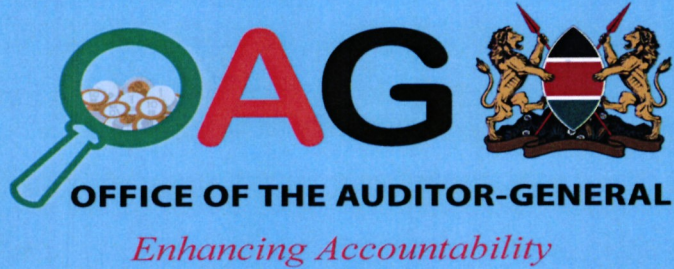


REPUBLIC OF KENYA



REPORT NATIONAL ASSEMBLY

DATE: 25 JUL 2023

DAY:

TUE

PARLIAMENT
OF KENYA
LIBRARY

TABLED
BY:

OF

CLERK-AT
THE-TABLE:

Deputy Majority Whip,
Hon. Naomi Wago, MP
Anne Shibuko

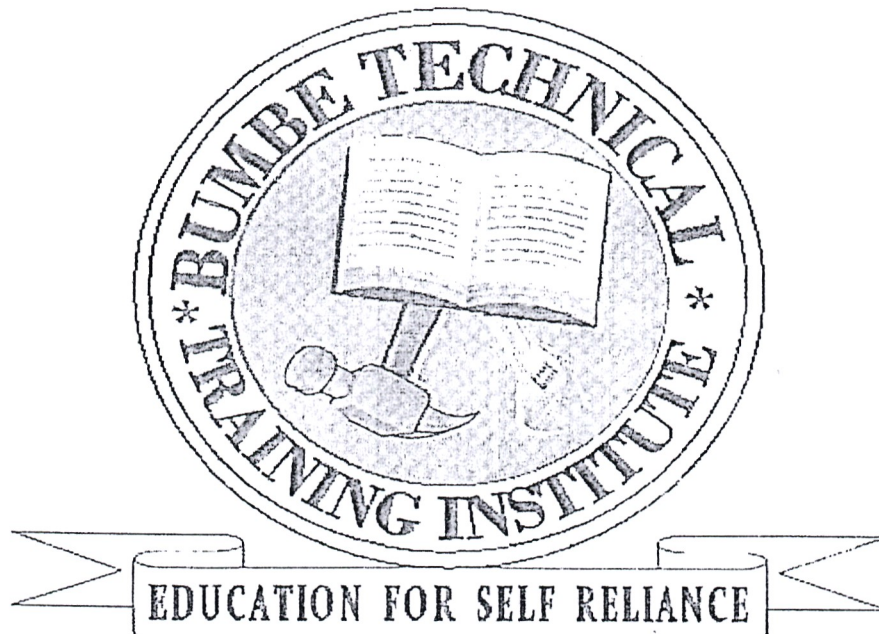
THE AUDITOR-GENERAL

ON

**BUMBE TECHNICAL TRAINING
INSTITUTE**

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

*Bumbe Technical Training Institute
Annual Report and Financial Statements
For the Year Ended 30th June 2022*



BUMBE TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE, 2022

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Bumbe Technical Training Institute is a public institution established in 1986 to succeed the Bumbe Technical secondary school which was established in the year 1977 to offer technical secondary education up to form four. Bumbe Technical Training Institute was registered as Technical Training Institution in October 2004 and was incorporated under the TVET Act 2013. Bumbe is domiciled in Kenya and has no branches outside the country.

The institute is located on the shores of Lake Victoria along the Bumala-Sio Port-Port Victoria road, in Samia Sub County, Funyula constituency, Bwiri Location. It stands on a 10 acre piece of land. The initial capital for the construction of the technical school was extended by the local community the Anglican Church of Kenya (ACK) and supported by the ministry of education (MOE). Bumbe Technical Training institute is aligned with the Ministry of Education Vision, Mission and Objectives. Its priorities are in line with the National TVET policy and Vision 2030.

Bumbe TTI is currently running six academic Departments as listed below:

1. Building & Civil Engineering
2. Business , Liberal and Information Studies
3. Institutional Management
4. Electrical & Electronic Engineering
5. Automotive Engineering
6. ICT

The institution offers courses ranging from Artisan, Craft to Diploma.

(b) Principal Activities

The mandate of Bumbe T.T.I encompasses the following:

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

Quality policy statement

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

In pursuit of this commitment, the institute shall comply with all applicable requirements and continually improve its effectiveness by implementing a quality management system based on ISO 9001:2015.

(c) Key Management

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

- Board of Governors
- Principal
- Deputy Principal Administration
- Deputy Principal Academics
- Dean of Students
- Registrar

(d) Fiduciary Management

The management personnel who held key management position during the financial year ended 30th June 2022 were:

No.	Designation	Name
1.	Mr.CalestusWanjalaOmilo	Principal
2.	Ms.. Celestine Mudiwo	Deputy Principal Administration
3.	Mr.JumaWasilwa	Deputy Principal Academics
4.	Mr.Shaban M. Namatsi	Registrar
5.	Mr. Kevin Isaac Khasenye	Dean Of Students

(d).1 Fiduciary Oversight Arrangements

1. Audit and risk committee activities

- a. Ms.Maureenjalang'o -Chairperson
- b. Eng. Peter Kochola -member
- c. Dr.SelineAwino -Member

Activities

- 1. Examining the institute's financial statement to determine whether they are reliable.
- 2. Ensuring the institute establishes a thorough risk management process and effective internal control.
- 3. Reviewing the institute's policies, particularly in areas such as ethics, conflict of interest and fraud.

2. Finance and operations committee.

- 1. Ms. Agatha Neema odour -Chairperson
- 2. Ms.DolphineTaaka -Member
- 3. Mr. Kenneth Sirima -Member

Activities

- 1. Review periodically the institute's annual budget and recommending adjustment for approval
- 2. Oversee cash flows and financial management.
- 3. Ensuring that the financial reporting requirements are fulfilled.
- 4. Ensuring that the financial statements are prepared in accordance with IPSAS standards
- 5. Presenting the financial statements to the Full board for approvals

3. Academic and Human Resource Committee.

- 1. Eng. Peter Kochola -Chairperson
- 2. Mr. Kenneth Sirima -Member
- 3. Dr.SelineAwino -member

Activities

- 1. Review the institute policies to incorporate emerging trends and test practices in human resource management
- 2. Ensuring that human resource and academic policies are aligned with institute Vision, Mission and strategic plan.
- 3. Oversee Academics and human resource operations in the institute
- 4. Periodical reporting of human resource and academics progress and update the full board

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(e) BUMBE TECHNICAL TRAINING INSTITUTE HEADQUARTERS

P.O. Box 440-50406
Funyula KENYA
Bumala – Sio Port – Port Victoria Road

(f) BUMBE TECHNICAL TRAINING INSTITUTE CONTACTS

Telephone: 254736391750
E-mail: bumbetec@yahoo.com
Website: www.bumbetti.ac.ke

(g) BUMBE TECHNICAL TRAINING INSTITUTE BANKERS

1. National bank of Kenya
Busia branch
P.O. Box 264 - 50400
Busia, Kenya
2. Kenya Commercial Bank
Port Victoria branch
P.O. Box 271 - 50401
Port Victoria

(h) Independent Auditors




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


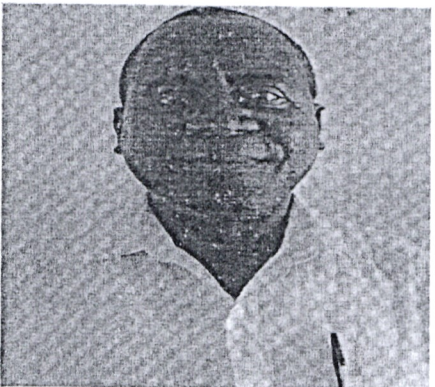

(i) Principal Legal Adviser



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

THE BOARD OF GOVERNORS





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 <p>Prof. Fredrick O. Wanyama P. O. Box 333 - 40105, Maseno, KENYA. Tel:+254-057-351551(Office).Cell: +254-0722-233479 or +254-0733718108. Fax:+254-057-351221 E-mail:fwanyama@hotmail.com or fwanyama@maseno.ac.ke</p>	<p>Ph.D. in Political Science, Maseno University, Kenya. Thesis title: Local Organizations for Sustainable Development: The Political Environment of Community – Based Organizations in Western Kenya. 1994: M.A in Government, University of Nairobi, Kenya. Thesis title: Politics of Rural Development: The Performance of Cotton Co-operatives in Busia District, Kenya. 1990: B.A (Hon.) in Government, University of Nairobi, Kenya.</p> <p>Chairman Board Of Governors</p>
 <p>Ms. Agatha Neema Oduori</p>	<p>Date of birth; 27th April, 1988 Bachelor of commerce (finance Option) The catholic university of eastern Africa (second class upper)</p> <p>Certified public accountant (CPA finalist)</p> <p>Chairperson in finance and development committee</p>
 <p>Ms. Dophine Taaka Barasa</p>	<p>Date of Birth. 1978</p> <p>B.sc. Science (Tourism)- Moi University</p> <p>Branch manager Auto Xpress Limited, Kakamega</p> <p>Member of Academic, Human Resource Welfare committee</p> <p>Member of the Board</p>




