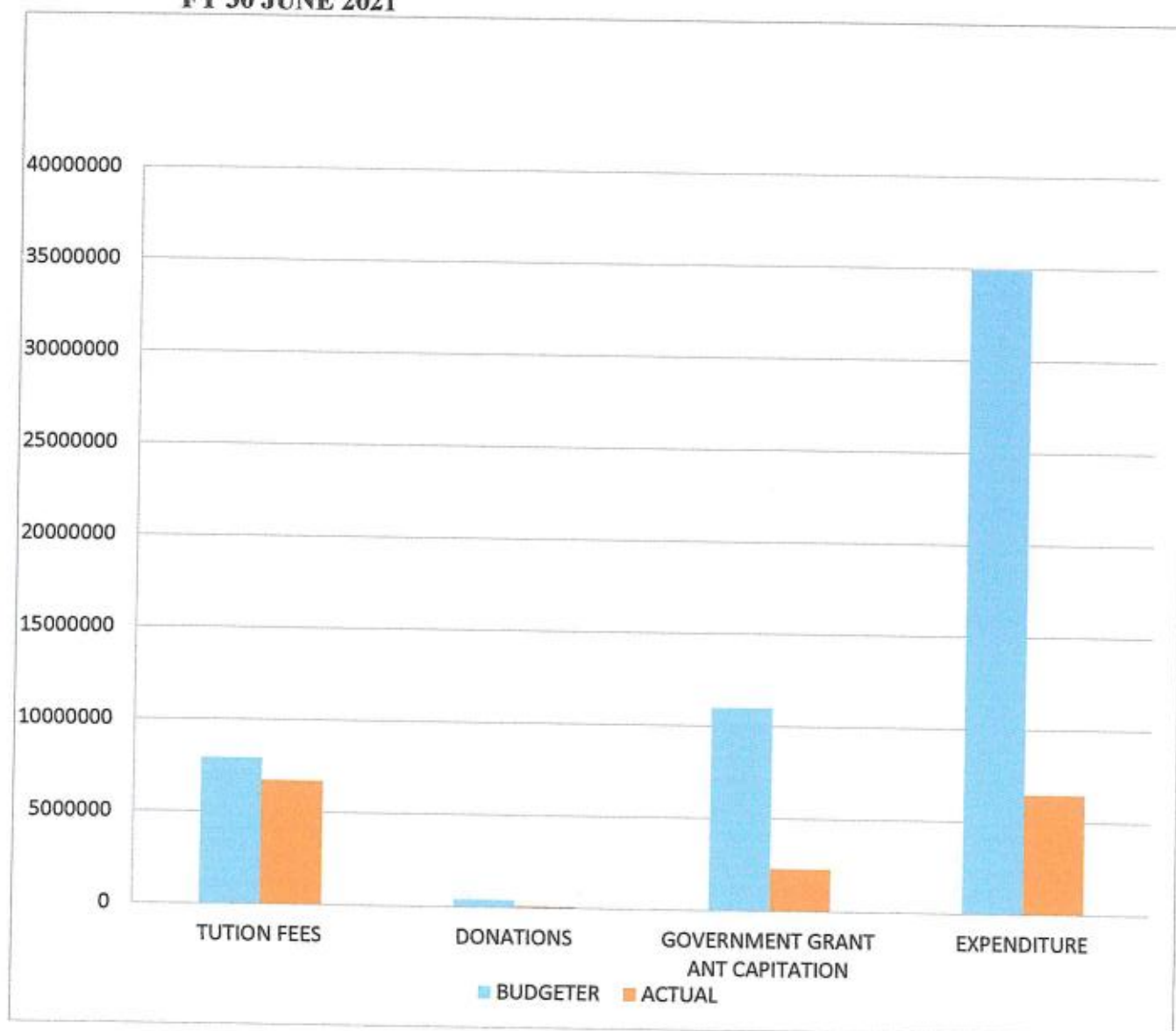


## VIII. MANAGEMENT DISCUSSION AND ANALYSIS

Dr. Daniel Wako Murende Technical and Vocational College received total revenue amounting to **Kshs.9,041,185**, comprising **Kshs.6,696,985** collection from trainees/sponsors/parents as college fees, **KshS.57148** from donation from people with public interest and **Kshs.2,287,500** from Ministry of Education as Government grants. The resources expended amounted to **Kshs.6,483,731**

