

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY

REPORT

DATE: 01 AUG 2023

TABLED BY: Hon Naomi Wago MP
Deputy Majority Whip
OF
CLERK AT THE TABLE: Inzofu Mwale

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THE AUDITOR-GENERAL

ON

**BONDO TECHNICAL TRAINING
INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2022**





BONDO TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2022**

Bondo Technical Training Institute - TVET
Annual Report and Financial Statements for the year ended 30th June 2022

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Bondo Technical Training Institute - TVET
Annual Report and Financial Statements for the year ended 30th June 2022

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I. Key Bondo TTI Information and Management

(a) Background information.

Bondo Technical Training Institute was established in the year 2015. It is in Siaya County, Bondo Sub-County, 5 kilometers along Bondo - Misori Road. It is a public institution. Its construction was planned to take place in Five Phases. The First Phase of the development of the T.T. I is already completed. This phase comprises of a Building and Civil Engineering Complex. The complex consists of 13 classrooms, Soil Mechanics laboratory, Topology laboratory, Material testing laboratory, Computer laboratory, Technical Drawing Room, 10 lecturers' offices, a staffroom, a kitchen, Head of Department's office and a small departmental library, and of course the necessary ladies and Gents small rooms. There are also three workshops, for Plumbing, Masonry, and Carpentry. Each of the workshops has a store and a classroom and a preparation room. Finally the phase one project also has a lecture the later hall that can also be used for other purposes. As at now, the college has a capacity of 2,400 students. But when the five phases are completed the institute should be able handle over 5,000 students.



The college is now running. We had our first admission on May 11th, 2015, when 57 students were admitted into various courses that we advertised, namely;

1. Building Technology
2. Civil Engineering
3. Land Survey
4. Quantity Survey
5. Certificate in Plumbing
6. ICT, and many other business and engineering courses at both Diploma and Certificate levels

Professionals in the building industry who have visited the institute have all agreed that the institute is well equipped to provide quality training to the building industry. But it is not only training that we aspire to provide services of, but also research, material testing and any other services that may be necessary to the building industry.

Phase II, III IV and V of our development will cover other engineering field, e.g. electrical, ICT, mechanical and even the hotel industry. In all the areas that we hope to provide training and services in, producing competent graduate for whichever industry remains our greatest inspiration.

All in all, I wish to invite all aspiring to be students of this institute to visit the college any time of the day and learn more about us. Bondo T. T. I is a public institution and therefore belongs to the public. Both our doors and gates are open to the public at any working day and time.

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(b) Principal Activities

The Key activities of the Institution is providing technical, vocational & entrepreneurship training and instilling research and innovation techniques in trainees.

The Institution is also engaged in collaborating with relevant industries/ companies in order to produce competent graduates and nurturing trainees' talents in co- curricular activities.

1. Vision

To be a world class Technical Training Institute in the provision of technical, vocational, entrepreneurship training and research.

2. Mission

To work in partnership with relevant stakeholders in providing high quality technical, vocational, entrepreneurship training, research and innovation to produce globally competitive graduates.

3. Core values

- Competence
- Discipline
- Environmental stewardship
- Equity
- Hard work
- Innovation
- Integrity
- Quality
- Teamwork
- Transparency and accountability

(c) Key Management

The Bondo Technical Training Institute day-to-day management is under the following key organs:

- Board of Governors
- B.O.G Secretary/ Principal
- Deputy Principals
- Registrar
- Dean of Students

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(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Mrs. Lucy A. Khoja (Retired on 11/10/2022)
2.	Deputy Principal Academics	Mr. Luke Sawanda (Took over as the Principal)
3.	Registrar (s)	Mr. Peter Okoth Akelo.
4.	Dean of students	Mr. Dan Akula.
5.	Head of Finance	CPA Otieno Evans
6.	Head of Internal Audit	CPA Ondigo Mercy
7.	Human Resource	Mr. Andrew Agulo
8.	Head of Procurement	Miss Maureen Obonyo

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(e) Fiduciary Oversight Arrangements

COMMITTEE	MEMBERS
<i>Finance and General-Purpose Committee</i>	<ol style="list-style-type: none"> 1. CPA Acquinas Mwathani Mbole - Chairperson 2. Mrs. Lucy Khoja- Secretary 3. Ms. Perez Ussenge Omondi -Member 4. Ms. Ruth Waithira Kamau- Member.
<i>Education Training Research & Innovation</i>	<ol style="list-style-type: none"> 1. Ms. Perez Ussenge Omondi - Chairperson 2. Mrs. Lucy Khoja- Secretary 3. CPA Acquinas Mwathani Mbole - Member 4. Mr. Benjamin F.O. Onianga - Member
<i>Risk and Audit Committee</i>	<ol style="list-style-type: none"> 1. Mr. Benjamin F.O. Onianga – chairperson 2. CPA. Ondigo Mercy – Secretary. 3. Mr. Reuben Maritim - Member 4. Ms. Alice Keboga - Member
<i>Infrastructure and Development Committee</i>	<ol style="list-style-type: none"> 1. Mr. Reuben Maritim – chairperson 2. Mrs. Lucy Khoja- Secretary 3. Ms. Alice Keboga - Member 4. Mrs. Ruth Waithira Kamau - Member

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(f) Bondo Technical Training Institute Headquarters

Physical Contact
Bondo Technical and Training Institute
Along Bondo-Misori Road

(g) Bondo Technical Training Institute Contacts

Bondo Technical and Vocational Training
P.O. Box 377-40601
Bondo
Telephone :0572041555
E-mail: bondotti@yahoo.com
Website: www.bondotti.ac.ke

(h) Bondo Technical Training Institute Bankers

1. Equity Bank of Kenya
Bondo Branch
P.O Box 261- 40601
Bondo
2. Kenya Commercial Bank
Bondo Branch
P.O Box 598- 40601
Bondo
3. Cooperative Bank of Kenya
Bondo Branch
P.O Box 380 - 40601
Bondo

(i) Independent Auditors

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

(j) Principal Legal Adviser





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

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II. The Board of Governors.

NAME	PROFESSION	Previous Work Experience
 Prof. Enose Makokha Wambulwa Simatwa (BOG - Chairperson)	PhD – Educational Administration currently he Lecturers at the Maseno University	Dr Makokha is an Associate Professor and a Senior Lecturer in Educational Management and Foundations at Maseno University. He also is acting Dean, School of Education, Tom Mboya University College (a constituent college of Maseno University). He was appointed to the second BOG on the 5 th October 2018 and reappointed to the third BOG on 17 th March 2022. Date of birth 5/9/1955.
 Mrs. Lucy A. Khoja. (Principal/BOG Secretary)	Master's Degree in Community Nutrition.	Mrs Lucy Khoja is currently the Principal Bondo Technical Training Institution as from June 2021. She has worked at The Kisumu National Polytechnic as the Dean of Students, Bondo TTI as the Deputy Principal -Administration. Date of birth 12/10/1962. Retired on 11 th October 2022.
 Ruth Waithira Kamau (Member)	BSc Health Systems Management currently works as a Senior Associate Technical Lead at the Lexlink Consulting	Ms Kamau is a registered clinical officer with the Ministry of Health. She is a professional in health programs and systems. Currently working with Lexlink Consulting as Senior Associate. She was appointed to the Second BOG on the 5 th October 2018 and reappointed to the third BOG on 17 th March 2022. Date of birth 17/03/1976.
 Ms. Perez Ussenge Omondi. (BOG -Member)	Med. (Administration and Leadership)	Mrs. Omondi is a retired High School Principal with an in-depth experience in Administration and Leadership. She was appointed to the third BOG on 17 th March 2022. Date of Birth: 1 st Jan 1955.

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NAME	PROFESSION	Previous Work Experience
 Ms. Alice Keboga (Member)	BSc Community Health and Management currently works as a HTS Officer, at Ampath Prevention, Busia County	Ms. Alice is a registered Community Health Officer with the Nursing Council of Kenya. Licence No. 015665. She is a professional in Community Health and Management, currently working for Ampath Prevention, Busia County. She was appointed to the BOG 17 th March 2022. Date of birth 24 th Nov 1979.
 CPA Acquinas Mwathani Mbole. (BOG - Member)	CPA, Bcom-Finance, ISA, Dip in French Lang. Actuarial Profession CT7, CT1 and CT2. Currently working for Total Kenya Plc.	CPA Mbole is a professional currently working for Total Kenya Plc as the Network Regional Manager. He is a part-time lecturer at Oshwal College, Nairobi Kenya. He was appointed to the Board on the 17 th March 2022. Date of birth 1985.
 Mr. Reuben Maritim (BOG- Member)	Bachelors of Engineering Degree in Industrial and Textile. Currently the Operations Manager at Pinnacle Safety Solutions – Eldoret.	Mr. Maritim is an Engineer who has previously worked for Telkom Kenya as a Territory Agent and is currently working for Pinnacle safety solutions – Eldoret as the Operations manager. He was appointed to the third BOG on 17 th March 2022. Date of birth 13 th Jan 1987.
 Mr. Odhiambo Benjamin Fredrick Onienga (BOG- Member)	LLB, Private Legal Practitioner	Mr Onienga is a legal Advisor in different capacities, currently working as a Legal Advisor for Clear Africa Resource Centre and an Advocate for the league of Kenya Women Voters. A partner at Odhiambo BFO. & Co. Advocates. He was appointed to the third BOG on 17 th March 2022. Date of birth 26 th Nov 1964.