 <p>Mr. Calestus Wanjala Omilo</p>	<p>Date of birth. 1971</p> <p>Secretary to the Board of Governors</p> <p>M. Phc – Human Resource Development</p> <ul style="list-style-type: none"> - Bachelor of Education (Science) second class honours - Diploma in Sciences & Technical Education - Diploma in Management <p>Secretary to the Board</p>
 <p>Kenneth Godfrey Sirima P. O. Box 63 – 50404 Bumala Cell: 0722-337132 kgsirima@yahoo.com</p>	<p>University of Nairobi Bachelor of Science – Mathematics / Computer Science</p> <p>AREAS OF COMPETENCE</p> <ul style="list-style-type: none"> • Project management, development and capacity building for support of financial management systems. • Systems selection, implementation and support of systems. • Systems design and development of financial management systems. • Knowledge of ICT technologies - Windows, Dos, Unix, programming - Basic, Pascal, Cobol, MSOffice and numerous windows based utilities and software. • Planning and organization in the reengineering of business Processes. <p>Member of the Board</p>
 <p>Dr. Celine Awino Email: cawino@mmust.ac.ke or awinocelline26@gmail.com or omondicelline77@gmail.com</p>	<p>Technical university of Berlin (Germany) Doctor of natural science in renewable energy July 2009- July 2011 University of Pune (India) Master of Science in Physics (First class with distinction) Aug 1998- Nov 2003 Moi University (Kenya) Bachelor of education science (Physics and Mathematics) First class honors</p> <p>Member of the Board</p>

 <p>En.. Peter Odhiambo Kochola</p>	<p>Date of Birth. 1954</p> <p>B.sc. Electrical Engineering (University of Nairobi)</p> <p>Registered Electrical Engineer, lecturer KIHBT Nairobi</p> <p>Chairman Academic, Human Resource Welfare committee</p> <p>Member Audit Committee</p>
 <p>Ms. Maureen Jalang'o P.O Box 3, 50404 Bumala-Kenya, Tel: +254725863526</p>	<p>Date of birth; 5th August 1986</p> <p>Bachelor of laws (LLB)</p> <p>Kampala international University</p> <p>Diploma in law</p> <p>Kenya school of professional studies</p>

MANAGEMENT TEAM

	<p>Date of birth. 1971</p> <p>Secretary to the Board of Governors</p> <p>M. Phc – Human Resource Development</p> <ul style="list-style-type: none"> - Bachelor of Education (Science) second class honours - Diploma in Sciences & Technical Education - Diploma in Management
	<p>Date of birth. 1970</p> <ul style="list-style-type: none"> - Diploma in Technical Education (Fashion Design & Garment Making) <p>Deputy Principal Administration</p>
	<p>Date of birth. 1968</p> <ul style="list-style-type: none"> - Bachelor of Business Management (Second Class honours - Diploma in Technical Education (Business Studies - Diploma in Business Administration <p>Deputy Principal Academics</p>
	<p>Date of birth. 1978</p> <ul style="list-style-type: none"> - Bachelor of Education Arts (English & Literature) <p>Dean Of Students</p>

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 <p>Mr. Shaban Mohammed Namatsi</p>	<p>Date of Birth; 1981 Bachelor of Science (Computer Science)</p> <p>Registrar</p>
 <p>Mr. Alex Owade</p>	<p>Date of Birth; 1984 Bachelor degree of commerce – Fin. Option ICPAK – No. 29374 CIFA – Intermediate Level Finance Officer</p>
 <p>Mr. Francis Onyango Okumu P.o Box 440 Funyula Email. Okumufrancis57@gmail.com</p>	<p>Date of Birth; 1996 Bachelor degree in logistics and supply chain management</p> <p>Procurement officer</p>

CHAIRMAN'S STATEMENT

On behalf of the Board of Governors of Bumbe Technical Training Institute, I am privileged to give the following report on the activities undertaken by the Institute during the Financial Year 2021/2022. This report highlights the activities, challenges and the future prospects of the institution. We appreciate the government support and funding that has enabled the Institute to carry out its functions and remain relevant in technical and vocational education and training (TVET) in the country. It is our hope that the government will continue to avail more resources to the Institute to facilitate our contribution to the production of a workforce with relevant skills to resolve the challenges of the 21st Century at the local, national and global levels.

Key Activities during the Financial Year

Strategic Plan and Policies

Following the expiry of the Institute's strategic plan for the period 2015 – 2020, the Board developed a new plan for the period 2021 – 2025 that is being implemented. The Board Charter was also developed during the year to guide the Board in carrying out its functions. The Board initiated the development of a number of policies to guide the governance and management of the Institute and are in the final stages of completion. These are the Academic Policy, Human Resource Management Policy, Audit and Risk Management Policy and Financial Management Policy.

Linkages and Collaboration

The Institute established a number of linkages and collaborations with partners to enable it carry out its mission. The most significant of these was the partnership with the German International Development Cooperation (GIZ), through the Government of Kenya, to launch a Craft Course in Automotive Engineering that fosters partnership between the Institute and industry. To strengthen the learning outcomes of this course, GIZ will support equipping of an Automotive Engineering Workshop and training of staff. This will not only contribute to improvement of training facilities and diversification of courses offered by the Institute, but will also increase student enrolment.

With the support of the Ministry of Education, the Institute established a partnership with the African Development Bank (AfDB) to support the construction of students' hostels. The resultant improvement in students' accommodation attract students from the entire country, which will not only increase the number of trainees, but also the Institute's financial base for sustainable development.

Improvement on Infrastructure

Following the completion of the main gate, the Institute paved the driveway into the compound using cabro blocks, which has improved the ambience of the institution. The construction of the first phase of the Science Laboratory block was also launched during the Financial Year. We are grateful to the Ministry for the financial support towards this project and do hope that the support will be maintained up to its completion.

Challenges

Financial constraints

The institution has a high capital outlay and has been struggling to raise adequate financial resources for the purpose. The resultant financial constraints are as a result of low student enrolment; poor fee payment by students; poor economic base that cannot sustain income-generating activities; and irregular and/or undispensed capitation from the Ministry of Education. Consequently, a number of scheduled activities were not carried out.

COVID 19 Pandemic

Like in the previous Financial Year, the Institute was adversely affected by the COVID 19 pandemic. Though some of the protocols and restrictions were lifted by the Ministry of Health in the course of the year, they had already affected enrolment of students, the quality of teaching and learning as a result of reduced physical interaction and increased expenditure to adjust to the prescribed protocols. The institution had to revise its budget upwards in the process of complying with the protocols in the midst of reduced fee payment by students following the resultant economic hardships.

Future Prospects

Despite the cited challenges, Bumbe Technical Training Institute remains a going concern. It has been able to meet its obligations, albeit with some difficulties that ought to be addressed. To this end, the institute plans to:

- Increase training courses by mounting more CBET and Technology oriented courses as well as introduction of flexible and blended learning through online training;
- Strengthen training departments by acquiring more tools and equipment, increase capacity through training of more staff in technical areas;
- Carry out extensive marketing of courses offered in the Institute as a means of increasing student enrolment;
- Solicit support from well-wishers and investors to construct hostels for student accommodation in order to attract and retain students from distant places;
- Improve the physical infrastructure in order to improve the image of the Institute as a means of attracting more students;
- Increase means of transport for staff and students through purchase of a bigger Institute Bus;
- Enhance security by construction of a perimeter wall fence, installation of biometric identification systems and CCTV cameras at critical areas; and
- Acquire more land from the community for expansion and infrastructural development of the Institute.

This will enhance the growth of the Institute to the desired level of a National Polytechnic as well as ensure delivery of quality services within its mandate.



.....
Chairperson, Board of Governors

REPORT FROM THE PRINCIPAL

During the Financial Year 2021/2022, the institution put in place a number of measures to enable it attain its mandate. This report gives an overview of the achievements made during the Financial Year 2021/2022, as well as the challenges experienced

1. **Enrolment**

During the FY2021/2022 our enrolment was 1778 students, far much below our target of 1800 students. We were expecting to enroll over six hundred new students who had applied for July and September 2021 intake.

2. **Staff establishment**

The Institution has 47 trainers employed by the Public Service Commission and 41 employed by the Board of Governors. During the same year one trainer was transferred to another station as a deputy Principal.

There were 53 non-teaching staff and the board advertised to fill the position of an accountant, technician Building and Civil Engineering, Maintenance officer.