## DR. DANIEL WAKO MURENDE TVC FINANCIAL PERFORMANCE CHART

FY 30 JUNE 2021







## **IX. CORPORATE SOCIAL RESPONSIBILITY STATEMENT /SUSTAINABILITY REPORT**

### **1. Sustainability strategy and profile –**

Dr. Daniel Wako Murende technical Training Institute is one of the government tertiary college in Kenya. It stands on a 71/2-acre plot and is located within the slopes of Murende Hills along Busia-Kisumu Highway in Matayos sub-county, Matayos constituency, Nangoma location, Murende sub-location. The institute has a total enrolment of 70 students distributed in various courses and it has established 14 trainers and 18 non trainers. The community around the institute practice farming and quarrying. The management has put in place incentives to attract more trainees. For instance, there is a mutual understanding between the management, the area MP and the county representative to pay training fees for all learners willing to be trained at the institution. This shall not only increase the number of students but also the institute's financial base for sustainable development.

As an institution we are expecting to receive Government capitation for development of the institution especially for self-generating projects especially fish farming, as well as utilization of equipment of value addition for production.

### **2. Environmental performance**

- The environment department has an elaborate plan on cleaning, planting of trees and general maintenance of the compound.
- The area MCA has promised to do landscaping to the institution very soon

### **3. Market place practice**

A. Work at Dr. Daniel Wako Murende tvc is done in strict observance of the rule of law, without undue political influence and in a transparent manner. The college observes the Constitution of Kenya 2010; Ministry of Education policy guidelines as may be made from time to time. The public service code of conduct and regulations help to give direction in the way services are offered at the work place. In our dealings with the political class we deal with those who add positive value to the college. For instance, the management links with the MCAs, MPs, county senator and the County women representative for bursary funds provision to our needy trainees to be trained in various fields.

B. The user department comes up with procurement requisitions that go through multi-stage approvals before resources are availed for the program or project implementation to kick off. Similarly, in accordance with the public procurement and asset disposal regulations all relevant rules are followed right from the invitation for tender bids until award of the tenders. All this is done in cognizance of the fact that affirmative action requirements safeguarding the marginalized such as the youth, women and PWDs are given an equal opportunity to access supply of equipment and services hence no discrimination based on any of the listed groups.

C. Dr. Daniel Wako Murende tvc applies a number of marketing practices to endear herself to the prospective clients. Some of these strategies include but not limited to:



- ☐ Sign posts at strategic places along Bumala – Busia, Busia-Nambale
- ☐ School visits
- ☐ Church visits
- ☐ Email
- ☐ website
- ☐ Brochures

#### **4. Community Engagements-**

In the wake of COVID-19 PANDEMIC the college undertook a training to the neighboring landlords and ladies on how to mitigate against the corona virus at their homes and rental houses.

The college has provided water kiosks to the local community and to learning institution (Murende Mixed Secondary School and by extension to Murende Primary School).

The college has also provided two path roads to the community and soon electricity after installation of 320kva transformer.



## **X. REPORT OF THE BOARD OF GOVERNORS**

The Board members submit their audited financial statements report for the year ended JUNE 30<sup>TH</sup>, 2021 which show the state of the Dr. Daniel Wako Murende Technical and Vocational College affairs.

### **Principal activities**

The mandate of Dr. Daniel Wako Murende TVC encompasses the following: -

Training and developing middle level manpower for national development, advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-employment and the National production system. Offering courses leading to the award of up to diploma certificates in TVET programmers in collaboration with other tertiary institution and appropriate industries across the board

### **Results**

The results of the Entity for the year ended JUNE 30<sup>TH</sup> 2021 are set out on (page 1-4)

## **BOARD OF GOVERNORS**

The members of the Board who served during the period are shown on pages VI, VII & VIII. During the period 1<sup>st</sup> june 2020 to 30 June 2021 there was no Board of Governor who retired or resigned.

### **Auditors**

The office of the Auditor General is responsible for the statutory audit of the Dr. Daniel Wako Murende Technical And Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Certified Public Accountants were nominated by the Auditor General to carry out the audit of Dr. Daniel Wako Murende Technical And Vocational College for the period 1<sup>st</sup> june 2020 to 30th June 2021 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

Dr. Daniel Wako Murende tvc

Principal/Secretary Board of Governors

P.O Box 149-50400

Busia (K) 27th October 2020





**XI. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013- require the Board of Governors of Dr. Daniel Wako Murende Technical and vocational college to prepare financial Statements which give a true and fair view of the state of affairs of Dr. Daniel Wako Murende TVC at the end of the financial year and the operating results for that year. The Board members are also required to ensure that it keeps proper accounting records which disclose with reasonable accuracy the financial position of Dr. Daniel Wako Murende TVC. The Board members are also responsible for safeguarding the assets of the college.