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III. Management Team

Name of the Staff	Responsibility
 <p style="text-align: center;">Mrs. Lucy A. Khoja. (Msc. Community Nutrition)</p>	<p style="text-align: center;">Principal / B.O.G Secretary (Retired on 11th October 2022)</p>
 <p style="text-align: center;">Mr Luke Sawanda Odera Master of Education, Kenyatta University Major: Educational Management</p>	<p style="text-align: center;">Deputy Principal academics (Ag. Principal as from 11th October 2022)</p>
 <p style="text-align: center;">Mr. Dan Akula (B.A sciences Ed)</p>	<p style="text-align: center;">Dean of studies</p>




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Name of the Staff	Responsibility
 <p align="center">Mr Peter Akello (higher Dip Electrical)</p>	<p align="center">Registrar</p>
 <p align="center">Mr. Simon Odende (higher Dip. Construction)</p>	<p align="center">H.O.D Building & Civil Engineering Dept.</p>
 <p align="center">Mr. Jonah Okoth (Higher National Dip. Electrical Eng.)</p>	<p align="center">H.O.D Electrical & Electronics Engineering Dept.</p>
 <p align="center">Mr. Aloo David (Dip in Technical Education)</p>	<p align="center">H.O.D Business Dept.</p>

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Name of the Staff	Responsibility
 <p align="center">Mr. Eugene Otolo (B.A Computer Science)</p>	<p align="center">H.O.D I.C.T Dept.</p>
 <p align="center">Ms. Mary Omondi (B.A Community Development)</p>	<p align="center">H.O.D Liberal Dept.</p>
 <p align="center">CPA Otieno Evans (B-Com {Finance}, CPA-K) (ICPAK No - 28851)</p>	<p align="center">Finance Officer</p>

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Name of the Staff	Responsibility
 <p align="center">CPA MERCY ONDINGO (B. Ed, CPA-K) (ICPAK No.- 15637)</p>	<p align="center">Internal Auditor</p>
 <p align="center">Mr. Andrew Owino Agulo (B-Com HRM) (IHRM No. 12579)</p>	<p align="center">Human Resource Officer</p>
 <p align="center">Ms. Maureen Obonyo (Advance Dip)</p>	<p align="center">Procurement Officer</p>

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IV. Chairman's Statement

Bondo TVC is a TVET Institution established to provide post primary technical and entrepreneurial skills to students up to diploma level. The core mandate of Bondo TVC is to offer training in TVET programmes.

The 1st Board of Governors of this college was appointed on 29/4/2015 and expired on 28/4/2018. The second Board of Governors was appointed on 05/10/2018 and expired on 04/10/2021. The current Board of Governors was appointed on 17/03/2022. This Board comprises of 8 members; 3 female and 5 male. The Principal is the BOG Secretary. The Board meets quarterly to deliberate on the matters concerning the college. The following are the BOG Committees: -

- i. Education, Training, Research & Innovation
- ii. Finance & General Purpose
- iii. Risk & Audit
- iv. Infrastructural Development

Finance

Bondo TVC being a government funded institution, it majorly depends on Government funding for sustainability. The college is currently faced with financing gaps which have had negative impact on the desired implementation of activities.

The Board hereby commits to prudently manage the college's resources and be accountable in the implementation of the projects.

Projects

The College has mentored Ugunja TVC to full completion and is currently mentoring Nyando TVC, which is currently at 76% completion rate.

The 1st phase of the proposed construction of Applied Science Complex is at 79% completion rate.

Enrolment

Based on the Government's commitment to support the education of the youth in Kenya through capitation, Bondo TVC has experienced tremendous increase in enrolment with students admitted from different parts of the country. The current student population is 2,280 (1,240 males & 1,040 females).



Prof. Enose Makokha Wambulwa Simatwa
Chairperson of the Board.

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V. Report of the Principal

1. GOK Finance

Bondo Technical and Vocational College is a government funded college under the state department of vocational and technical training. Bondo TCV is therefore officially registered and licensed by TVETA. This college foresees itself as a major player in the science and technology sub-sector in the realization of Kenya's Vision 2030 and the Government's "Big Four" agenda. Our core mandate is to train students, majorly on areas that will enable them to be self-reliant or fit in the job markets in sectors such as building, manufacturing and health.

2. Infrastructure

The institute's 1st phase of Development is basically the Building and Civil Engineering Department. It consists of a tuition block of 13 classrooms, 5 laboratories, 10 lecturers' offices, HOD office, departmental library and a kitchen. There are also three workshops and a lecture hall and it's temporarily hosting the Principal's and the Deputy Principal's Offices. Currently the 1st phase of the applied science complex is at 79% completion rate.

3. GOK Equipment

This college has received state of the art learning equipment for survey, soil testing, material testing, plumbing, carpentry, masonry, hydraulics, pneumatics and assorted furniture for offices and students, from the Government of Kenya.

4. Internet Connectivity and Web Site

We have now procured internet connectivity from Telkom and Safaricom. We consider these services extremely essential not only for administrative purposes but also for students use in the library and those studying ICT. We have also placed the institute in the website from where interested applicants may now see us and download our application form. The website is www.bondotti.ac.ke

5. Response To Covid-19

In 2020, the pandemic interfered with learning worldwide. Bondo TTI was able to respond appropriately and by the time the government re-opened learning institutions, mitigation measures were in place. The Institute has added an extra pedestrian gate to help promote social distancing as students come in and out of the college. The college has put up a facemask detector at the gate, five thermo guns and, and sanitizer dispenser points within the Institution. As a result, learning has proceeded smoothly.

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6. Courses and students' enrolment

The college programs examined by KNEC in departments of Building and civil Engineering, Electrical and Electronics Engineering, ICT, Liberal and Business studies, plus NITA and TVET CDAC programs. Currently we have a total of 2,288 students. The distribution of students is summarized in the tables below;

<i>S/No</i>	<i>Course Title</i>	<i>Course Level</i>	<i>Enrolment</i>
1.	<i>Civil Engineering</i>	<i>Diploma</i>	140
2.	<i>Land survey</i>	<i>Diploma</i>	133
3.	<i>Building technology</i>	<i>Diploma</i>	135
4.	<i>Building technology</i>	<i>Certificate</i>	159
5.	<i>Survey and mapping</i>	<i>Certificate</i>	117
6.	<i>Plumbing</i>	<i>Certificate</i>	139
7.	<i>Artisan in Plumbing</i>	<i>Artisan</i>	31
8.	<i>Road construction</i>	<i>Certificate</i>	33
9.	<i>Artisan in Masonry</i>	<i>Artisan</i>	57
10.	<i>Information communication technology</i>	<i>Diploma</i>	112
11.	<i>Information communication technology</i>	<i>Certificate</i>	102
12.	<i>Electrical and electronics eng.</i>	<i>Diploma</i>	187
13.	<i>Electrical and electronics eng.</i>	<i>Certificate</i>	150
14.	<i>Artisan in electrical</i>	<i>Artisan</i>	56
15.	<i>Business management</i>	<i>Diploma</i>	39
16.	<i>Human resource management</i>	<i>Diploma</i>	41
17.	<i>Supply chain management</i>	<i>Diploma</i>	81
18.	<i>Accountancy</i>	<i>Diploma</i>	99
19.	<i>Business management</i>	<i>Certificate</i>	33
20.	<i>Human resource management</i>	<i>Certificate</i>	34
21.	<i>Supply chain management</i>	<i>Certificate</i>	43
22.	<i>Social work</i>	<i>Diploma</i>	70
23.	<i>Social work</i>	<i>Certificate</i>	62

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24.	<i>Electrical Wireman</i>	<i>NITA</i>	56
25.	<i>Supply chain management</i>	<i>Level 5</i>	40
26.	<i>Community Health</i>	<i>Level 4</i>	10
27.	<i>Electrical Installation</i>	<i>Level 3</i>	20
28.	<i>Plumbing</i>	<i>Level 3</i>	33
29.	<i>ICT</i>	<i>Level 5</i>	07
30.	<i>Plumber Pipe Fitter</i>	<i>Grade Test</i>	38
31.	<i>Hairdressing and Beauty Therapy</i>	<i>Grade Test</i>	31
<i>Total</i>			2,288

7. Staffing.

This college has a total of 80 trainers of which 25 are posted by Public Service Commission while 55 are employed by the Board of Governors.

The non-teaching staffs are 36 employed on permanent terms while 8 are on casual terms. We had 3 paid interns in FY 2021/2022.

8. Examination.

Our examination bodies are mainly KNEC, CBET and NITA. CEPT July 2021 we had 44 candidates (Plumbing Level 4= 21, Supply Chain Mgt Level 5 =13, ICT-Level 5 = 10), KNEC July 2021, a total of 558 trainees sat for exams (Technical Courses: 428 trainees and Business Courses: 130 trainees) KNEC November 2021 Series, a total of 701 Students sat for the examinations. (Business courses: 250 Students and Technical Courses: 451 students.)

9. TVET Fair.

Bondo TTI is an ardent participant in the TVET Fair since its inception in 2015. Last year the college was awarded 1st position during National TVET Fair in the building category. In March 2022, we presented three innovations under the following categories; Building, ICT and Business.

10. Mentorship

Having successfully mentored Ugunja TVC to completion, the college is currently mentoring Nyando TVC which is at 79% rate of completion.

11. Achievements

During the FY 2019/2020 the college managed to purchase a school bus of 51-seater and the Principal's car. In the year 2021/22 the Board reviewed contract period for the B.O.G Trainers and also B.O.G Non-Trainers' salaries were reviewed to match the public service job groups.

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The College has embraced the online banking platform for all the bank accounts for viewership rights which has come with a lot of benefits. The college has installed ERP system with Finance, Registry and Examination modules. The college has also managed to construct a car shade for the Principal's car.

12. Challenges

The delay/partial disbursement of Government funds for capitation and NYS payment have disrupted the normal flow of activities in the college. It is our hope that this will improve going forward. The B.O.G. term ended on 5th October 2021. The Ministry has not yet appointed the new B.O.G. The operations of the college are curtailed to some extent due to the absence of the Institute's B.O.G. We remain optimistic that this shall be sorted out by the Ministry at the earliest opportunity.

Due to increase in enrolment, the College is experiencing shortage in infrastructure. I.e. Inadequate space.

The Construction of Applied Science Complex building which is a government sponsored project has stalled at its 1st phase since 2019 because of lack of funding from the government in this regard.

13. Strategic Collaborations

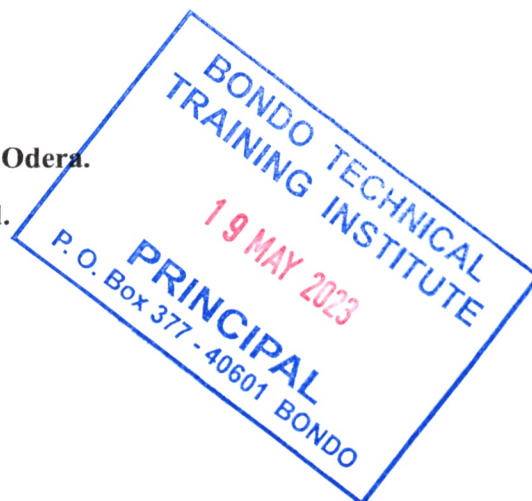
Currently the College is working in collaboration with the Young Africa Works In Kenya- TVET Project (YAW -In Kenya), in the provision of support on various Electrical and ICT Courses. The Organization has promised to deliver some Training Equipment to be used for training in the mentioned above courses.

Thank you.