The institution supported a number of staff for capacity building in various short courses and seminars, the top management and some other Heads of Departments undertook the senior management course at the Kenya School of Government –Baringo campus

3. **Curriculum**

We implemented all our training programmes in the six departments and some CBET courses approved by the TVET Authority were rolled out. The institution rolled out Open and Distant Education and learning (ODEL) in all departments during the year.

4. **Infrastructure development, Renovation and Facelift.**

During the Financial year 2021-2022, the institution adjusted its budget in order to improve on water points, kitchen, toilets, painting and furniture. The construction of modern gate was started and been complete.

5. **Training for Production**

In order to fulfill its mandate of training for production, the institution has reached out to the community for partnership in income generating activities.

6. **Challenges**

1. Low enrollment.

Bumbe technical training institute is in the category of colleges expected to have over 5000 students, however the current enrolment stands at 1778 students. There is also a drop out of few students due to lack of fees, upkeep and other personal issues like pregnancies and job seeking. Poor perception and attitude from the local community leading to poor enrolment and support of the training activities in financial constraints.

This is due to low fee payment by students. Most students have delayed in paying fees and are reluctant on applying HELB loans.

2 Delay in government capitation and payment of fees for NYS students.

The institute suffered a financial crisis as the government delayed in disbursement of capitation to students enrolled by KUCCPS, on the other hand the national youth service sponsored students who forms 20% of the students population were not paid for fee during the whole financial year. this led to us borrowing funds from the development account and bank overdraft to cushion us.

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There has been delay in releasing funds for projects planned for by the ministry and hence leading to delay in starting the project. A number of the development project as indicated in the Performance Contract and Budget estimates for the financial year 2021-2022 were not executed due to delay in financial disbursements. Constrained facilities.

3. Means of transport

The institute has one 52 seater bus, double cabin pick up. With the growing population these are inadequate.

4. Security.

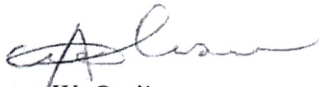
The institute is located on the board of Kenya and Uganda and this poses major security risk. With no proper fencing and security monitoring mechanism, susceptible to terror attacks.

5. Accessibility of the institute

The road network is not good and nearest tarmac is four kilometre away hence difficulty to access the institute.

6. Narrow Curriculum base

The institute is yet to amount courses relevant to the cultural and economic activities of local community especially in the field of blue economy (fresh water marine studies) due to lack of relevant infrastructure.



Calestus W. Omilo

PRINCIPAL AND SECRETARY BOARD OF GOVERNOR

**CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY
REVIEW OF BUMBE TTI'S PERFORMANCE FOR FY 2021/2022**

1. Sustainability strategy and profile -

Bumbe technical Training Institute is one of the Government Tertiary Colleges in Kenya. It stands on a 10-acre plot and is located along the shores of Lake Victoria between Sio-port and Port Victoria. The institute overlooks the boundary of Kenya and Uganda in the lake. The institute has a total enrolment of 1778 trainees distributed in various courses and it has an establishment of 88 trainers and 53 non-teaching staff. The community around the institute practice fishing as their main source of income.

- The government in partnership with the development partners like The African Development Bank, (AfDB) Germany international Cooperation(GIZ), has pledged support to construct a science laboratory block, Automotive engineering Workshop equipment and capacity building for staff, which shall lead to diversification of courses offered by the institute leading to increased enrolment as well as revenue generation. Some physical facilities will gain a face lift due to the resources gotten from the exchequer.

2. Environmental performance

There is an Environmental Policy in place that outlines how the compound should be managed.

- The environment department has an elaborate plan on cleaning, planting of trees and general maintenance of the compound.
- The main challenge faced is that this region sometimes experiences dry spells devoid of rainfall hence trees dry up whenever it is too dry. Landscaping is yet to be done thus working with ground maintenance machines is a challenge as it breaks them down more.

3. Market place practices-

Work at Bumbe TTI is done in strict observance of the rule of law without undue political influence and in a transparent manner. The institute observes the Constitution of Kenya 2010; Ministry of Education policy guidelines as may be made from time to time. The public service code of conduct regulations helps give direction in the way services are offered at the work place. In our dealings with the political class we deal with those who add positive value to the institute. For instance, the Management links with the MCAs, MPs and the County government for bursary funds provision to our needy trainees so that they can settle outstanding fee arrears. This has seen the institute get support along that line.

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

Bumbe institute applies a number of marketing practices to endear herself to the prospective clients. Some of these strategies include but not limited to sign posts at strategic places, Schools and Church visits, Road shows, Website, Facebook pages, Print media advertisements, TV adverts.

Consumer rights are safeguarded through effective and efficient service delivery that is time bound. There are customer service charters that outline which, how and when the service shall be offered satisfactorily. Likewise, our production unit like the Cabro-making machine produces a competitively good quality product hence our area of excellence in the neighbourhood.

4. Community Engagements-

The institute provides treated water to the local community who draw pumped and treated water from the institute.

Both the teaching and support staff are regularly trained in a number of areas as per their specializations.

The sports department has organized for friendly matches with the neighbouring schools, colleges and even at community level which has helped to attract some of the players to join training at Bumbe TTI.

STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FY 2021/2022

The Government is committed to ensuring that Public Offices are well managed and are cost effective in delivering quality services to the Public in line with Provisions of the Constitution.

The Government recognizes that Bumbe TTI holds a key role in the 'Big Four' agenda initiatives and other National Priorities in order to improve the quality of life of Kenyans and make Kenya globally competitive

The BOG of Bumbe TTI signed a Performance Contract with the Government of Kenya during the financial year 2021/2022 in line with its Strategic Objectives. The purpose of this Performance Contract is to establish the basis for ensuring that efficient and effective services are delivered to all Kenyans in line with the Provisions of the Constitution and by requiring Bumbe Technical Training Institute to adopt systems that enable innovations and adoptability of Public Services to the needs of the users.

This Performance Contract therefore represents a basis for continuous performance improvement that meets the expectations of the Kenyan people.

Bumbe Technical Training Institute has six strategic pillars and objectives within its Strategic Plan for the FY 2019/2020 to 2023/2024. The strategic pillars are as follows: -

- Pillar 1. To increase access to quality and relevant Education and Training opportunities.
- Pillar 2. To Institutionalize Innovation, applied Research and Development.
- Pillar 3. To integrate ICT in training and Delivery
- Pillar 4. To strengthen Institute Capacity and Competitiveness.
- Pillar 5. To enhance sound Governance and Management
- Pillar 6. To establish Linkages and Collaborations

Bumbe Technical Training Institute develops its annual work plans based on the above six pillars. Assessments of the Board's performance against its annual work plan is done on quarterly basis. Bumbe Technical Training Institute achieved its performance targets for the FY 2021/2022 period for its strategic pillars as indicated in the table below: -

S/No	Objective	Performance Indicator	activities	Achievement status as at 30 th June 2022
1.	To increase access to quality and relevant education and training opportunities	<ul style="list-style-type: none"> • Number of trainees enrolled in SET • Number of CBET programmes mounted • Number of trainees enrolled • Project completion Rate 	<ul style="list-style-type: none"> • Increased trainee enrolment in SET • CBET curriculum implemented • Trainee enrolment increased • Number of completed projects 	<p>200</p> <p>12</p> <p>1800</p> <p>0</p>

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		<ul style="list-style-type: none"> • Pass Rate • Constructed modern gate, well lit compound 	<ul style="list-style-type: none"> • Increased external exams pass rate • Improve infrastructure 	<p>70.20%</p> <p>90%</p>
2.	To institutionalize Innovation, applied Research and Development	<ul style="list-style-type: none"> • Research papers presented 	<ul style="list-style-type: none"> • Science technology and innovation mainstreaming 	1
3.	To integrate ICT in training and service delivery	<ul style="list-style-type: none"> • Online programmes started 	<ul style="list-style-type: none"> • Integrating ICT in learning 	All courses
4.	To strengthen Institute capacity and competitiveness	<ul style="list-style-type: none"> • Analysed data, • Number of staff trained • Number of youth on internship/industrial attachment/ Apprenticeship 	Competence Development	<p>60%</p> <p>10</p> <p>14</p>
5.	To enhance sound governance and Management	<ul style="list-style-type: none"> • Number of trainings on leadership and management conducted 	<ul style="list-style-type: none"> • Training of HODS on corruption prevention and Disability mainstreaming 	2
6.	To establish Linkages and Collaborations	<ul style="list-style-type: none"> • Number of organizations partnered with. 	<ul style="list-style-type: none"> • Creating partnerships with various organizations and industries • Developing MOUs with partnered industries/ organizations 	3

MANAGEMENT ANALYSIS AND DISCUSSION

1) Revenue Growth

During the year the institute managed total revenue of kshs,106,559,914 up from Kshs 52,823,269 in the last financial year.

This represents a growth of 101.73% in comparison with the previous year. Fee collection and government capitation remain the main revenue contributors of our income. The Institute realized 25% of the budgeted revenue.