The Board members are responsible for the preparation and presentation of financial statements, which give a true and fair view of the state of affairs of Dr. Daniel Wako Murende TVC for and as at the end of the financial period 1<sup>st</sup> June 2020 to 30<sup>th</sup> June 2021.

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

The Board members accept responsibility for the Dr. Daniel Wako Murende Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and section 29 of scheduled 2 of the technical and vocational Education and training Act 2013. The Board members are of the opinion that Dr. Daniel Wako Murende Technical and Vocational College financial statements give a true and fair view of the state of college's transactions during the financial year ended June 30<sup>th</sup> 2021 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 Dr. Daniel Wako Murende technical and vocational 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 Board members to indicate that Dr. Daniel Wako Murende Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.



**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT  
AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2021**

**Approval of the financial statements**

The Dr. Daniel Wako Murende Technical and Vocational College financial statements were approved by the Board on 20/5/ 2022 and signed on its behalf by:



.....  
**Chairperson of the Board**



.....  
**Principal /B.O. G secretary**





# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021**

### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Dr. Daniel Wako Murende Technical and Vocational College set out on pages 1 to 18, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial



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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Dr. Daniel Wako Murende Technical and Vocational College as at 30 June, 2021, 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 and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracy in Trade and Other Payables from Exchange Transactions**

The statement of financial position reflects trade payables from exchange transactions balance of Kshs.1,649,786 as disclosed in Note 15 to the financial statements. The balance differs with the supporting schedules amount of Kshs.1,817,086 resulting to an unreconciled variance of Kshs.167,300.

In the circumstances, the accuracy and completeness of trade and other payables from exchange transactions balance of Kshs.1,649,786 could not be confirmed.

#### **2. Unsupported Adjustment Payable**

The statement of changes in net assets reflects a balance of Kshs.167,300 relating to adjustment - payable under capital development grants. However, the balance was not supported by any documentation or analysis.

In the circumstances, the accuracy and completeness of the adjustment payable of Kshs.167,300 could not be confirmed.

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

### **Key Audit Matters**

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



## **Other Matter**

### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual receipts on a comparable basis of Kshs.31,208,400 and Kshs.9,038,333 respectively, resulting in an underfunding of the approved budget by Kshs.22,170,067 or 71% of the budget. Similarly, the College spent Kshs.4,478,353 against the approved budget of Kshs.34,841,052 resulting to an underperformance of Kshs.30,362,699 or 87% of the budget.

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

### **2. Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing 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**

### **Lack of Information Technology (IT) Internal Control Environment**

During the year under review, the College did not have an approved IT security policy to ensure confidentiality and integrity of its IT systems. The College did not also have a disaster recovery plan, backup, retention strategy and an updated anti-virus mechanism to protect its data and information.

In the circumstances, the security of data and information could not be confirmed.

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

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease operations.

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.

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

## **Auditor-General's Responsibilities for the Audit**

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**23 September, 2022**

**XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2021**

DETAILS	NOTES	2020/2021	2019/2020
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other government entities	5	2,287,500	1161600
<b>Total revenue from non-exchange transactions</b>		<b>2,287,500</b>	<b>1161600</b>
<b>Revenue from exchange transactions</b>			
Rendering of services - fees from student	6	6,696,985	712,800
Other Income	7	57,148	15,000
<b>Total revenue from exchange transactions</b>		<b>6,754,133</b>	<b>727,800</b>
<b>Total revenue</b>		<b>9,041,633</b>	<b>1,889,400</b>
<b>Expenses</b>			
Use of goods and services	8	1,943,353	1,072,636
Employee costs	9	2,411,000	418,000
Payments made by Bumbere TTI - Refund		-	400,000
BOG allowances	16	124,000	-
Depreciation	10	1,601,502	1,575,585
Repairs and maintenance	11	403,876	25,050
<b>Total expenses</b>		<b>6,483,731</b>	<b>3,491,271</b>
<b>surplus for the year</b>		<b>2,557,903</b>	<b>(1,601,871)</b>

The notes set out on pages 6 to 17 form an integral part of the Annual Financial Statements