Mr. Luke Sawanda K'Odera.

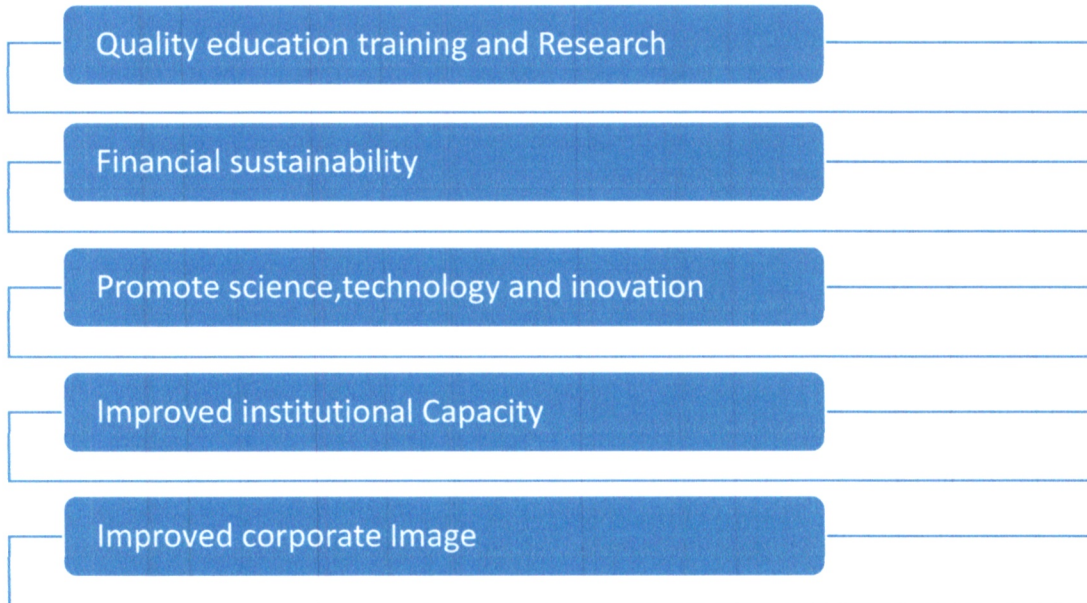
Secretary of the Board.



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VI. Statement of Performance against Predetermined Objectives

Bondo technical training institute has 5 strategic pillars and objectives within its strategic plan for the FY 2018/2019-2022/2023. The strategic pillars are as follows



Bondo technical training institute develops its annual work plan based on the above pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The institute achieved its performance targets set for the FY2021/22 period for its 5 strategic pillars, as indicated in the diagram below.

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Strategic pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Quality education training and research	Improving quality of education	<ul style="list-style-type: none"> ❖ Completion of buildings under construction ❖ Successfully complete the projects for institution being mentored 	Improve infrastructure by; <ul style="list-style-type: none"> ❖ Harvesting rain water ❖ Fencing ❖ Construction of Modern pit latrines ❖ Purchasing learning equipment including chairs ❖ Stock the library 	Various blocks have been constructed including classrooms and hospitality Annex
Pillar 2 Financial sustainability	Diversify source and increase funding	<ul style="list-style-type: none"> ❖ New development partners ❖ Enhanced existing partners relationship Increase in government development funds	<ul style="list-style-type: none"> ❖ Resource mobilisation and management 	
Pillar 3 Promote science technology and innovation	Institutionalize effective research and development	<ul style="list-style-type: none"> ❖ Research and development infrastructure 	<ul style="list-style-type: none"> ❖ Participating in shows and exhibits ❖ Develop R & D infrastructure 	Regional Tvet fair
Pillar 4 Improved institutional capacity		<ul style="list-style-type: none"> ❖ 	<ul style="list-style-type: none"> ❖ Human capacity development 	
Pillar 5 Improve corporate image	Enhance capacity and improve student numbers	<ul style="list-style-type: none"> ❖ Increased numbers 	<ul style="list-style-type: none"> ❖ Create linkages with the community to construct hostels 	Contracts

VII. Corporate Governance Statement

Bondo Technical Training Institute is committed to good corporate governance, which promotes the long-term interests of the government of Kenya and any other stakeholder, strengthens Board and management accountability and helps build public trust in the institute.

The Board is appointed by the government of Kenya through the Cabinet Secretary, Ministry of Education, science and technology to oversee their interest in the long-term health and the overall success of the business and its final strength in order to discharge its mandate in training. The Board serves as the ultimate decision-making body of the institute, except for those matters reserved to or shared with the Government of Kenya. The Board selects and oversees the members senior management, who are charged by the Board with conducting the business of institute in line with Technical, Vocational, Education and Training Act of 2013 and the constitution of the Republic of Kenya

This financial year there was a change in the Board of Governors. The term of the second Board expired and the new board was appointed. The BOG Members of the third Board were appointed on 17th March 2022.

On expiry of the tenure of the second board [05th October,2021] the process of appointment of a new board of management is as laid out in the TVET act of 2013 shall be followed.

Under the TVET act of 2013, the functions of board of governors as set out under the section 28[1] shall include

- (a) Overseeing the conduct of the education and training in the institution in accordance to provisions of this act and any other written laws.
- (b) Promoting and maintaining standards, equality and relevance in education and training in the institution in accordance with this act and any other written laws.
- (c) Administering and managing the property of the institutions.
- (d) Developing and implementing the institutions strategic plans.
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institution, receiving on behalf of the institution, fees, grants subscriptions, donations, requests or any other money and to make disbursement to the institutions or other body or persons.
- (f) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidance developed under the provision of this act.
- (g) Developing and reviewing programmes for training and to make representations thereon to the board.
- (h) Regulating the admission and exclusion of students from the institution, subject to a qualification framework and the provision of this act.
- (i) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the board.
- (j) Recruiting and appointing trainers from among qualified professionals and practicing trade persons in relevant sectors of industries.
- (k) Determining suitable terms and conditions of services for support staff, trainer and instructors and remunerating the staff of the institution, in consultation with the authority.
- (l) Making regulations governing organization, conduct and discipline of staff and students.
- (m) Preparing comprehensive annual reports in all areas of their mandate, including education and training services and submit the same to the board.

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- (n) Providing for the welfare of the students and staff of the institution.
- (o) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions.
- (p) Discharging all other functions conferred upon it by this act or any other written law
The board in the period that has been in existence has endeavoured in discharging its functions independently with vigour. Their diligence and prudent management of resources has been result oriented and much has been achieved during their term in office. They have been able to interpret government policies and TVET Act as well as other relevant laws in existence making the institution to move forward as we actualize the Strategic plan. Moving forward, the Board is aligning its discharging of duties by improving on its operations while surpassing the set target where possible. In the interest of quality, service delivery, the board is able to read from the same script as they render their duties above board. This will be attained with the incorporation of team spirit and self- sacrifice that is deep within them.

Bondo Technical Training Institute - TVET
Annual Report and Financial Statements for the year ended 30th June 2022

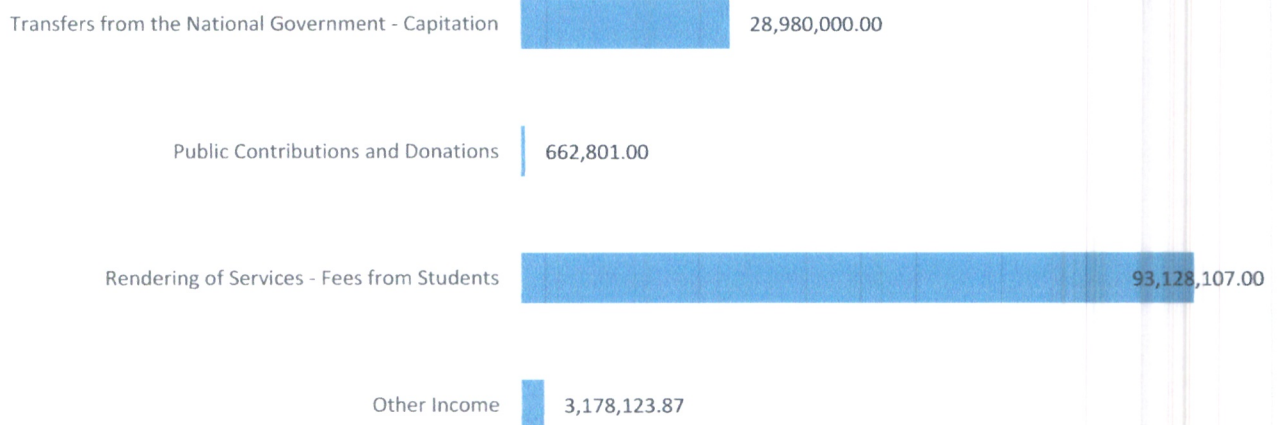
VIII. Management Discussion and Analysis.

Bondo Technical Training Institute operation and Financial Performance

During the year ended June 2022, the institution had 2,086 trainees compared to 3023 in year 2020/21. The education sector was highly affected by the outbreak of Covid 19 in the world.

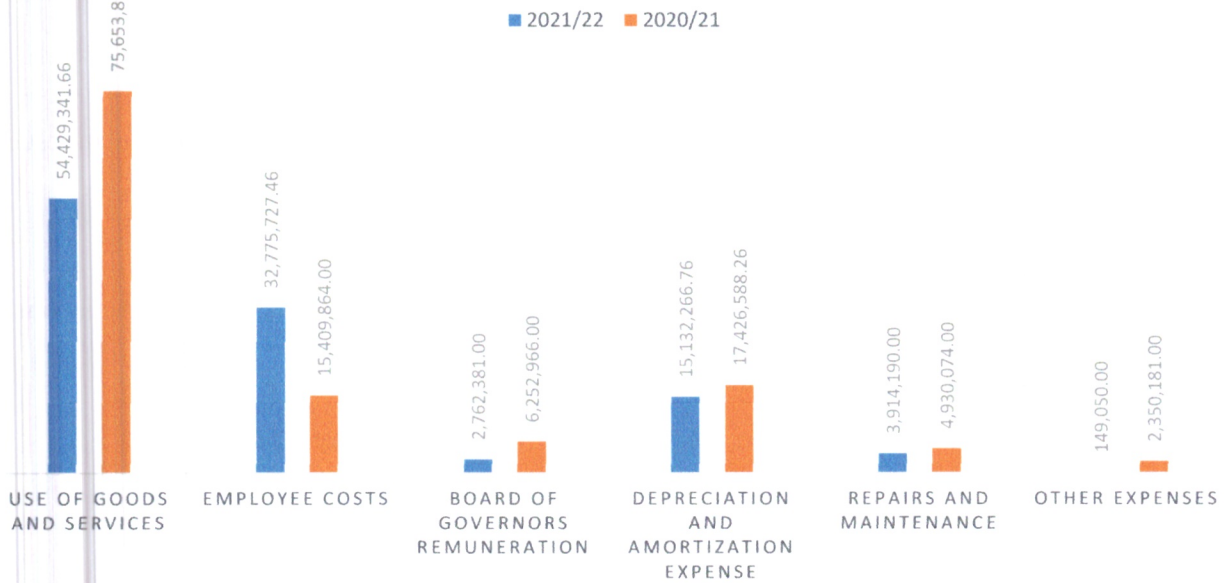
Below are the graphs and pie chart analysis the revenue and expenses of the institution.