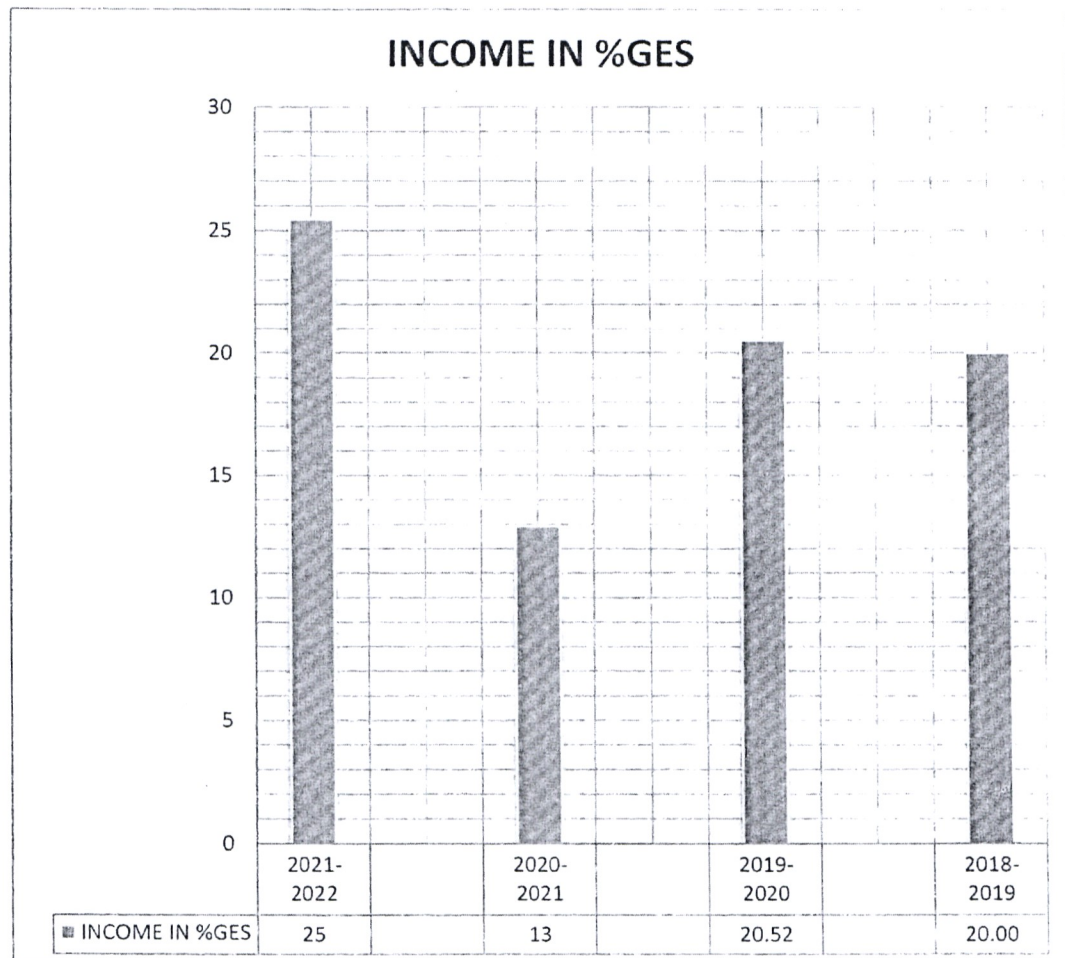


Figure1: INCOME

2. Expenditure

In the financial year under review, the institute spend Kshs 106,889,595 up from 79,431,716 an increment of 34.60% from the previous year. This was attributed to high inflation and electioneering year that saw prices of commodities skyrocketed. The expenditure incurred represents 25.52% of the budgeted amount.

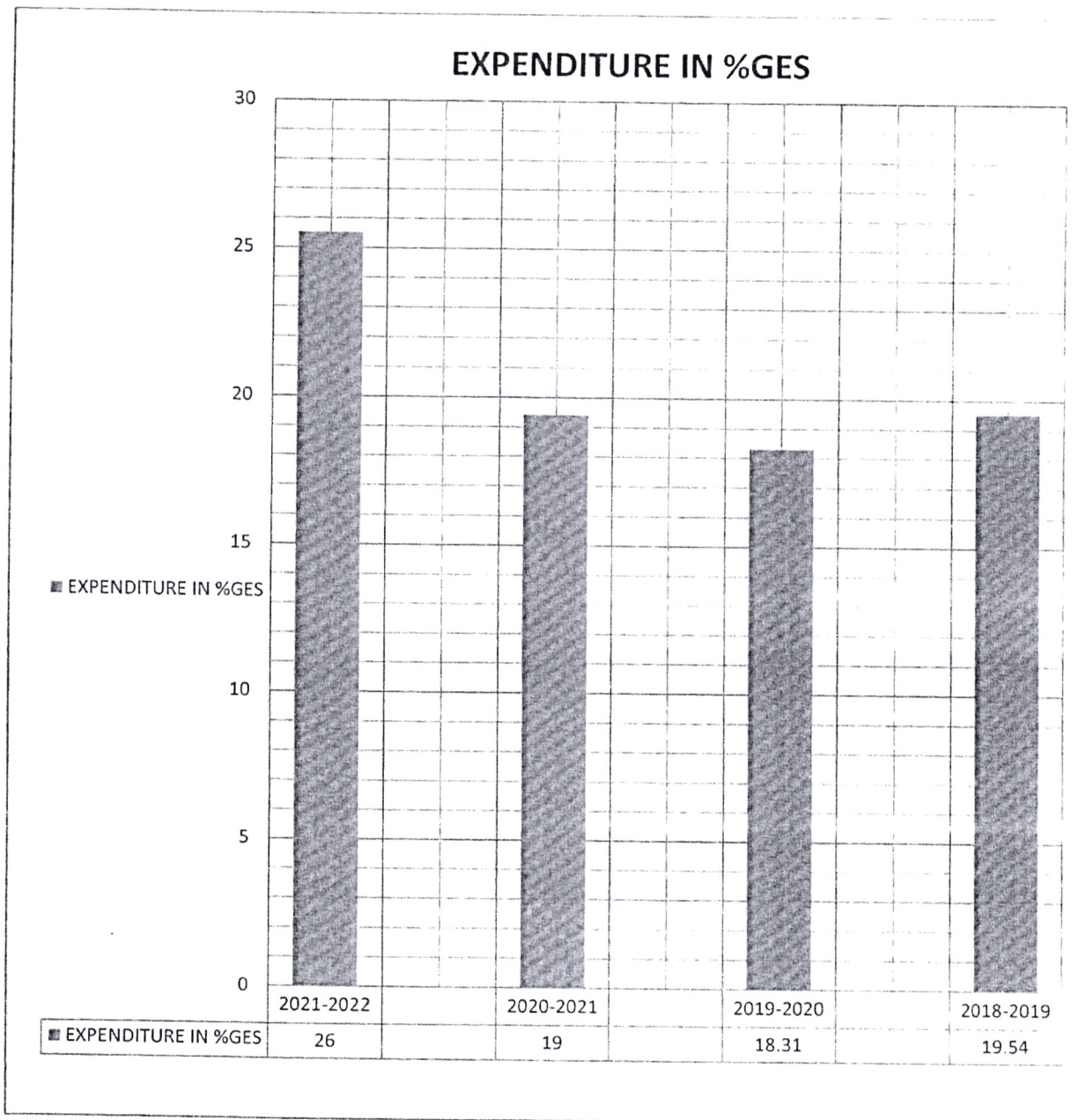


Figure2: EXPENDITURE

3. Students' enrolment for the period ending 30th June, 2022

BTTI is a public technical training institution with mandate to prepare and equip middle level managers, advance, transmit and enhance technical and entrepreneurial skills.

The annual report provides highlights of the year 2021-2022. It infuses deeper into the operation and strategic activities that shaped the year.

The year 2021-2022 was essential for BTTI, a year of strategic thinking, planning in reaffirming the Institute's steady commitment to service delivery in training field. The financial year characterized by extra ordinary challenges ranging from electioneering activities coupled with high inflation rate, the institute is conceited with its accomplishments. The foundational strength of our governance structure and the unparalleled commitment of the flexible workforce, allowed the institute to end the year with an improved performance and progress across all strategic pillars, creating the pace for continuous growth incoming financial year.

In the financial year, the institute continued to grow its admission. The total active students increased to 1778. This was made possible by the institute's resilience and adoption of workable marketing and retention strategies. The institute continues to monitor and respond to student needs through customer satisfaction surveys and giving quick feedbacks to matters raised.