**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2021**


**XIV.STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2021**

DETAILS	NOTES	2020/2021	2019/2020
		Kshs	Kshs
<b>Current assets</b>			
Cash and cash equivalents	12	108,458	217,061
Receivables from exchange transactions	13	5,965,445	554,400
<b>Total Current Assets</b>		<b>6,073,903</b>	<b>771,461</b>
<b>Non-current assets</b>			
Property, plant and equipment	14	177,039,218	173,038,219
<b>Total non – current assets</b>		<b>177,039,218</b>	<b>173,038,219</b>
<b>Total assets</b>		<b><u>183,113,121</u></b>	<b><u>173,809,680</u></b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables from exchange transactions	15	1,649,786	674,048
<b>Total current liabilities</b>		<b>1,649,786</b>	<b>674,048</b>
<b>Total liabilities</b>			
<b>Net assets</b>			
Revaluation		5,500,000	-
Accumulated surplus		956,032	(1,601,871)
Capital Fund		175,007,303	174,737,503
<b>Total net assets</b>		<b><u>181,463,335</u></b>	<b><u>173,135,632</u></b>
<b>Total Liabilities and Capital &amp; Reserves</b>		<b><u>183,113,121</u></b>	<b><u>173,809,680</u></b>

The Financial Statements set out on pages 1 to 19 were signed on behalf of the Institute Board of Governors by:

  
Finance Officer  
ICPAK No  
JMS CPTO

Date 27/09-20-05-2022

  
Principal  
KILBAGANEE  
B. MUMUND

Date 20/05/2022

  
Chairman Board of Governors  
CHARLES B. WAKO

Date 20/05/2022





**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2021**

**XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE, 2021**

	Revaluation on Land	Retained Earnings	Capital Development Grants	Total
Kshs	Kshs.	Kshs.	Kshs	Kshs
At July 1, 2019		-		
Deficit for the year		(1,601,871)		(1,601,871)
Capital/Development grants received during the year		-	174,737,503	174,737,503
<b>At June 30, 2020</b>		<b>(1,601,871)</b>	<b>174,737,503</b>	<b>173,135,632</b>
AT 1ST JULY 2020		<b>(1,601,871)</b>	<b>174,737,503</b>	<b>173,135,632</b>
Revaluation gain	5,500,000	-	-	5,500,000
Adjustment-payable		-	167,300	167,300
Addition during the year		-	102,500	102,500
Surplus/Deficit for the year		<b><u>2,557,903</u></b>		2,557,903
At 30th June 2021	5,500,000	956,032	175,007,303	181,463,335



**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2021**

**XVI.STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2021**

<b>Cash flows from operating activities</b>		<b>2020/2021</b>	<b>2019/2020</b>
<b>Receipts</b>		<b>Kshs.</b>	<b>Kshs.</b>
Transfers from other Government entities/Govt. grants	5	2,287,500	1,161,600
Rendering of services- Fees from students received in cash	6	6,696,985	712,800
Other income	7	57,148	15,000
<i>Less: Current portion of receivables from exchange transactions</i>	13	(5,965,445)	-554,400
<b>Total cash receipts</b>		<b>3,076,188</b>	<b>1,335,000</b>
<b>Payments</b>			
Use of goods and services	8	1,943,353	1,072,636
Employee costs	9	2,411,000	418,000
donation		17,148	
Payments made by Bumbe TTI - Refund		-	400,000
BOG allowances	16	124,000	-
Repairs and maintenance	11	403,876	25,050
<i>Less: Trade and other payables from exchange transactions</i>	15	(1,649,786)	-674,048
<b>Total cash payments</b>		<b>3,249,591</b>	<b>1,241,638</b>
<b>Net cash flows from operating activities</b>		<b>-173,403</b>	<b>93,362</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	14	(102,500)	-8,653,498
<b>Net cash flows used in investing activities</b>		<b>-102,500</b>	<b>-8,653,498</b>
<b>Cash flows from financing activities</b>			
Adjustment-payable		167,300	8,777,197
<b>Net cash flows used in financing activities</b>		<b>167,300</b>	<b>8,777,197</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-108,603</b>	<b>217,061</b>
Cash and cash equivalents at 1 JULY 2020		217,061	-
<b>Cash and cash equivalents at 30 JUNE</b>	<b>12</b>	<b>108,458</b>	<b>217,061</b>