Income Analysis

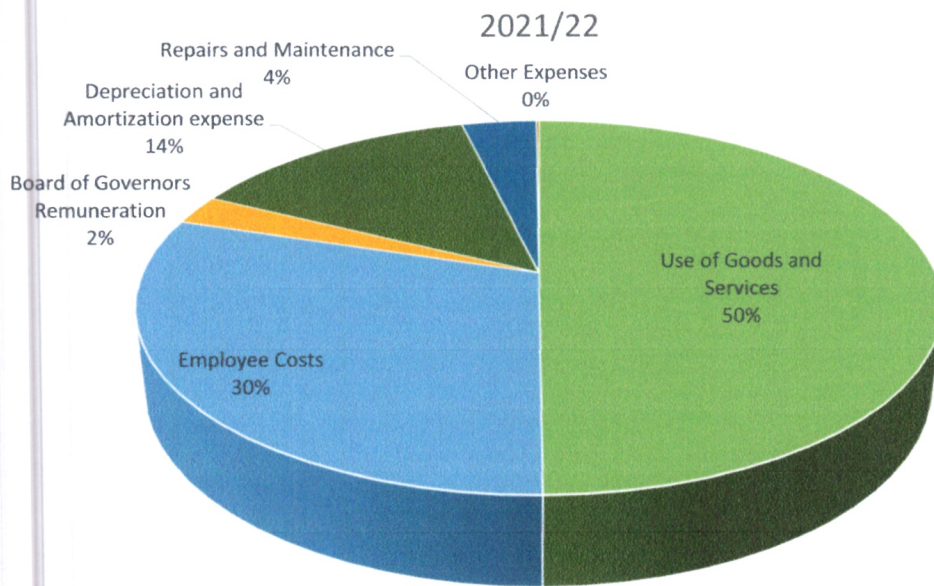


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EXPENSE ANALYSIS



The contribution of each expense as a percentage of total expense is as shown below.



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Bondo Technical Training compliance with statutory requirements

Bondo Technical training institute complies to deduction and remittance of statutory deductions such as HELB, NHIF, NSSF, and PAYE.

Major risks facing the organization.

The institutes' major risks are mainly related to its core business which is training and human resource development. Some of the identified risks include;

- 1) Inadequate student accommodation and support facilities.
- 2) Delayed disbursement of student capitation and HELB grants
- 3) High staff cost for BOG trainers, due to high ratio of BOG to PSC trainers placed in the institution.

Key projects and investments decisions

The projects under consideration in the FY2021/22 are summarized in **Appendix II**.

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IX. Environmental And Sustainability Reporting Statement

Bondo Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy; putting the customer/citizen first, delivering relevant goods and services and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1. Sustainability strategy and profile-

The triple Bottom line concepts analyse the sustainability of an organization based on the three concepts: Profits, people (social) and Planet (environment).

Profit: The institute, has adopted a transformation strategy aimed at ensuring the she remains financially sound in the face of dwindling funding from the central government. The institutions have expanded its capacity for internally generated like production of sanitizers and masks.

Social: The institute has developed the succession management policy to address the welfare of the employees in the future and ensure that the institution is sustainable in future.

Environment. The board of governance has plans to undertake an environmental sustainability that will be identified during the audit.

2. Employee welfare.

At Bondo Technical training institute, we value our employees and our many stakeholders, including the wider community where the training of the students has the potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through the community consultation process.

We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviours of good corporate governance, ethical decision making and providing our personnel with opportunities to develop and excel. We integrate the principles of social responsibility into our training activities externally by minimizing our environmental impact and seeking to enhance the amenity of residential communities.

Activity

Better training optimizing training operations to meet ongoing social sustainability objectives.

Providing opportunities for us to grow as an Institute by becoming involved in our local community.

Enhanced community focusing on good urban design and empowered members for healthy, happy and resilient community.

Supported promoting initiatives that support staff and their families, beyond provision of staff employment
Promoting initiatives that recognize the contribution of the community

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Policies guiding hiring process

The following are the Bondo Technical Training Institute Board Policies that guide hiring process.

S/no	Title	Review Period	Remarks
1	Career Progression	Regularly	Vacant position are filled competitively both internally and externally This largely depend on availability of funds
2	Human Resource Manual	Regularly	Terms and conditions of service governing employees are applied across the board without discrimination
3	Internship policy and guidelines	Regularly	Intern positions are filled competitively and without discrimination
4	Gender Mainstreaming	Regularly	Bondo TTI observes equal employment opportunities during staff recruitment across all genders
5	Disability Mainstreaming	Regularly	The institute offers equal employment opportunities to officers living with disability The institute also offers rights and privileges as provided in the PWDs Act and Board employment policies.

3. Responsible Supply Chain and Supplier relations

The institute has maintained good business practice by complying with the government policy and section 227 of the Constitution of Kenya.

All procurement activities have continuously been carried out where supply Chain ensured that there are sufficient funds to meet the obligation of the resulting contract and reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure.

The organization has maintained and continuously updated list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs. Bondo Technical Training Institute has all –time ensured responsible treatment of the suppliers in various ways as featured below.

- i. Ensuring proper communication channel e.g Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers
- ii. Providing customer support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- iii. When doing procurement planning the institute has complied with preference and reservation requirement.
- iv. Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the suppliers with the suppliers and also avoiding of penalties that may arise from the delayed payment.
- v. Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

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X. Report of the Board of Governors

The term of the Board Members had expired in October 5th 2021, unfortunately, no replacement has taken place yet. Therefore, this role was carried out by the Internal management of the Institute. The management do hereby submit their report together with the Financial Statements for the period ended June 30th, 2022 which show the state of Bondo Technical Training Institute affairs.

Principal Activities

The principal Activities of Bondo TTI are training and development of human resource in various fields

Board of governance

The members of the Board of Directors who served during the year are shown on page vi and page vii.

During the year the term of our second Board expired and new members were appointed with effect from 17th March 2022.

Auditors

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

By Order of the Board.



Mr. Luke Sawanda K'Odera.

Secretary of the Board.

Bondo.

Date:



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XI. Statement Of Board Of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - require the board members to prepare financial statements in respect of Bondo TTI, which give a true and fair view of the state of affairs of Bondo TTI at the end of the financial year and the operating results of Bondo TTI for the FY 2021/22. The Board of Governors are also required to ensure that Bondo TTI keeps proper accounting records which disclose with reasonable accuracy the financial position of Bondo TTI. The Board of Governor are also responsible for safeguarding the assets of Bondo TTI.

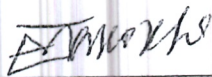
The Board of Governors are responsible for the preparation and presentation of Bondo TTI's financial statements, which give a true and fair view of the state of affairs of Bondo TTI or and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining adequate 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 Bondo TTI; (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 Bondo TTI; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The management accept responsibility for Bondo TTI's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in partial conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013. The Board of Governors are of the opinion that Bondo TTI's financial statements give a true and fair view of the state of Bondo TTI's transactions during the financial year ended June 30, 2022, and of Bondo TTI financial position as at that date. The management further confirm the completeness of the accounting records maintained for Bondo TTI, which have been relied upon in the preparation of Bondo TTI's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Bondo TTI financial statements were approved by the Board onand signed on its behalf by:

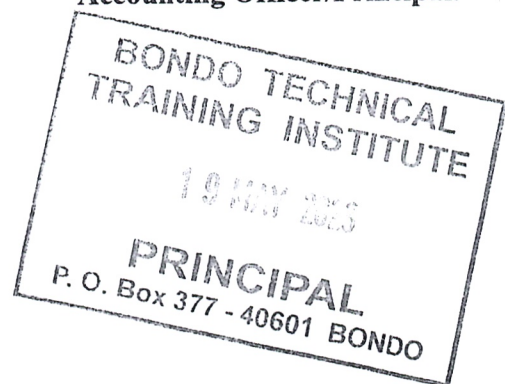


Prof. Enose Makokha Wambulwa Simatwa.
Chairperson of the Board.



Mr. Luke Sawanda K'Odera.
Accounting Officer/Principal.

xxx



REPUBLIC OF KENYA



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON BONDO TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2022

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 the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 Bondo Technical Training Institute set out on pages 1 to 34, which comprise of the statement of financial position as at 30 June, 2022, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all

the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Bondo Technical Training Institute as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Unsupported Use of Goods and Services

The statement of financial performance and Note 10 to the financial statements reflects expenditure of Kshs.54,429,342 in respect of use of goods and services. Review of records revealed the ledgers or support schedules omitted critical details in respect of suppliers paid and/or the reason of payment. In addition, the expenditure included Kshs.9,032,405 in relation to meal expenses whose supporting schedules in the form of student registers did not have signatures of the individual students to whom meals were provided.

In the circumstances, the accuracy and completeness of expenditure on the use of goods and services of Kshs.54,429,342 could not be confirmed.

2. Unsupported Adjustments to Cash and Cash Equivalents Balance

The statement of financial position and Note 16 to the financial statements reflects cash and cash equivalents balance of Kshs.78,461,073 which includes current accounts balance of Kshs.78,426,923. However, the bank reconciliation statements of the five (5) current bank accounts reflect unsupported adjustments to the cashbook as detailed in the table below:

Cashbook Details (Account)	Opening Balance Adjustment (Kshs.)
Equity Fee collection Account	(113,932,905.89)
Equity-Operations Account	7,969,773.00
Cooperative Bank-Development Account	(5,000,000.00)
KCB-Savings Account	(4,798,645.00)
KCB-Production Unit Account	184,236.70

In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs.78,461,073 could not be confirmed.