The growth was due to combined effort by Board and management towards the execution of the institute's strategic plan which saw an upward trend in student registration. The institute continued to maintain a balance between cost optimization and service delivery to students

Department	FY 2021-2022			FY2020-2021		
	Male	Female	Total	Male	Female	Total
Automotive Engineering	132	18	150	195	17	212
Building and Civil Engineering	401	62	463	358	85	443
Business & Liberal studies	52	133	185	65	122	187
Electrical Engineering	290	56	346	201	37	238
Institutional management	61	483	544	45	425	470
Information communication technology	48	42	90	33	22	55
TOTAL	984	794	1778	897	708	1605

Figure3: Student's Enrolment

REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the unaudited financial statements for the year ended June 30th2022 which show the state of the Bumbe TTI's affairs.

Principal activities

The mandate of Bumbe T.T.I encompasses the following:

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

Quality policy statement

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

In pursuit of this commitment, the institute shall comply with all applicable requirements and continually improve its effectiveness by implementing a quality management system based on ISO 9001:2015.

Results

The results of the institute for the year ended 30th June, 2022 are set out on pages 1 to 5

BOARD OF GOVERNORS

During the year 2021-2022 there was no governor who retired or resigned, The profiles of the members of the Board who served during the year were shown on pages V to VII.

Auditors

The office of the Auditor General is responsible for the statutory audit of the Bumbe TTI in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Bumbe TTI for the year/ ended June 30, 2022 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board
Bumbe Technical Training Institute
Principal/Secretary Board of Governors
P.o Box 440-50406
Funyula

Date:

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 Bumbe Technical Training Institute, which give a true and fair view of the state of affairs of the institute at the end of the financial year and the operating results of the institute for that year. The board members are also required to ensure that the institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the institute. The Board members are also responsible for safeguarding the assets of the institute.

The Board members are responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year ending 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 the institution; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the institute; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

Approval of the financial statements

The Bumbe TTI's financial statements were approved by the Board on 29/9/ 2022 and signed on its behalf by:

Name... Prof. Fredrick Wanyama

Signature... [Signature]

Chairperson of the Board

Name... PALETUS W. OMILO

Signature... [Signature]

Principal

Bumbe Technical Training Institute
Annual Report and Financial Statements
For the Year Ended 30th June 2022

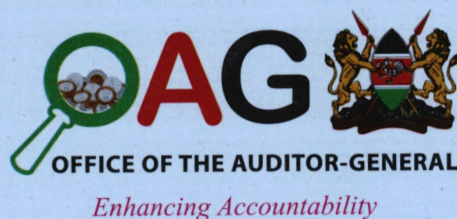
1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021-2022	2020-2021
			Audited report
Income		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government–capitation	5	30,817,500	16,537,500
Total Revenue from non-exchange transactions		30,817,500	16,537,500
Revenue from exchange transactions			
Rendering of services- Fees from students	6	67,834,030	28,356,748
Sale of goods	7	4,155,854	5,135,480
Rental revenue from facilities and equipment	8	3,073,530	2,189,901
Other income	9	679,000	603,640
Revenue from exchange transactions		75,742,414	36,285,769
Total revenue		106,559,914	52,823,269
Expenses			
Employee costs	11	22,340,702	19,149,861
Board allowances	12	1,916,000	1,246,170
Depreciation expense	13	9,790,873	10,101,628
Repairs and maintenance	14	1,666,526	3,322,406
Use of goods and services	10	5,589,039	3,919,197
General expenses	16	65,551,998	41,440,566
Finance costs	17	34,451	251,888
Total expenses		106,889,599	79,431,716
Net Surplus/Deficit for the year		<u>-329,685</u>	<u>-26,608,447</u>

The notes set out on pages 6 to 18 form an integral part of the Annual Financial Statements.

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON BUMBE 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 Bumble Technical Training Institute set out on pages 1 to 25, which comprise the statement of financial position as

at 30 June, 2022, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bumbe 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. Variances between Financial Statements and Supporting Schedules

The statement of financial performance and statement of financial position reflects nineteen (19) items with amounts and balances that are at variance with the supporting schedules as shown below:

Component	Balance as per Financial Statements (Kshs.)	Supporting Balances per Schedules (Kshs)	Variance (Kshs)
Rendering of Services	67,834,030	43,294,615	24,539,415
Sale of Goods	4,155,854	1,253,804	2,902,050
Rental Revenue from Facilities and Equipment	3,073,530	1,721,020	1,352,510
Other Income	679,000	688,000	(9,000)
Employee Costs	22,340,702	23,494,954	(1,154,252)
Board Allowances	1,916,000	1,928,000	(12,000)
Depreciation Expense	9,790,873	9,806,927	(16,054)
Repairs and Maintenance	1,666,526	1,646,676	19,850
Use of Goods and Services	5,589,039	5,388,877	200,162
General Expenses	65,551,998	44,062,331	21,489,667
Finance Cost	34,457	44,288	(9,831)
Cash and Cash Equivalent	23,325,810	21,898,338	1,427,472
Receivables from Exchange Transactions	39,087,553	37,686,078	1,401,475

Component	Balance as per Financial Statements (Kshs.)	Supporting Balances per Schedules (Kshs)	Variance (Kshs)
Property Plant & Equipment	212,029,771	212,579,653	(549,882)
Trade and Other Payables	9,948,946	10,135,329	(186,383)
Refundable Deposit	287,960	346,960	(59,000)
Borrowings	10,000,000	9,488,725	511,275
Accumulated Surplus	2,703,485	(5,563,948)	(2,860,463)
Capital	251,502,743	257,757,003	(6,254,260)

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

2. Cash and Cash Equivalents

The statement of financial position reflects a balance of Kshs.23,325,810 in respect of cash and equivalents as disclosed in Note 18 to the financial statements. However, bank reconciliation statements for three bank (3) accounts revealed that the accounts were understated by a total of Kshs.1,493,650 while the cash on hand was overstated by an amount of Kshs.48,858.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.23,325,810 could not be confirmed.

3. Unsupported Revenue

The statement of financial performance reflects an income of Kshs.67,834,030 in respect of rendering of services - fees from students as disclosed in Note 6 to the financial statements. However, detailed schedules were not provided to support the amount.

In the circumstances, the accuracy and completeness of the rendering of services income of Kshs.67,834,030 could not be confirmed.

4. Inaccuracy of Property, Plant and Equipment Balance

The statement of financial position reflects a balance of Kshs.212,029,771 in respect of property, plant and equipment as disclosed in Note 19 to the financial statements. Included in the balance is Kshs.5,500,000 relating to two parcels of land measuring 0.68 hectares and 3.09 hectares. However, valuation reports for the two pieces of land were not provided for audit review. Further, the balance of Kshs.212,029,771 includes a balance of Kshs.5,091,157 in respect of additions to buildings during the year which, however, differs from the amount of Kshs.5,137,207 reflected in supporting schedules. The variance of Kshs.46,050 has not been explained or reconciled.

In the circumstances, the accuracy, completeness and fair valuation of the property, plant and equipment balance of Kshs.212,029,771 could not be confirmed.

5. Unsupported Expenditure on Use of Goods and Services

The statement of financial performance reflects an expenditure of Kshs.5,589,039 in respect of use of goods and services as disclosed in Note 10 to the financial statements. However, the amount includes payments totalling Kshs.1,325,566 made in favour of thirteen (13) payees which were not adequately supported by contract agreements, Committee Reports, Tender Opening and Evaluation reports and minutes, as well as detailed schedules.

In the circumstances, the accuracy and propriety of the expenditure of Kshs.1,325,566 could not be confirmed.

6. Long Outstanding Student Debtors

The statement of financial position reflects a balance of Kshs.39,087,553 in respect of receivables from exchange transactions as disclosed in Note 15 to the financial statements. However, the balance includes Kshs.32,635,687 being student fees balances relating to the period between 2015/2016 and 2020/2021 financial years. No satisfactory explanation was provided on the failure to recover the long outstanding balances. Further, the balance of Kshs.39,087,553 includes an amount of Kshs.91,000 being rent arrears which was, not supported by a schedule.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance could not be confirmed.

7. Board Allowances

The statement of financial performance reflects Board allowances of Kshs.1,916,000 as disclosed in Note 12 to the financial statements. However, a supporting schedule and breakdown were not provided to support the amount. In addition, an attendance register was also not provided.

In the circumstances, the propriety of the expenditure of Kshs.1,916,000 on board allowances could not be confirmed.

8. Un-secured Bank Loan

The statement of financial position reflects a balance of Kshs.10,000,000 in respect of borrowings as disclosed in Note 22 to the financial statements. However, documents relating to authorization, nature, purpose, loan agreement and terms and conditions of the borrowing were not provided for audit review.

In the circumstances, the accuracy, completeness and correct valuation of the loan balance could not be confirmed.

9. Construction of Science Laboratory Block

The statement of financial position reflects a balance of Kshs.212,029,771 in respect of property, plant and equipment as disclosed in Note 19 to the financial statements. Included in the amounts is Kshs.9,855,894 paid to a local contractor during the year for

construction of a science laboratory block, out of which an amount Kshs.950,000 was incurred on hoarding, insurance against loss of property and office for the project manager. However, the expenditure of Kshs.950,000 was not supported by payment vouchers and underlying documents.