**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2021**

**XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE, 2021**

	Original budget	Adjustment s	Final budget	Actual on comparable basis	Performance difference	Utilisation Difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
<b>Revenue</b>	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Govt entities Govt grants	22444000	-	22444000	2,287,500	20156500	10.19%
Public contributions and donations	-	-	-	57148		
Rendering of services- Fees from students	8764400	-	8764400	6,696,985	2067415	23.59%
Sale of goods	-	-	-	-	-	
Finance Income	-	-	-	-	-	-
<b>Total income</b>	<b>31208400</b>	<b>-</b>	<b>31,208,400</b>	<b>9,041,633</b>	<b>22,223,915</b>	<b>71.2%</b>
<b>Expenses</b>						-
Compensation of employees	9072244	-	9072244	2,411,000	6661244	26.6%
Use of Goods and services	25,768,808	-	25,768,808	1943353	23825455	7.5%
Finance costs	-	-	-	-	-	-
Remuneration of directors	-	-	-	124,000	-	
Grants and subsidies paid	-	-	-	-	-	-
<b>Total expenditure</b>	<b>34,841,052</b>	<b>-</b>	<b>34,841,052</b>	<b>4478353</b>	<b>30486699</b>	
<b>Deficit for the period</b>	<b>-3632652</b>	<b>-</b>	<b>13,091,000</b>	<b>4563280</b>	<b>-8262784</b>	



**XVIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Dr. Daniel Wako Murende Technical and Vocational College is established by and derives its authority and accountability from TVET Act. The Dr. Daniel Wako Murende Tvc is wholly owned by the Government of Kenya and is domiciled in Kenya. The Dr. Daniel Wako Murende Tvc's principal activity is The mandate of Dr. Daniel Wako Murende Tvc encompasses the following:

1. Training and developing middle level manpower for national development,
2. Advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-employment and the national production system,
3. Offering courses leading to the award of up to diploma certificates in TVET programmes in collaboration with other tertiary institutions and appropriate industries across the board.

**Quality policy statement**

Dr. Daniel Wako Murende Tvc is committed to be a centre of excellence in research, innovation & technical training by providing research driven technical & entrepreneurial training for self-reliance in a competitive market and national production system.

In pursuit of this commitment, the institute shall comply with all applicable requirements and continually improve its effectiveness by implementing a quality management system based on ISO 9001:2008.

**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. 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 Dr. Daniel Wako Murende TVC's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Dr. Daniel Wako Murende TVC.

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.





### **3.ADOPTION OF NEW AND REVISED STANDARDS**

**i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021**

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 41:</b> Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>•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;</li> <li>•Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>•Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<b>IPSAS 42:</b> Social Benefits	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Dr. Daniel Wako Murende TVC;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Dr. Daniel Wako Murende TVC's financial performance, financial position and cash flows.</li> </ul>



**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2021**

<b>Standard</b>	<b>Effective date and impact:</b>
Other Improvements to IPSAS	<p><b>Applicable: 1<sup>st</sup> January 2013:</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ul> <p>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>

**ii. Early adoption of standards**

The Dr. Daniel Wako Murende TVC adopted new standards in financial year 2018-2019.

**3. 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 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 DR. Daniel Wako Murende TVC and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds



**ii) Revenue from exchange transactions**

**Rendering of services**

The Dr. Daniel Wako Murende TVC recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

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

**Sale of goods**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2020/2021 was approved by the Board on 12<sup>th</sup> August 2021

The Dr. Daniel Wako Murende Tvc budget is prepared on cash basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.



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

### **c) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Dr. Daniel Wako Murende Tvc 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. The assets of DR. DAWAMU TVC shall be depreciated annually on a straight-line basis and the depreciable amount charged to income over the assets useful life at the following rates:-

i)	Furniture & Fittings	12.5%
ii)	Office Equipment	12.5%
iii)	Motor Vehicles	25%
iv)	Computers	33⅓%
v)	Land	0%
vi)	Buildings	2.5%
vii)	Borehole	2.5%
	Vehicles	25%
ix)	W.I. P	0%
x)	Plant & Machinery	12.5%
xi)	Library	30%
xii)	Software	30%

When an asset is acquired, full depreciation will be charged in the year of purchase and no depreciation will be charged in the year of disposal.