3. Unaccounted for Other Exchange Debtors

The statement of financial position and Note 17 to the financial statements reflects a balance of Kshs.117,306,891 in respect of current portion of receivables from exchange transactions. As previously reported, the balance includes a balance of Kshs.53,171,150 in respect of other exchange debtors (unaccounted for cash withdrawals). Although Management explained that the balance related to fraudulent withdrawals by a member of staff, no evidence was provided to support any recovery efforts by the Institute from the staff member.

In the circumstances, the accuracy and recoverability of other exchange debtors (unaccounted for cash withdrawals) balance of Kshs.53,171,150 could not be confirmed.

4. Unsupported Prior Year Adjustments

The statement of financial position reflects an accumulated surplus balance of Kshs.116,436,081. The statement of changes in net assets indicated that this balance included a prior year adjustment debit balance of Kshs.25,016,623. In addition, the amount includes an adjustment of Kshs.24,576,090 in respect of student debtors whose detailed analysis and supporting documents for the adjustment per student debtor account amounting to Kshs.24,576,090 were not provided.

In the circumstances, the accuracy and completeness of the prior year adjustment amount of Kshs.25,016,623 could not be confirmed.

5. Accuracy of the Statement of Cash Flows

The statement of cash flows reflects amounts of Kshs.22,295,244, Kshs.19,974,272 and Kshs.15,392,420 in respect of decrease in accounts receivables, increase in other payables and purchase of property, plant and equipment and intangible assets respectively. However, the statement of financial position reflects movements of Kshs.43,786,268, Kshs.22,659,915 and Kshs.19,647,873 respectively relating to the items thus resulting in unexplained variances of Kshs.21,491,024, Kshs.2,685,643 and Kshs.4,255,453 respectively.

In the circumstances, the accuracy of the statement of cash flows could not be confirmed. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bondo Technical Training Institute 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 actual receipts of Kshs.125,949,032 against budgeted receipts of Kshs.221,464,400 resulting in a shortfall of Kshs.95,515,368 or 43% of the budgeted receipts. Similarly, the Institute's actual expenditure for the year amounted to Kshs.109,162,957 against budgeted expenditure of Kshs.221,464,400 resulting in an overall under absorption of Kshs.112,301,443 or 51% of the budget.

The under collection and under absorption affected the planned activities of the Institute and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Audit Matters

In the audit report of the previous year, a number of issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given explanations for failure to do so.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Law on Ethnic Composition

Review of records revealed that the total number of employees of the Institute was eighty-nine (89) out of which eighty (80) or 90 % were from the dominant community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community.

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

2. Non- Gazettement of Board of Governors

The Cabinet Secretary for Education appointed nine (9) persons to the Board Governors of the Institute for a period of three (3) years through individual appointment letters. However, the Gazette notices for the appointment of the Board Members were not provided for audit review. This is contrary to Section 8 (13) of the Technical and Vocational Education and Training Act, 2013 which states that all appointments under this section shall be by notice in the Gazette.

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

3. Delay in Completion of Classrooms and Workshops at Nyando Technical and Vocational College

Review of documents revealed that, a contract for the construction of classrooms and workshops at Nyando Technical and Vocational College was awarded to a contractor on 15 May, 2019 for a contract sum of Kshs.58,005,575 with a duration of 52 weeks and was expected to have been completed on 16 July, 2020. However, according to the status report dated 25 July, 2022 the general progress of works was at 76% completion while the total funds spent on the project as at 30 June, 2022 was Kshs.38,006,187 or 66% of the contract sum.

In the circumstances, the public may not get value for money from the project due to the continued delay in its completion.

4. Delay in Completion of Construction of Applied Science Complex

Review of records indicated that the construction of the applied science complex commenced in May 2018 for a duration of 32 weeks and was to be completed by February, 2019, at a cost of Kshs.27,423,618 but stalled in July, 2019. Physical verification of the project carried out in March, 2023 revealed that the science complex was at 95% completion, four years after the expected completion date and was therefore significantly behind schedule.

In the circumstances, the public may not get value for money from the project due to the continued delay in its completion.

5. Irregular Procurement of Assets

Review of records revealed that during the year, some assets including canopy shed, library shelves at and circulation desk at a cost of Kshs.300,000, Kshs.410,000 and Kshs.138,300 respectively, were procured but had not been included in the procurement plan/budget. This is contrary to the Section 53(1) and (2) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall prepare an annual procurement plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process.

Further, Management did not avail for audit review an assets' register supporting the reported value of assets contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which states that an Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In addition, the Institute's assets were not tagged or serialized for ease of identification contrary to Regulation 139(1)(a) of that states that an Accounting Officer of a National Government entity shall take full responsibility and ensure that proper control systems exist for assets and that - preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse.

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

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 procedures performed, except for the matters described in the Basis for Conclusions on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Weaknesses in Collection of Student Debtors

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.117,306,891 which as disclosed in Note 17 to the financial statements includes student debtors amounting to Kshs.75,775,441. Included in the balance are long outstanding student debts amounting to Kshs.27,797,005 which have been outstanding for more than one (1) year.

In the circumstances, the effectiveness of internal controls on collection of debtors and the recoverability of student debtors amounting to Kshs.75,775,441 could not be confirmed.

2. Weaknesses in the Financial Management System

Review of records revealed that the Institute has a financial management system in place which is used to record the all financial transactions. However, during the year under review, the financial management system did not generate the financial statements of the Institute. Instead, Management had to use manual interventions to prepare the financial statements which are prone to errors and misstatements.

In the circumstances, the effectiveness of the financial management system 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 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 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 Institute'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 Institute 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 Institute'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

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 controls 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 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 controls 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 controls 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 Institute'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 Institute'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 Institute to cease to continue to sustain 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 Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 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

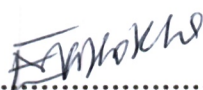
14 July, 2023

Bondo Technical Training Institute - TVET
Annual Report and Financial Statements for the year ended 30th June 2022

XIII. Statement of Financial Performance for the year ended 30th June 2022.

Description	Notes	2021/2022 Kshs	2020/2021 Kshs
Revenue from Non-Exchange Transactions			
Transfers from the National Government-grants/NG-CDF	6	28,980,000.00	42,480,000.00
Public Contributions and Donations	7	662,801.00	-
Sub Total		29,642,801.00	42,480,000.00
Revenue from Exchange Transactions			
Rendering of Services- Fees from Students	8	93,128,107.00	134,211,693.40
Other Incomes	9	3,178,123.87	1,487,889.00
Sub Total		96,306,230.87	135,699,582.40
Total Revenue		125,949,031.87	178,179,582.40
Expenses			
Use of Goods and Services	10	54,429,341.66	75,653,815.90
Employee Costs	11	32,775,727.46	15,409,864.00
Board of Governors Remuneration	12	2,762,381.00	6,252,966.00
Depreciation and Amortization expense	13	15,132,266.76	17,426,588.26
Repairs and Maintenance	14	3,914,190.00	4,930,074.00
Other Expenses	15	149,050.00	2,350,181.00
Total Expenses		109,162,956.88	122,023,489.16
Net Surplus for the year		16,786,074.99	56,156,093.24


Pages 8 to 30 form an integral part of the Annual Financial Statements.



Chairman of the Board

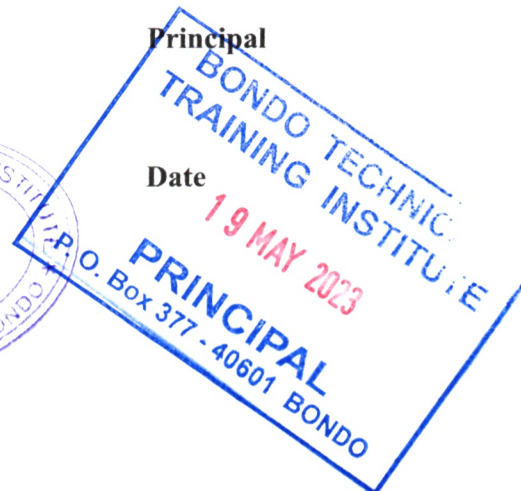


Finance Officer



Principal

Date




Bondo Technical Training Institute - TVET
Annual Report and Financial Statements for the year ended 30th June 2022

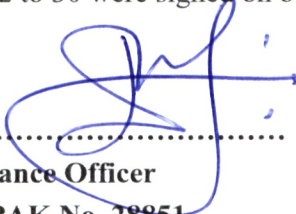
XIV. Statement of Financial Position as at 30th June 2022.

Description	Notes	2021/2022	2020/2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	16	78,461,073.48	45,820,589.47
Current portion of receivables from exchange transactions	17	117,306,891.30	161,093,159.00
Inventories	18	4,701,599.20	2,406,726.00
Total Current Assets		200,469,563.98	209,320,474.47
Non-Current Assets			
Property, Plant and Equipment	19	490,676,185.02	485,782,578.58
Intangible Asset	20	618,000.00	996,000.00
Total Non-Current Assets		491,294,185.02	486,778,578.58
Total Assets		691,763,749.00	696,099,053.05
Liabilities			
Current Liabilities			
Trade and other payable from Exchange transactions	21	62,862,304.78	40,202,389.91
Refundable deposits from customers	22	1,416,700.00	568,300.00
Provisions and Accruals	23	5,299,500.00	20,083,940.90
Deferred Income	24	-	4,828,630.00
Total Current Liabilities		69,578,504.78	65,683,260.81
Total Liabilities		69,578,504.78	65,683,260.81
Total Net Assets		622,185,244.23	630,415,792.24
Reserves			
Accumulated Surplus		116,436,081.23	124,666,629.24
Capital Fund		505,749,163.00	505,749,163.00
Total Net Assets and Liabilities		691,763,749.00	696,099,053.05

The Financial Statements set out on pages 2 to 30 were signed on behalf of the Board of Governors by:



Chairman of the Board



Finance Officer
 ICPAK No. 28851



Principal

Date

Date

 19 MAY 2023

Date

 19 MAY 2023
 PRINCIPAL
 P.O. Box 377 - 40601 BONDO

Bondo Technical Training Institute - TVET
Annual Report and Financial Statements for the year ended 30th June 2022

XV. Statement of Changes in Net Asset for the year ended 30th June 2022.

Description	Revaluation Reserve	Fair value	Retained Earnings	Capital/	Total
		adjustment reserve		Development Grants/Fund	
At July 1, 2020	-	-	49,007,185.00	505,749,163.00	554,756,348.00
Prior Year Adjustment			19,503,351.00		19,503,351.00
Surplus for the year			56,156,093.24		56,156,093.24
At June 30, 2021	-	-	124,666,629.24	505,749,163.00	630,415,792.24
At July 1, 2021	-	-	124,666,629.24	505,749,163.00	630,415,792.24
Prior Year Adjustment			(25,016,623.00)		(25,016,623.00)
Surplus for the year			16,786,074.99		16,786,074.99
At June 30, 2022	-	-	116,436,081.23	505,749,163.00	622,185,244.23

Note:

The negative deviation of **Ksh. 25,016,623.00** charged on the value of Accumulated Surplus was as a result of the following.