In the circumstances, the accuracy and propriety and authenticity of the expenditure of Kshs.950,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bumbe 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 budget and actual amounts reflects revenue budget and actual on comparable basis amounts of Kshs.418,829,114 and Kshs.106,559,914 respectively, resulting to under-funding of Kshs.312,269,200 or 75% of the budget. Similarly, the statement reflects actual expenditure of Kshs.97,082,722 against approved budget of Kshs.418,829,114 resulting to under-performance of Kshs.312,746,392 or 77% of budget.

The under-funding and under-performance affected the budgeted activities and may have negatively affected services delivery.

2. Unresolved Prior Year Matters

In the audit of the previous year, several issues were raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or provided reasons for the delay in resolving them. No satisfactory explanation was provided on the failure to resolve the issues.

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 matter discussed in the Basis for Conclusion of 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

Unbudgeted Income

The statement of financial performance reflects an income of Kshs.67,834,030 in respect of rendering of services - fees from students as disclosed at Note 6 to the financial statements. The amount includes an amount of Kshs.11,640,963 relating to examination fees. However, the income was not included in the approved budget. This was contrary to the provisions of Section 43(b) of the Public Finance Management (National Government) Regulations, 2015, which states that Accounting Officers shall ensure that public funds entrusted to their care are properly safeguarded and are applied only for purposes for which they were intended and appropriated by the National Assembly.

Consequently, 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 audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective

Basis for Conclusion

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

Responsibilities of Management and the Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and 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.

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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 policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism 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 control.
- 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 its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 June, 2023

Bumbe Technical Training Institute
Annual Report and Financial Statements
For the Year Ended 30th June 2022

2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2022

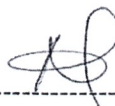
	Notes	2021-2022	2020-2021
		Kshs	Audited report Kshs
Assets			
Current assets			
Cash and cash equivalents	18	23,325,810	20,710,912
Receivables from exchange transactions	15	39,087,553	32,635,687
Total Current Assets		62,413,363	53,346,599
Non-current assets			
Property, plant and equipment	19	212,029,771	211,146,362
Total Non-current Assets		212,029,771	211,146,362
Total assets		<u>274,443,134</u>	<u>264,492,961</u>
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	9,948,946	6,725,503
Refundable deposit	21	287,960	12,591,278
Total Current Liabilities		10,236,906	19,316,781
Non-current liabilities			
Borrowings	22	10,000,000	1,314,553
Total Non-current liabilities		10,000,000	1,314,553
Total liabilities		20,236,906	20,631,334
Capital			
Accumulated surplus	Page 3	2,703,485	3,033,166
Capital	Page 3	251,502,743	240,828,461
Total Capital and Reserves		254,206,228	243,861,627
Total Liabilities and Capital & Reserves		<u>274,443,134</u>	<u>264,492,961</u>

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Institute Board of Governors by:



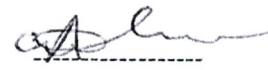
Chairman Board of Governors

Date: 29/9/2022



Finance Officer
ICPAK No29374

Date: 29/9/2022



Principal

Date: 29/9/2022

*Bumbe Technical Training Institute
Annual Report and Financial Statements
For the Year Ended 30th June 2022*

3. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022

	Revaluation reserve	Fair value adjustment reserve	Retained Surplus	Capital	Total
Balance b/f at July 1, 2017	0		12,970,509	251,058,852	264,129,361
Addition during the year	0	0	0	0	0
Prior year adjustment	0	0	0	0	0
Net Surplus for the year	0	0	6,418,742	0	6,418,742
Transfer of depreciation	0	0	0	-21,149,666	-21,149,666
Balance c/d as at June 30, 2018	0	0	19,389,251	229,909,186	249,298,437
Balance b/f as at July 1, 2018	0	0	0	0	0
Revaluation gain	0	0	0	0	0
Prior year adjustment	0	0	0	0	0
Total comprehensive income	0	0	1,709,779	0	1,709,779
Transfer of depreciation to capital fund	0	0	0	0	0
Balance c/d as at June 30, 2019	0	0	21,099,030	229,909,186	251,008,216
Balance b/f as at July 1, 2019	0	0	21,099,030	229,909,186	251,008,216
Revaluation gain	0	0	0	0	0
Prior year adjustment	0	0	0	0	0
Total comprehensive income	0	0	8,542,583	0	8,542,583
Addition during the year	0	0	0	6,375,285	6,375,285
Balance c/d as at June 30, 2020	0	0	29,641,613	236,284,471	265,926,084
Balance b/f as at July 1, 2020	-	-	29,641,613	236,284,471	265,926,084
Total comprehensive income	-	-	-26,608,447	0	-26,608,447
Addition during the year	-	-	0	4,543,990	4,543,990
Balance c/d as at June 30, 2021	-	-	3,033,166	240,828,461	243,861,627
Balance b/f as at 1st July, 2021	-	-	3,033,166	240,828,461	243,861,627
Total comprehensive income	-	-	-329,681	0	-329,681
Addition during the year	-	-	0	10,674,282	10,674,282
Balance b/f as at 30th June, 2022	-	-	2,703,485	251,502,743	254,206,228

4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	0	2021-2022	2020-2021 Audited report
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Government - capitation	5	30,817,500	16,537,500
Rendering of services- Fees from students	6	67,834,030	28,356,748
Sale of goods	7	4,155,854	5,135,480
Rental revenue from hostels & staff houses	8	3,073,530	2,189,901
Other in come - tender & salary advance	9	679,000	603,640
Total Receipts		106,559,914	52,823,269
Payments			
Compensation of employees	11	22,340,702	19,149,861
Finance cost	17	34,457	251,888
Board allowances	12	1,916,000	1,246,170
RMI	14	1,666,526	3,322,406
Use of goods and services	10	5,589,039	3,919,197
General expenses	16	65,551,998	41,440,566
Total Payments		97,098,722	69,330,088
Net cash flows from operating activities		9,461,192	-16,506,819
Cash flows from investing activities			
Decrease/Increase in current payable		-9,079,875	10,484,120
Decrease/Increase in current receivable		-6,451,866	-3,903,767
Net cash flows used in investing activities		-15,531,741	6,580,353
Cash flows from financing activities			
Bank loan		8,685,447	-1,635,372
Net cash flows used in financing activities		8,685,447	-1,635,372
Net increase/(decrease)in cash and cash equivalents		2,614,898	-11,561,838
Cash and cash equivalents as at 1 st July 2021		20,710,912	32,272,750
Cash and cash equivalents as at 30 June 2022		<u>23,325,810</u>	<u>20,710,912</u>

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5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Variation	
	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	2021-2022
Revenue												
Development grants	275,262,821	0	275,262,821	0	275,262,821	0	275,262,821	275,262,821	0	275,262,821	0	0%
Government capitation	50,520,000	0	50,520,000.00	0	50,520,000.00	30,817,500	19,702,500	19,702,500	30,817,500	19,702,500	19,702,500	61%
Rendering of services- Fees from students	51,937,181	0	51,937,181.00	0	51,937,181.00	67,834,030	(15,896,849)	(15,896,849)	67,834,030	(15,896,849)	67,834,030	131%
Sale of goods	35,917,712	0	35,917,712.00	0	35,917,712.00	4,155,854	31,761,858	31,761,858	4,155,854	(4,155,854)	31,761,858	12%
Other Income-	635,000	0	635,000.00	0	635,000.00	679,000	(44,000)	(44,000)	679,000	(44,000)	679,000	107%
Rental income	4,556,400	0	4,556,400.00	0	4,556,400.00	3,073,530	1,482,870	1,482,870	3,073,530	1,482,870	1,482,870	68%
Total income	418,829,114.00	0	418,829,114.00	0	418,829,114.00	106,559,914	312,269,200	312,269,200	106,559,914	312,269,200	312,269,200	
Expenses												
Development grants	275,262,821	0	275,262,821.00	0	275,262,821.00	0	275,262,821	275,262,821	0	275,262,821	0	0%
Employee costs	23,648,070	0	23,648,070.00	0	23,648,070.00	22,340,702	1,307,368	1,307,368	22,340,702	1,307,368	1,307,368	95%
Board Allowances	2,190,000	0	2,190,000.00	0	2,190,000.00	1,916,000	274,000	274,000	1,916,000	274,000	274,000	88%
General expenses	111,451,373	0	111,451,373.00	0	111,451,373.00	67,252,981	44,198,392	44,198,392	67,252,981	44,198,392	44,198,392	60%
Use of goods and services	6,276,850	0	6,276,850.00	0	6,276,850.00	5,589,039	687,811	687,811	5,589,039	687,811	687,811	89%
Total expenditure	418,829,114	0	418,829,114.00	0	418,829,114.00	97,098,722	321,730,392	321,730,392	97,098,722	321,730,392	321,730,392	
Surplus for the period						9,461,192			9,461,192			

Budget notes

- I. No development grants were received from the government during the financial period thus non expenditure incurred.
- II. The capitations were received for 3 quarters, quarter 4 capitation of kshs 11,497,500 was not received.
- III. The board ensured proper admission and retention of students leading to over achievement of rendering of services as a vote head
- IV. Majority of students and staff establishment sourced their meals in nearby facilities thus contributing to low performance in sales of goods vote head. Meanwhile the board is coming up with new strategies including revamping the production units for better performance
- V. Rental income performed fairly low due to capacity constraints
- VI. Due to cost effective mechanisms employed by the board and cognizant of revenue generated the Institute managed to spend below budgeted amount in all voted heads.