**d) Research and development costs**

The Dr. Daniel Wako Murende Tvc expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Dr. Daniel Wako Murende Tvc 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

**e) Changes in accounting policies and estimates**

The Dr. Daniel Wako Murende Tvc recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**f) Related parties**

The Dr. Daniel Wako Murende Tvc regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Dr. Daniel Wako Murende Tvc, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the principal and Head of Department.

**g) Service concession arrangements**

The Dr. Daniel Wako Murende Tvc 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 Dr. Daniel Wako



Murende Tvc recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

#### **h) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, 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.

#### **i) Comparative figures**

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

#### **j) 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, 2021.

### **4.0 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

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

#### **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:



**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2021**

- The condition of the asset based on the assessment of experts employed by the Dr. Daniel Wako Murende Tvc
- 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

**5.0 TRANSFERS FROM NATIONAL GOVERNMENT ENTITIES**

Description	2020/2021 Kshs.	2019/2020 Kshs.
<b>Unconditional grants</b>		
Operational grant	1,500,000	1,000,000
Capitation	787,500	
<b>Conditional grant</b>		
Value addition equipment and college building grant	-	151,460,306
<b>Total Government Grants and Subsidies</b>	<b>2,287,500</b>	<b>152,460,306</b>

**6.RENDERING OF SERVICE**

Description	2020/2021 Kshs.	2019/2020 Kshs
Personal emolument	187,070	150,640
LT&T	54,400	43,200
RMI	31,330	24,150
Medical	22,590	18,360
E.W&C	32,000	27,000
Activity	79,200	25,500
Library fund	30,580	48,450
Contingencies	21,100	17,500
Student council	16,800	15,600
Development	60,800	96,000
Fees arrears	5,965,444	-
Student cover	31,990	57,000
Registration	73280	90,000
Caution money	17050	28,700
Student id	10,800	17,700
Attachment	29,750	-
Computer	32,800	53,000
<b>Total</b>	<b>6,696,985</b>	<b>712,800</b>



**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2021**

**7. OTHER INCOME**

Description	2020/2021	2019/2020
	Kshs	Kshs
Sale of tenders		15,000
Donation	57,148	-
<b>Total other income</b>	<b>57148</b>	<b>15,000</b>

**8. USE OF GOODS AND SERVICES**

Description	2020/2021	2019/2020
	Kshs	Kshs
LT&T	412,263	64,610
Administration cost	1,326,641	806,131
Contingencies	66,100	56,223
Tuition	111,760	33,350
Project account	-	109,000
Examination	16,000	
Advertisement	5,000	
Medical	300	
E W C	500	
Bank charges	4,789	3,322
<b>Total use of goods and services</b>	<b>1,943,353</b>	<b>1,072,636</b>

**9. EMPLOYEE COST**

Description	2020/2021	2019/2020
	Kshs	Kshs
Salaries and wages	2,411,000	418,000
<b>Total employee costs</b>	<b>2,411,000</b>	<b>418,000</b>

**10. DEPRECIATION**

Description	2020/2021	2019/2020
	Kshs	Kshs
Buildings and structures	1,263,085	1,263,085
Computer/printer	20,979	
Furniture and fittings	317,438	312,500
<b>Total Depreciation</b>	<b>1,601,502</b>	<b>1,575,585</b>

**11. REPAIRS AND MAINTENANCE**

Description	2020/2021	2019/2020
	Kshs	Kshs
General repairs	403,876	-
Property	-	25,050
<b>Total</b>	<b>403,876</b>	<b>25,050</b>





## 12.CASH AND CASH EQUIVALENTS

DETAILS		2020/2021	2019/2020
<b>a) Current accounts</b>	<b>ACCOUNT NO.</b>	<b>Kshs</b>	<b>Kshs</b>
National bank	1022225645200	89,292	55,078
Equity bank	780279492531	179	112,479
<b>Sub- total</b>		<b>89,471</b>	<b>167,557</b>
<b>b) Others</b>			
Cash in hand		18,987	49,504
<b>Sub- total</b>		<b>18,987</b>	<b>49,504</b>
<b>Grand total</b>		<b>108,458</b>	<b>217,061</b>

## 13. RECEIVABLES OF EX-CHANGE TRANSACTION

Description	2020/2021	2019/2020
	<b>Kshs</b>	<b>Kshs</b>
Student debtors	5,965,444.89	554,400
<b>Total receivables</b>	<b>5,965,444.89</b>	<b>554,400</b>