1. Work In Progress(WIP) had been overstated by **Ksh. 251,831.00** (relating to **3% withholding tax** on 3rd and 4th Certificates of Applied Science Complex). This amount was therefore Credited in WIP Account and debited in Accumulated Surplus account.
2. Student Debtors account had been overstated by **Ksh. 24,576,090.00** in the prior year. This amount was therefore, debited in Accumulated Surplus account and credited in Student Debtors account.
3. Caution Money had been understated by **Ksh. 571,100.00** in the prior year. This amount was therefore, debited in Accumulated Surplus account and credited in Caution Money account.
4. Student Prepayments account had been understated by **Ksh. 382,398.00** This amount was therefore debited in Student Creditors account and credited in Accumulated Surplus account.

Bondo Technical Training Institute - TVET
Annual Report and Financial Statements for the year ended 30th June 2022

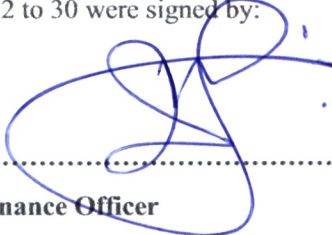
XVI. Statement of Cash Flows for the year ended 30th June 2022.

Description	2021/2022	2020/2021
	Kshs	Kshs
Cashflows from Operating Activities		
Receipts		
Transfers from other Government entities/Govt. Grants	28,980,000.00	54,837,500.00
Rendering of Services- Fees from Students	77,068,634.00	28,830,100.40
Other Incomes	102,907.00	292,330.00
Decrease in Accounts receivables	22,295,244.00	300,000.00
Increase in other payables	19,974,272.00	25,000,000.00
Total Receipts	148,421,057.00	109,259,930.40
Payments		
Use of Goods and Services	51,556,414.03	20,536,929.00
Compensation of Employees	32,523,009.96	10,691,822.00
Other Payments	6,146,929.00	81,233,987.00
Decrease in Accounts payables	6,241,800.00	-
Transfer of Capitation Amount to Ugunja TVC	3,920,000.00	8,437,500.00
Total Payments	100,388,152.99	120,900,238.00
Net Cashflows Generated from/(Used) in Operating Activities	48,032,904.01	(11,640,307.60)
Cashflows from Investing Activities		
Purchase of Property, Plant, Equipment and Intangible Assets	(15,392,420.00)	(26,444,566.00)
Net Cashflows used in investing Activities	(15,392,420.00)	(26,444,566.00)
Net Increase/(Decrease) in cash and cash equivalents	32,640,484.01	(38,084,872.53)
Cash and cash equivalents as at July 1, 2021	45,820,589.47	83,905,462.00
Cash and cash equivalents as at June 30, 2022	78,461,073.48	45,820,589.47

The Financial Statements set out on pages 2 to 30 were signed by:



Chairman of the Board



Finance Officer
 ICPAK No. 28851.



Principal

Date

Date

Date



Bondo Technical Training Institute - TVET
Annual Report and Financial Statements for the year ended 30th June 2022

XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30th June 2022.

DESCRIPTION	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other govt entities and govt grants	75,000,000.00	-	75,000,000.00	28,980,000.00	(46,020,000.00)	-61%
Rendering of services- Fees from students	137,690,667.00	8,773,733.00	146,464,400.00	93,128,107.00	(53,336,293.00)	-36%
Public Contributions and Donations	-	-	-	662,801.00	662,801.00	
Other Income	-	-	-	3,178,123.87	3,178,123.87	
Total Income	212,690,667.00	8,773,733.00	221,464,400.00	125,949,031.87	(95,515,368.13)	
Expenses						
Compensation of employees	27,850,000.00	9,729,600.00	37,579,600.00	32,775,727.46	(4,803,872.54)	-13%
Use of Goods and services	166,975,059.00	(597,759.00)	166,377,300.00	54,429,341.66	(111,947,958.34)	-67%
Remuneration of directors	7,800,000.00	(1,112,500.00)	6,687,500.00	2,762,381.00	(3,925,119.00)	-59%
Depreciation and Amortization expense	-	-	-	15,132,266.76	15,132,266.76	
Repairs and Maintenance	10,065,608.00	754,392.00	10,820,000.00	3,914,190.00	(6,905,810.00)	-64%
General Expenses	-	-	-	149,050.00	149,050.00	
Total Expenditure	212,690,667.00	8,773,733.00	221,464,400.00	109,162,956.88	(112,301,443.12)	
Surplus For the Period	-	-	-	16,786,074.99	16,786,074.99	

Notes:

- i. Capitation income was projected at Ksh. 75m while only Ksh. 28.9m was received from the Government as detailed in **note 6**. In Quarter 1 and 2, a total of 1,040 trainees realized their capitation while 1,005 trainees did not. No amount of capitation was received in quarter 4 during the year. The number of trainers during the year was projected at 3,190 and the Institution realised 2,288 trainees.
- ii. Other Income is comprised of Ksh. 3,075,216.87 which is the value of a reduction in provision for bad/doubtful debts during the year.
- iii. Compensation of employees was projected at Ksh. 37.5M which also included **staff motivation and pension schemes** that were never utilised during the year.
- iv. Use of goods was projected at Ksh. 166m while only Ksh. 54m was incurred, this is because much of the projected income was never received during the year. A significant portion of the income received during the year was realized towards the end of the period. This also affected Repairs and maintenance budget/actual figure in the same direction.
- v. Remuneration of directors was projected at Ksh. 6.7m while only Ksh. 2.8m was spent, this is because the second board expired on 5th October 2021 and the appointment of the third board happened on 17th March 2022.

XVIII. Notes to the Financial Statements

1. General Information

Bondo Technical Training Institute is established by and derives its authority and accountability from TVET Act 2013. Bondo TTI is wholly owned by the Government of Kenya and is domiciled in Kenya. Bondo TTI's principal activity is to offer technical skills and knowledge.

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 Bondo TTI'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 **Note 5**

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Bondo TTI.

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.

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 30th June 2022.**

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.

- ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30th June 2022.**

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 an Bondo TTI’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 an Bondo TTI’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>(There is no impact of the standard to Bondo TTI)</p>

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Standard	Effective date and impact:
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 Bondo TTI 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"> (a) The nature of such social benefits provided by Bondo TTI; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on Bondo TTI's financial performance, financial position and cash flows. <p>(There is no impact of the standard to Bondo TTI.)</p>
Amendments to other IPSAS resulting from IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023;</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the component 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 guarantee contracts which were inadvertently omitted when IPSASA 41 was issued. <p>Amendments to IPSAS, 33, to update the guidance on classifying financing instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>(There is no impact of the standard to Bondo TTI.)</p>
Other improvements to IPSAS	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • IPSAS 39: Employee Benefits <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p>(There is no impact of the standard to Bondo TTI.)</p>

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Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Bondo TTI.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>(There is no impact of the standard to Bondo TTI.)</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>(There is no impact of the standard to Bondo TTI.)</p>

iii. Early adoption of standards

Bondo Technical Training Institute did not early – adopt any new or amended standards in year ended **30th June 2022.**

4 Summary Of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to Bondo TTI 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

Bondo TTI 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 potentially associated with the transaction will flow to Bondo TTI.

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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or Bondo TTI's right to receive payments is established.

4. Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

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 2021/2022 was approved by the Council or Board on **28th January 2021**. 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 Bondo TTI upon receiving the respective approvals in order to conclude the final budget. Accordingly, Bondo TTI recorded additional appropriations of **Ksh. 8,773,733.00** on the FY 2021/2022 budget following the Board's approval.

Bondo TTI'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 a cash basis. 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.

c) Taxes

Current income tax

Bondo Technical Training Institute is exempt from paying taxes as per **Cap 470** of the ***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.

Notes to the Financial Statements (Continued)

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 5 years.

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 of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, Bondo TTI 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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to Bondo TTI. 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. Bondo TTI 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 so as 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 Bondo TTI will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets like the ERP System is estimated at five years.

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Bondo TTI determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when Bondo TTI has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

Bondo TTI assesses at each reporting date whether there is objective evidence that a financial asset or an Bondo TTI of financial assets is impaired. A financial asset or an Bondo TTI of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as

a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or Bondo TTI of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an Bondo TTI of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. Bondo TTI determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

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.

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 Bondo TTI.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

k) Provisions

Provisions are recognized when Bondo TTI 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 Bondo TTI 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

Bondo TTI 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

Bondo TTI 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 Bondo TTI 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) Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

n) Employee benefits

Retirement benefit plans

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

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

o) Foreign currency transactions

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

p) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

q) Related parties

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

r) Service concession arrangements

Bondo TTI 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, Bondo TTI 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, Bondo TTI also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

s) Cash and cash equivalents

Cash and cash equivalents comprise cash at 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, 2022.

Notes to the Financial Statements (Continued)

5 Significant Judgments and Sources of Estimation Uncertainty

The preparation of Bondo TTI'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. Bondo TTI 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 Bondo TTI. 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 Bondo TTI
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 23.

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

The management estimates provisions for bad/doubtful debts at the rate of 10% of the total carrying value of accounts receivables during the year.

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6 Transfers from other National Government entities

Description	2021/2022 Kshs	2020/2021 Kshs
Unconditional Grant		
Capitation Grants	28,980,000.00	42,480,000.00
Total Government Grants and Subsidies	28,980,000.00	42,480,000.00

(a) Transfers from other Government entities - Capitation

Name Of Bondo TTI Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund. Kshs	Total grant income during the year Kshs	2020-2021 Kshs
State Department of Technical and vocational Training	28,980,000.00	0	0	28,980,000.00	42,480,000.00
Total	28,980,000.00	-	-	28,980,000.00	42,480,000.00

Note: Capitation amount above was realized as follows.