RECONCILIATION OF TOTAL EXPENDITURE AMOUNTS AS PER STATEMENTS OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS ON THE STATEMENT OF FINANCIAL PERFORMANCE

DETAILS	KSHS.
Actual expenditure as per statement of Financial performance	65,551,998
Add: Repair and maintenance Note 14	1,666,526
Finance cost Note 17	34,457
Actual expenditure as per statement of comparison of budget and actual	<u>67,252,981</u>

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Bumbe Technical Training Institute is established by and derives its authority and accountability from TVET Act. The Bumbe TTI is wholly owned by the Government of Kenya and is domiciled in Kenya. The Bumbe Technical Training Institute's principal activity encompasses the following:

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

Quality policy statement

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

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Bumbe Technical Training Institute's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Bumbe Technical Training Institute.

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.

ADOPTION OF NEW AND REVISED STANDARDS

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<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 entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<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 entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Bumbe Technical Training Institute; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Bumbe Technical Training Institute's financial performance, financial position and cash flows.

Standard	Effective date and impact:
Other Improvements to IPSAS	<p>Applicable: 1st January 2013:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

ii. Early adoption of standards

The Bumbe Technical Training Institute adopted new standards in financial year 2018-2019.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Bumbe Technical Training Institute and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The Bumbe Technical Training Institute recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

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

Sale of goods

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

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Board on **12th June 2021**

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

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

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Bumbe Technical Training Institute 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.

d) Research and development costs

The Bumbe Technical Training Institute expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Bumbe Technical Training Institute can demonstrate: The technical feasibility of completing the asset so that the asset will be available for use or sale

- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential

- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

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

e) Changes in accounting policies and estimates

The Bumbe Technical Training Institute recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

f) Related parties

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

g) Service concession arrangements

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

h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

i) Comparative figures

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

j) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

4 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Bumbe Technical Training Institute
- 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

5a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2021-2022	2020-2021
	KShs	KShs
Capitation grants	30,817,500	16,537,500
Total government grants and subsidies	30,817,500	16,537,500

5b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2020-2021
	KShs	KShs	KShs	KShs	KShs
Ministry of Education/State Department of TVET	30,817,500	0	0	30,817,500	16,537,500
Total	30,817,500	0	0	30,817,500	16,537,500

6 RENDERING OF SERVICES

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition fees	4,130,440	6,386,213
Activity fees	5,045,505	1,748,482
Examination fees	11,640,963	4,799,987
Library fees	1,664,870	829,820
Insurance	3,083,457	854,867
Registration fees	1,034,160	954,440
Student ID	203,450	167,400
Electricity & Water	2,756,750	863,297
Local travelling	3,869,960	1,394,620
Personal Emolument	21,353,383	4,960,395
Attachment	1,971,745	1,172,180
Student council	872,782	486,175
RMI	3,122,390	753,890
Fees balance paid	9,150	167,902
Development	4,912,650	1,659,980
Contingencies	978,835	591,560
Medical	1,183,540	563,040
Graduation	0	2,500
Total revenue from the rendering of services	67,834,030	28,356,748

7 SALE OF GOODS

Description	2021-2022	2020-2021
	KShs	KShs
Catering services	3,454,474	3,964,640
Production units	325,130	1,016,840
Town campus	36,000	16,000
Driving	340,250	138,000
Total revenue from the sale of goods	4,155,854	5,135,480

8 RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	2021-2022	2020-2021
	KShs	KShs
Students Hostels	2,978,530	2,185,901
Staff Houses	95,000	4,000
Total Revenue from hostel	3,073,530	2,189,901

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9 OTHER INCOME

Description	2021-2022	2020-2021
	KShs	KShs
Income from sale of tender	0.00	43,000.00
Computer Proficiency Training	679,000.00	530,640.00
Salary advance recovery	0.00	30,000.00
Total other income	679,000.00	603,640.00

10 USE OF GOODS AND SERVICES

	2021-2022	2020-2021
	KShs	KShs
E W & C	1,694,446	1,768,703
Book Fund	208,533	68,180
Security	2,038,180	1,540,000
Rent/Hostel	1,518,690	489,684
Tender	129,190	52,630
TOTAL	5,589,039	3,919,197

11 Employee costs

	2021-2022	2020-2021
	KShs	KShs
PERSONAL EMOLUMENTS	20,227,404	16,777,330
National Social Security Fund	1,174,360	1,485,000
Income Tax - PAYE	361,788	174,231
National Hospital Insurance Fund	577,150	537,300
Salary advance	0	176,000
Employee costs	22,340,702	19,149,861

12 Board of governor's allowances

Description	2021-2022	2020-2021
	KShs	KShs
BOG allowances	1,916,000	1,246,170
Total BOG allowances	1,916,000	1,246,170

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13 DEPRECIATION EXPENSE

Description		2021-2022	2020-2021
		KShs	KShs
Tools and equipment	0%	0	473,034
Motor vehicle	25%	987,500	987,500
Furniture & fittings	10%	276,324	241,324
Computers	33.30%	807,620	807,620
Buildings	2.50%	7,719,429	7,592,150
Total depreciation		9,790,873	10,101,628

14 REPAIRS AND MAINTENANCE

Description	2021-2022	2020-2021
	KShs	KShs
Vehicles	342,062	49,900
General repairs	1,324,464	3,272,506
Total repairs and maintenance	1,666,526	3,322,406

15. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2021-2022	2020-2021
	KShs	KShs
Current receivables		
Balance B/D	32,635,687	28,731,920
Student fee balances as at June 2022	6,360,866	10,364,967
Less fees paid	0	-6,461,200
Total	38,996,553	32,635,687
Rent arrears	91,000	0
Total current receivables	39,087,553	32,635,687

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16. GENERAL EXPENSES

Description	2021-2022	2020-2021
	KShs	KShs
Advertising:	1,085,377	1,554,376
Administration costs:	6,437,675	7,145,190
Insurance:	212,000.00	579,987
Rent/hostel:	115,890	208,000
Tuition	6,967,016	4,900,716
LT & T	6,153,728	3,597,689
Production Unit	73,765	1,333,768
Exam fee	9,775,020	8,623,614
Activity fees	2,440,755	171,650
Internet connectivity	3,882,087	530,225
ISO	16,040	47,880
Attachment	474,010	530,187
Caution money	55,800	26700
Students council	690,210	359,955
Research	1,869,520	85,300
Town campus expenses	170,667	296,300
Bank chargers	53,548	245,749
Driving lesson expenses	320,562	79,100
Helb refund	0	128255
NSSF penalty	0	16,879
Income Tax penalty	78,592	292,228
Computer training expenses	161,640	551,260
Covid-19 response expenses	6,500	3760580
Catering Expenses	3,800,170	5,985,428
Acrued creditors	20,121,016	0
Medical	340,740	295,350
Nangina campus	249,670	0
Legal fee	0	94,200
Total Expenditure	65,551,998	41,440,566

17. FINANCE COSTS

Description	2020-2021	2020-2021
	KShs	KShs
Interest on bank loan	34,457	251,888
Total finance costs	34,457	251,888

18. CASH AND CASH EQUIVALENTS

		2020-2022	2020-2021
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1157075576	13,868,550	309,627
National bank of Kenya	1021036500800	5,691,925	5,749,196
National bank of Kenya	1021038375900	204,949	12,013,301
Kenya Commercial bank	1206577150	3,377,918	2,494,024
Total		23,143,342	20,566,148
Cash in hand		182,468	144,764
Sub- total		182,468	144,764
Grand total		23,325,810	20,710,912

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19. Property, Plant and Equipment