## 14.PROPERTY PLANT & EQUIPMENT

	LAND	Buildings and Structures	Furniture and fittings	Computer/ Printers	Plant and Equipment	Total
	<b>0.00%</b>	<b>2%</b>	<b>12.50%</b>	<b>33.30%</b>	<b>0.00%</b>	
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>		<b>Kshs</b>	<b>Kshs</b>
<b>At 1st Jul 2019</b>	-					
Additions	4,500,000	63,154,246	2,500,000	-	104,459,558	174,613,804
<b>At 30th June 2020</b>	<b>4,500,000</b>	<b>63,154,246</b>	<b>2,500,000</b>	<b>-</b>	<b>104,459,558</b>	<b>174,613,804</b>
-						
<b>Depreciation</b>						
At 1st July 2019	-	-	-	-	-	-
Depreciation	-	1,263,085	312,500	-	-	1,575,585
<b>At 30th June 2020</b>	<b>-</b>	<b>1,263,085</b>	<b>312,500</b>	<b>-</b>	<b>-</b>	<b>1,575,585</b>
Net book values	4,500,000	61,891,161	2,187,500	-		68,578,661
<b>At 30 June 2020</b>	<b>4,500,000</b>	<b>61,891,161</b>	<b>2,187,500</b>	<b>-</b>	<b>104,459,558</b>	<b>173,038,219</b>
AT 1ST JULY 2020	4,500,000	61,891,161	2,187,500	-	104,459,558	173,038,219
Revaluation	5,500,000	-	-	-	-	5,500,000
Additions	-	-	39,500	63,000		102,500
<b>AT 30TH JUNE 2021</b>	<b>10,000,000</b>	<b>61,891,161</b>	<b>2,187,500</b>	<b>63,000</b>	<b>104,459,558</b>	<b>178,640,719</b>
<b>Depreciation</b>						
At 30june 2021	-	1,263,085	317,438	20,979	-	1,601,502



**DR. DANIEL WAKO MURENDE TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2021**

Net book value at 30th June 2021	10,000,000	60,628,076	1,870,063	42,021	104,459,558	177,039,218
----------------------------------	------------	------------	-----------	--------	-------------	-------------

**15. TRADE AND OTHER PAYABLES**

Description	2020/2021	2019/2020
	<b>Kshs</b>	<b>Kshs</b>
Other payables	361,788	674,048
UNPAID SALARIES FROM JUNE 2020 TO MARCH 2021	1,272,000	-
REFUNDABLE DEPOSIT	15,998	-
<b>Total current payables</b>	<b>1,649,786</b>	<b>674,048</b>

**16. BOARD OF GOVERNORS ALLOWANCE**

Description	2020/2021	2019/2020
	<b>Kshs</b>	<b>Kshs</b>
Bog allowances	124,000	
<b>Total board allowances</b>	<b>124,000</b>	<b>-</b>



## **17. RELATED PARTY**

### **Nature of related party relationships**

Dr. Daniel Wako Murende Tvc and other parties related to the Dr. Daniel Wako Murende Tvc 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 Dr. Daniel Wako Murende Tvc, holding 100% of the Dr. Daniel Wako Murende Tvc's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Ministry of Education-State Department of TVET;
- iii) Students
- iv) Suppliers
- v) The community
- vi) Key management;
- vii) Board of Governors
- viii) Employees
- ix) Financial Institutions-Banks

## **18. EVENTS AFTER THE REPORTING PERIOD**

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

## **19. ULTIMATE AND HOLDING ENTITY**

The Dr. Daniel Wako Murende Tvc is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

## **20. Currency**

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





## APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

**Guidance Notes:**

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

Principal  
Secretary of the Board of Governors

Date.....20/5/2022.....



**APPENDIX III: INTER-ENTITY TRANSFERS**

Dr. Daniel Wako  
Murende Technical And  
vocational College

**Break down of Transfers from the State Department of TVET**

**FY 2020/2021**

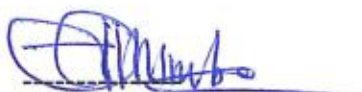
a.	Capitation Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Financial Year 2020/2021</u>
		19/11/2020	890000	FY 2020/2021
		23/02/2021	500000	FY 2020/2021
		30/03/2021	897500	FY 2020/2021
		<b>Total</b>	<b>2287500</b>	

The above amounts have been communicated to and reconciled with the parent Ministry

Principal  
Dr. Daniel Wako Murende Tvc

Head of Accounting Unit  
Ministry of Education  
State Department of TVET

Sign



Sign----