- On 30th November 2021 received Ksh. 7,800,000.00
- On 14th March 2022 received Ksh. 7,800,000.00
- On 7th June 2022 received Ksh. 13,380,000.00

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7 Public Contributions and Donations

Description	2021/2022	2020/2021
	Kshs	Kshs
Donations from Young Africa Works (CiCan)	662,801.00	-
Total Other Incomes	662,801.00	-

During the year the College partnered with CiCan (Young Africa Works – TVET Kenya) which donated to the Institute Computers costing Ksh. 662,801.00

8 Rendering of services.

Description	2021/2022	2020/2021
	Kshs	Kshs
Tuition Fees	21,064,727.17	50,034,700.64
Activity fees	3,159,414.29	5,411,958.55
Examination Fees	12,702,344.74	2,498,510.00
Registration Fees	94,500.00	528,840.54
Personal Emoluments Income	7,256,399.73	16,533,236.01
Electricity Water and Internet Income	3,998,195.29	5,411,958.55
Local Transport and Travel Income	2,508,895.76	11,319,517.70
Repairs and Maintenance Income	7,898,535.73	10,814,005.09
Attachment (Medical & Insurance) Income	3,949,267.86	5,411,958.55
Production Unit Income	2,578,760.00	1,982,402.40
Administrative cost Income	19,059,017.10	24,264,605.37
Student Union Welfare	1,812,500.00	-
Meals and Accommodation Income	7,045,549.32	-
Total Revenue from The Rendering Of Services	93,128,107.00	134,211,693.40

9 Other Income

Description	2021/2022	2020/2021
	Kshs	Kshs
Other Incomes	3,178,123.87	1,487,889.00
Total Other Incomes	3,178,123.87	1,487,889.00

Other Income is comprised of **Ksh. 3,075,216.87** which is the value of a reduction in provision for bad/doubtful debts during the year. The other portion is gained from hiring of College Bus to other TTIs.

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10 Use Of Goods and Services

Description	2021/2022	2020/2021
	Kshs	Kshs
Electricity Bill Expense	1,005,706.15	985,533.00
Security Fees	955,867.00	929,052.00
Internet Bill Expense	1,000,890.13	780,151.00
Administrative cost	7,340,444.00	9,279,672.00
Insurance Expense	315,465.83	786,418.00
Tuition and SES	-	8,187,846.00
Production Unit	1,189,489.00	880,647.00
Performance contract	370,728.00	113,900.00
Meals Expense	9,032,405.00	8,994,900.00
Accommodation Expense	5,052,000.00	2,964,600.00
ISO Expense	-	98,200.00
Bank Charges	103,990.75	188,991.00
Attachment and Medical Expense	2,634,100.80	1,266,715.00
Professional Bodies Subscriptions	253,600.00	211,200.00
Audit Fees Expense	1,324,875.00	1,324,875.00
Bad/Doubtful debts Expense	-	16,109,315.90
Professional and consultancy services	111,000.00	101,200.00
Student Union Expense	1,528,710.00	933,300.00
Examination Expense	16,636,721.00	14,487,365.00
Staff Training Expense	1,862,620.00	970,273.00
Tuition and Other Learning Materials	350,422.00	6,059,662.00
Water Bill Expense	16,660.00	-
Career Service Activities	48,894.00	-
Strategic Collaboration Activities	364,075.00	-
Research and Innovation Expense	467,641.00	-
Sporting Activities Expense	1,874,985.00	-
Marketing and Advertisement Expense	588,052.00	-
Total Goods and services	54,429,341.66	75,653,815.90

11 Employee Costs

Description	2021/2022	2020/2021
	Kshs	Kshs
Trainers' Salaries and Wages	14,398,823.88	-
Non-Trainers' Salaries and Wages	14,269,891.98	10,927,864.00
Travel, motor car, accommodation subsistence and other allowances	4,107,011.60	4,482,000.00
Total Employee costs	32,775,727.46	15,409,864.00

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12 Board of Governors Expense

Description	2021/2022	2020/2021
	Kshs	Kshs
Directors' Emoluments	2,547,960.00	6,252,966.00
Other BOG Expense	214,421.00	-
Total Directors' emoluments	2,762,381.00	6,252,966.00

Other BOG Expenses relate to meals served to the BOG members during meetings. During the year the Institute did not incur any cost in relation to Chairman's Honoraria.

13 Depreciation and Amortization expense

Description	2021/2022	2020/2021
	Kshs	Kshs
Property Plant and Equipment	14,754,266.76	17,128,588.26
Intangible assets	378,000.00	298,000.00
Total depreciation and amortization	15,132,266.76	17,426,588.26

Details of Depreciation Expense on Property Plant and Equipment is shown under **Note 19. PPE**.

14 Repairs and Maintenance

Description	2021/2022	2020/2021
	Kshs	Kshs
Property /Building Repairs	82,790.00	1,735,675.00
Equipment and Machinery and Computer accessories	682,626.00	282,200.00
Electricity Repairs	196,764.00	1,384,305.00
Vehicles	313,900.00	388,511.00
Furniture and Fittings	-	93,600.00
General Repair & Maintenance Expense	2,638,110.00	1,045,783.00
Total Repairs and Maintenance	3,914,190.00	4,930,074.00

15 Other Expense

Description	2021/2022	2020/2021
	Kshs	Kshs
COVID 19 Expense	149,050.00	2,350,181.00
	149,050.00	2,350,181.00

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16 Cash and Cash Equivalents

Description	2021/2022	2020/2021
	Kshs	Kshs
Current accounts	78,426,923.48	45,781,061.47
Petty Cash account	34,150.00	39,528.00
Total cash and cash equivalents	78,461,073.48	45,820,589.47

(a). Detailed Analysis of Cash and Cash equivalents

Description		2021/2022	2020/2021
Financial institution	Account number	Kshs	Kshs
a) Current account			
Equity - Fee Collection Account	750263777542	46,764,845.40	13,003,736.40
Equity - Operations Account	750263777515	10,681,961.98	20,907,536.47
Co-Operative Bank - Development Account	1141623975600	8,266,881.20	2,792,536.00
Co-operative Bank - Ugunja TVC	1141623975700	-	142,831.00
KCB - Saving Account	1182729274	8,586,505.60	7,858,603.60
KCB - Production Unit Account	1182250955	4,126,729.30	1,075,818.00
Sub- total		78,426,923.48	45,781,061.47
cash in hand		34,150.00	39,528.00
Grand total		78,461,073.48	45,820,589.47

17 Current portion of receivables from exchange transactions

Description	2021/2022	2020/2021
	Kshs	Kshs
Current receivables		
Student debtors	75,775,441.00	106,883,619.00
Other exchange debtors- un accounted for cash withdrawals	53,171,150.00	53,171,150.00
Other accounts receivables	1,337,355.00	1,038,390.00
Prepaid Motor Vehicle Insurance Exp	57,044.33	-
Less:		
Provision for Bad/Doubtful Debts (10% of Debt bal.)	(13,034,099.03)	-
Total current receivables	117,306,891.30	161,093,159.00

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18 Inventories

Description	2021/2022	2020/2021
	Kshs	Kshs
Consumable stores	1,828,958.00	1,478,767.00
Maintenance stores	183,296.00	7,840.00
Health Unit stores	222,192.20	90,693.00
Electrical stores	788,500.00	388,770.00
Building stores	468,926.00	72,540.00
ICT Department	26,400.00	-
Catering stores	566,019.00	-
Cleaning materials stores	617,308.00	368,116.00
Total inventories at the lower of cost and net realizable value	4,701,599.20	2,406,726.00

The items under this category have been detailed to show the various inventory accounts as per the new reporting template.

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19 Property, Plant and Equipment

Cost	Land and Buildings	Motor Vehicles	Furniture & Fittings	Computers	Plant and Equipment	Capital Work In Progress	Total
	2%	25%	13%	33%	13%		
	KShs	KShs	KShs.	KShs.	KShs	KShs.	KShs.
As at 1 July,2020	330,000,000.00	9,703,577.75	7,367,598.63	2,206,813.80	104,375,000.00	22,703,520.66	476,356,510.84
							-
Additions	2,165,604.00	-	1,325,200.00		454,000.00	22,609,852.00	26,554,656.00
							-
As at 30 June ,2021	332,165,604.00	9,703,577.75	8,692,798.63	2,206,813.80	104,829,000.00	45,313,372.66	502,911,166.84
							-
Depreciation And Impairment		2,425,894.44	920,949.83	734,869.00	13,046,875.00	-	17,128,588.26
							-
As at 30 Jun, 2021	-	2,425,894.44	920,949.83	734,869.00	13,046,875.00	-	17,128,588.26
							-
Net Book Values							-
As at 30 Jun, 2021	332,165,604.00	7,277,683.31	7,771,848.80	1,471,944.80	91,782,125.00	45,313,372.66	485,782,578.58
							-
As at 1 July,2021	332,165,604.00	7,277,683.31	7,771,848.80	1,471,944.80	91,782,125.00	45,313,372.66	485,782,578.58
							-
Additions	-	-	2,012,048.00	1,800,802.00	-	15,835,023.20	19,647,873.20
							-
As at 30 June ,2022	332,165,604.00	7,277,683.31	9,783,896.80	3,272,746.80	91,782,125.00	61,148,395.86	505,430,451.78
							-
Depreciation And Impairment		(1,819,420.83)	(971,481.10)	(490,599.20)	(11,472,765.63)	-	(14,754,266.76)
							-
As at 30 Jun, 2022	-	(1,819,420.83)	(971,481.10)	(490,599.20)	(11,472,765.63)	-	(14,754,266.76)
							-
Net Book Values							-
As at 30 Jun, 2022	332,165,604.00	5,458,262.48	8,812,415.70	2,782,147.60	80,309,359.38	61,148,395.86	490,676,185.02
							-
As at 1 July,2022	332,165,604.00	5,458,262.48	8,812,415.70	2,782,147.60	80,309,359.38	61,148,395.86	490,676,185.02

Work in progress has increased by the work done in relation to Construction of Nyando TVC less the overstatement of WIP in the prior year amounting to Ksh. 251,831.00

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Notes to the Financial Statements (Continued)

Valuation

Bondo TTI is yet to carry out valuation on its assets as per the National Treasury guidelines in lined with the National Liabilities and Management Policy and guidelines (Issued June 2020).

19.b) Property, Plant and Equipment at Cost

If land, buildings and other assets were stated on the historical cost basis the amounts would be as follows: The value of Buildings shall be depreciated once the valuation report is out to separate its value from that of Land.

Description	Cost	Accumulated Depreciation	NBV
Land & Buildings	332,165,604.00	-	332,165,604.00
Motor Vehicles	13,513,113.00	8,054,850.52	5,458,262.48
Furniture & Fittings	12,522,811.00	3,710,395.30	8,812,415.70
Computers	6,852,202.00	4,070,054.40	2,782,147.60
Plant And Machinery	167,454,000.00	87,144,640.63	80,309,359.38
Work In Progress	61,148,395.86	-	61,148,395.86
Total	593,656,125.86	102,979,940.84	490,676,185.02

20 Intangible Assets

Description	2021/2022	2020/2021
	Kshs	Kshs
Cost		
At beginning of the year	1,890,000.00	1,490,000.00
Accumulated Amortization cost	(894,000.00)	(596,000.00)
NBV at beginning of the year	996,000.00	894,000.00
Additions during the year	-	400,000.00
At end of the year	996,000.00	1,294,000.00
Amortization and impairment expense	(378,000.00)	(298,000.00)
NBV at end of the year	618,000.00	996,000.00

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21 Trade and Other Payables from Exchange transactions

Description	2021/2022	2020/2021
	Kshs	Kshs
Trade payables	7,158,877.08	8,765,206.91
Ugunja TVC - Capitation amount	-	3,920,000.00
Student Fees Paid in advance	3,846,615.00	-
Other payables	6,882,540.70	2,374,352.00
Funds held on behalf of Nyando TVC	44,974,272.00	25,000,000.00
Funds held on behalf of Ugunja TVC	-	142,831.00
Total trade and other payables	62,862,304.78	40,202,389.91

Trade payable balance relate to the total pending bills owed to suppliers. While, Other Payables relate to 10% retention amount owed to the Contractors of; Applied Science Complex and Nyando TVC Projects, (Ksh. 6,114,835.20) plus Ksh. 767,705.50 which relates to other pending bills as at end of the year.

Student Fees Paid in advance relate to tuition fee overpayments made by our trainees expected to be utilized in the subsequent year.

Funds held on behalf of Nyando TVC relate to the total amount Bondo TTI has so far received from the Ministry meant for Construction of Nyando TVC. The expenditure out of this amount has been booked under Work In Progress account which shall be netted off against this account's balance once the project is complete.

22 Refundable Deposits from Customers/Students

Description	2021/2022	2020/2021
	Kshs	Kshs
Caution money	1,416,700.00	568,300.00
Total deposits	1,416,700.00	568,300.00

23 Current Provisions

Provisions and Accruals

Description	2021/2022	2020/2021
	Kshs	Kshs
Balance at the beginning of the year	20,083,940.90	2,649,750.00
Additional Provisions- provision for audit fees	1,324,875.00	1,324,875.00
Provision for Bad and Doubtful Debts	(16,109,315.90)	16,109,315.90
Total provisions	5,299,500.00	20,083,940.90

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24 Deferred Income

Description	2021/2022	2020/2021
	Kshs	Kshs
Pre-Payments	-	4,828,630.00
Total provisions	-	4,828,630.00

25 Cash generated from operations

Description	2021/2022	2020/2021
	Kshs	Kshs
Surplus for the year	16,786,074.99	56,156,093.24
Adjusted for:		
Depreciation	15,132,266.76	17,426,588.26
Contributed assets (Received)	(662,801.00)	-
Reduction in Provision for Bad/Doubtful debts	(3,075,216.87)	16,109,315.90
Working Capital Adjustments		
(Increase)/Decrease in Inventory	(2,294,873.20)	69,908.00
(Increase)/Decrease in Receivables	43,786,267.70	(101,529,138.00)
Increase in Refundable deposits from customers	848,400.00	247,300.00
Increase in Payables	22,659,914.87	34,639,653.91
(Decrease)/Increase in Provisions and Accruals	(14,784,440.90)	17,434,190.90
Decrease in Deferred Income	(4,828,630.00)	(55,078,165.00)
Prior Year Adjustments	(25,534,058.33)	2,883,945.19
Net Cashflows generated from/(used) in Operating Activities	48,032,904.01	(11,640,307.60)

26 Financial Risk Management

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

(i) Credit risk

Bondo TTI 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

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are net of allowances for doubtful receivables, estimated by the Institute's Board of Governors based on prior experience and their assessment of the current economic environment. The Board of Governors estimated Bad/Doubtful debts at the rate of 10% of the total amount of accounts receivables.

The carrying amount of financial assets recorded in the financial statements representing the Institute's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Receivables from exchange transactions	161,093,159.00	107,922,009.00	53,171,150.00	-
Bank balances	45,820,589.47	45,820,589.47	-	-
Total	206,913,748.47	153,742,598.47	53,171,150.00	-
At 30 June 2022				
Receivables from exchange transactions	117,306,891.30	64,135,741.30	53,171,150.00	
Bank balances	78,461,073.48	78,461,073.48	-	
Total	195,767,964.78	142,596,814.78	53,171,150.00	-

Within the total amount of Receivables from exchange transactions of **Ksh. 117,306,891.30** is an amount relating to un-accounted for cash totalling to **Ksh. 53,171,150.00**

The Board of Governors is aware of this matter and is currently following up keenly to see a ruling made by the courts on it and if possible, to recover a significant amount if not all from the culprit(s).

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(ii) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	
Description				Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade Payables	-	5,472,823.00	3,292,383.91	8,765,206.91
Other Payables	-	104,000.00	2,270,352.00	2,374,352.00
Caution Money	-	-	568,300.00	568,300.00
Provision for Audit fees	-	-	3,974,625.00	3,974,625.00
Provision for Doubtful debts	-	-	16,109,315.90	16,109,315.90
Funds held on behalf of Nyando TVC	-	-	25,000,000.00	25,000,000.00
Student creditors: Non- NYS Students	-	4,828,630.00	-	4,828,630.00
Funds held on behalf of Ugunja TVC	-	-	142,831.00	142,831.00
Ugunja TVC - Capitation	-	3,920,000.00	-	3,920,000.00
Total	-	14,325,453.00	51,357,807.81	65,683,260.81
At 30 June 2022				
Trade Payables	7,832,667.36	(673,790.28)	-	7,158,877.08
Other Payables	-	4,071,205.70	2,811,335.00	6,882,540.70
Caution Money	-	-	1,416,700.00	1,416,700.00
Provision for Audit fees	-	1,324,875.00	3,974,625.00	5,299,500.00
Funds held on behalf of Nyando TVC	-	-	44,974,272.00	44,974,272.00
Student Creditors: Non- NYS Students	-	3,846,615.00	-	3,846,615.00
Total	7,832,667.36	8,568,905.42	53,176,932.00	69,578,504.78

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iii)Capital Risk Management

The objective of the Institute’s capital risk management is to safeguard the Institute’s ability to continue as a going concern. The Institute’s capital structure comprises of the following funds:

Description	2021-2022	2020-2021
	Kshs	Kshs
Revaluation Reserve	16,786,074.99	56,156,093.24
Retained Earnings	99,650,006.24	68,510,536.00
Capital Reserve	505,749,163.00	505,749,163.00
Total Funds	622,185,244.23	630,415,792.24
Less: Cash and Bank Balances	(78,461,073.48)	(45,820,589.47)
Net Debt/(Excess Cash and Cash Equivalents)	543,724,170.75	584,595,202.77
Gearing	87%	93%

27 Related Party Balances

Nature of related party relationships

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

- i) The National Government;
- ii) Ministry of Education;
- iii) Safaricom Ltd.
- iv) KPLC.
- v) Pride Kings Security.
- vi) SIBOWASCO
- vii) Principal’s Management Committee;
- viii) Board of Governors

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

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Purchases from related parties		
Purchases of electricity from - KPLC	1,005,706.15	985,533.00
Purchase of water from govt service providers - SIBOWASCO	16,660.00	0
Outsourced Security Services - Pride Kings Security Ltd	955,867.00	929,052.00
Outsourced Internet Provider - Safaricom	1,000,890.13	780,151.00
External Audit Services - OAG	1,324,875.00	1,324,875.00
Total	4,303,998.28	4,019,611.00
b) Grants /Transfers from the Government		
Grants from National Govt - Capitation	28,980,000.00	42,480,000.00
Total	28,980,000.00	42,480,000.00
c) Key Management Compensation		
Directors' emoluments	2,547,960.00	6,252,966.00
Total	2,547,960.00	6,252,966.00

28 Contingent Assets and Contingent Liabilities

Contingent Liabilities

Description	2021-2022	2020-2021
	Kshs	Kshs
Land under dispute - Bondo TTI vs Achola Ajwala (3.6 Hectares, an equivalent of 8.9 Acres)	3,400,000.00	3,400,000.00
Total	3,400,000.00	3,400,000.00

8.9 Acres of Land valued at Ksh. 3,400,000.00 is under dispute in Court. There is a high likelihood for the College to lose the case to one, Mrs. Achola Ajwala (The Defendant).

29 Events After The Reporting Period

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

30 Ultimate and Holding Bondo TTI

The Institute is a government Bondo TTI under the Ministry of Education. Its ultimate parent is the Government of Kenya.

31 Currency

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

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XIX. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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)
1.0	Accuracy of cash and cash equivalents. The management did not prepare bank reconciliation.	Bank reconciliations are now being done on a monthly basis.	Resolved	
2.0	Unsupported Inventory Balance Inventory balance remained constant.	Stock take for the FY 2021/2022 was done and the figures provided are adequately supported.	Resolved	
3.0	Ownership, Presentation and Variance of PPE. Separate disclosure of buildings from land. Asset register did not include values for land, buildings and plant and equipment's.	Valuation of Assets has been factored in the FY2022/2023 budget and plant.	Not resolved	30/6/2023
4.0	Procurement of students' accommodation Identification of suppliers was not done through the Public Procurement and Disposal Act 2015	Identification of the Suppliers has been done for students' accommodation from FY 2021/2022	Resolved	
5.0	Appointment of the Principal Appointment of the Principal done contrary to TVET Act Section 26(1) (a)(b)	The principal has transitioned from being the head of the institution.	Resolved	

Name: Mr. Luke Sawanda K'Odera.

Accounting Officer.

(Principal/BOG Secretary)

Date




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Appendix 2: Projects Implemented by (Bondo Technical Training Institute)

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)
Applied Science Complex	1	GOK		Taken over by Bondo TTI	No	Yes
Nyando TVC Construction	2	GOK		Good	No	Yes

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Applied Science Complex	27,423,618.00	22,703,520.00	79%	7,000,000.00	-	GOK/Bondo TTI
2	Nyando TVC	58,005,574.50	38,444,867.96	76%	30,000,000.00	12,061,381.00	GOK