	Buildings		Work in progress Modern gate		Land		Furniture and fixtures		Motor vehicles		Computers		Tools and Equipment		Total	
	Shs	Shs			Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Cost																
At 1 July 2017	227,764,500	0	5,500,000	2,413,242	9,645,763	1,050,000	4,685,347	251,058,852								
Accumulated depreciation	-7,592,150	0	-	-723,898	-9,645,763	-349,650	-2,838,205	-21,149,666								
At 30 th June 2018	220,172,350	0	5,500,000	1,689,344	0	700,350	1,847,142	229,909,186								
Additions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 1st July 2018	220,172,350	0	5,500,000	1,689,344	0	700,350	1,847,142	229,909,186								
Additions:	-	0	-	-	-	-	-	0								
At 30th June 2019	220,172,350	0	5,500,000	1,689,344	-	700,350	1,847,142	229,909,186								
Depreciation	7,592,150	0	0	241,324	0	349,650	709,551	8,892,675								
Net book value as at 1st July 2019	212,580,200	0	5,500,000	1,448,020	0	350,700	1,137,591	221,016,511								
Additions	-	0	0	0	3,950,000	2,425,285	0	6,375,285								
At 30th June 2020	212,580,200	0	5,500,000	1,448,020	3,950,000	2,775,985	1,137,591	227,391,796								
Depreciation	7,592,150	0	0	241,324	987,500	1,157,270	709,551	10,687,796								
Net book value as at 30 June 2020	204,988,050	0	5,500,000	1,206,696	2,962,500	1,618,715	428,040	216,704,000								
Net book value as at 1st July 2020	204,988,050	0	5,500,000	1,206,696	2,962,500	1,618,715	428,040	216,704,000								
Additions		4,498,995	-	-	-	-	44,995	4,543,990								
Net book value as at 30th June 2021	204,988,050	4,498,995	5,500,000	1,206,696	2,962,500	1,618,715	473,035	221,247,990								
Depreciation	7,592,150	0	0	241,324	987,500,00	807,620	473,034	10,101,628								
Net book value as at 30th June 2021	197,395,900	4,498,995	5,500,000	965,372	1,975,000	811,095	1	211,146,362								
Net book value as at 1st July 2021	197,395,901	4,498,995	5,500,000	965,372	1,975,000	811,095	1	211,146,362								
Transfer to building		-4,498,995						-4,498,995								
Additions	5,091,157	9,732,120		350,000				15,173,277								
Net book value as at 30 June 2022	202,487,058	9,732,120	5,500,000	1,315,372	1,975,000	811,095	1	221,820,644								
Depreciation	7,719,429	-	-	276,324	987,500	807,620	-	9,790,873								
Net book value as at 30 June 2022	194,767,629	9,732,120	5,500,000	1,039,048	987,500	3,475	1	212,029,771								

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19 (b) Property, Plant and Equipment at Cost

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	5,500,000	-	5,500,000
Buildings	232,855,657	38,088,029	194,767,628
Computers	3,475,285	3,471,810	3,475
Tools and Equipment	4,730,342	4,730,342	1
Motor vehicles	13,595,764	12,608,264	987,500
Furniture and fittings	2,763,242	1,724,194	1,039,048
Work in progress Modern gate	9,732,120	-	9,732,120
TOTAL	272,652,410	60,622,639	212,029,771

20. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2021-2022	2020-2021
	KShs	KShs
Trade payables for the year	7,808,684	5,033,174
Employee salaries	2,140,262	1,692,329
Total trade and other payables	9,948,946	6,725,503

21. REFUNDABLE DEPOSIT

Description	2021-2022	2020-2021
	KShs	KShs
Caution Money	287,960	290,190
Prepayment fee	0	12,301,088
Balance at end of the period	287,960	12,591,278

22. BORROWINGS

Description	2021-2022	2020-2021
	KShs	KShs
Balance at beginning of the period- NBK & KCB	1,314,553	2,949,925
Repayments of domestics borrowings during the year	-1,314,553	1,635,372
Borrowing during the year	10,000,000	0
Balance at end of the period	10,000,000	1,314,553

(ii) RELATED PARTY

Nature of related party relationships

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

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

23. EVENTS AFTER THE REPORTING PERIOD

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

24. ULTIMATE AND HOLDING ENTITY

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

25. Currency

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

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APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS 2019/2020

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame															
1.1. Variance between Financial Statements and Supporting Schedules	The statement of financial performance and statement of financial position reflect two (2) items that are at variance with the supporting schedules. The financial statements reflect an amount of kshs. 41,440,566.00 for general expenses against an amount of kshs. 42,073,156 in the supporting schedules resulting to an unreconciled variance of kshs. 632,590. Similarly, the trade payable are reflected as kshs. 6,725,503 in the financial statements against an amount of Kshs. 7,358,092 in the supporting schedules resulting to an unreconciled variance of Kshs.632,589.	The variance have since been reconciled	Finance Officer	Not resolved	31/12/2022															
		<table border="1"> <thead> <tr> <th colspan="2">RECONCILIATION OF TOTAL GENERAL EXPENDITURE AMOUNTS</th> <th>KSHS.</th> </tr> </thead> <tbody> <tr> <td>DETAIL</td> <td></td> <td></td> </tr> <tr> <td>Balance in the schedule</td> <td></td> <td>42,073,156.00</td> </tr> <tr> <td>Less: Double entry in tuition and covid 19 expenses</td> <td></td> <td>(632,590.00)</td> </tr> <tr> <td>Balance as per financial performance</td> <td></td> <td>41,440,566.00</td> </tr> </tbody> </table>	RECONCILIATION OF TOTAL GENERAL EXPENDITURE AMOUNTS		KSHS.	DETAIL			Balance in the schedule		42,073,156.00	Less: Double entry in tuition and covid 19 expenses		(632,590.00)	Balance as per financial performance		41,440,566.00			
RECONCILIATION OF TOTAL GENERAL EXPENDITURE AMOUNTS		KSHS.																		
DETAIL																				
Balance in the schedule		42,073,156.00																		
Less: Double entry in tuition and covid 19 expenses		(632,590.00)																		
Balance as per financial performance		41,440,566.00																		
		<table border="1"> <thead> <tr> <th colspan="2">RECONCILIATION OF TOTAL TRADE AND OTHER PAYABLES AMOUNTS</th> <th>KSHS.</th> </tr> </thead> <tbody> <tr> <td>DETAIL</td> <td></td> <td></td> </tr> <tr> <td>Balance in the schedule</td> <td></td> <td>7,358,093.00</td> </tr> <tr> <td>Less: Paid supplies (Sumo Computers)</td> <td></td> <td>(632,590.00)</td> </tr> <tr> <td>Balance as per financial position</td> <td></td> <td>6,725,503.00</td> </tr> </tbody> </table>	RECONCILIATION OF TOTAL TRADE AND OTHER PAYABLES AMOUNTS		KSHS.	DETAIL			Balance in the schedule		7,358,093.00	Less: Paid supplies (Sumo Computers)		(632,590.00)	Balance as per financial position		6,725,503.00			
RECONCILIATION OF TOTAL TRADE AND OTHER PAYABLES AMOUNTS		KSHS.																		
DETAIL																				
Balance in the schedule		7,358,093.00																		
Less: Paid supplies (Sumo Computers)		(632,590.00)																		
Balance as per financial position		6,725,503.00																		
1.2. Inaccuracies in the statement of Comparison Budget and Actual Amounts	The statement of comparison of budget and actual amounts reflects total income, budget deficit and under absorption amounts of kshs. 53,113,459. kshs. 16,216,629 and kshs.338,543,152 respectively. However, the recalculated amounts are kshs. 52,823,269. Kshs. 16,506,819 and kshs.339,795,245 resulting in unexplained variances of	The variance has since been explained as flows.	Finance Officer	Not resolved	31/12/2022															
		<table border="1"> <thead> <tr> <th colspan="2">RECONCILIATION BETWEEN STATEMENT OF COMPARISON OF BUDGET AND ACTUAL</th> <th>KSHS.</th> </tr> </thead> <tbody> <tr> <td>DETAIL</td> <td></td> <td></td> </tr> <tr> <td>Balance in the Budget</td> <td></td> <td>53,113,459.00</td> </tr> </tbody> </table>	RECONCILIATION BETWEEN STATEMENT OF COMPARISON OF BUDGET AND ACTUAL		KSHS.	DETAIL			Balance in the Budget		53,113,459.00									
RECONCILIATION BETWEEN STATEMENT OF COMPARISON OF BUDGET AND ACTUAL		KSHS.																		
DETAIL																				
Balance in the Budget		53,113,459.00																		

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kshs.290,190, kshs.290,190 and Kshs.1,252,093 respectively.

Less: transfer of caution money to refundable deposit (Note 21)	(290,190.00)
Balance as per financial performance	52,823,269.00

DETAIL	KSHS.
Balance in the schedule	339,795,245
Less: Double entry in tuition and covid 19 expenses	(1,252,093)
Balance as per financial performance	338,543,152

The institute did not receive any communication from ministry on capitation so its hard to disclose capitation on financial statement under receivable transaction.

1.3.Receivable from Non-exchange Transactions
 The statement of financial position reflects a nil balance under receivables from non-exchange transactions while the statement of comparisons of budget and actual amounts reflects actual receipts of 16,537,500 under Government capitation. In addition, the statement of financial position refers the nil balance on receivables from non-exchange transactions to Note 17 which is on finance cost.

Finance Officer
 Not resolved
 31/12/2022

The supporting schedules has since been provided for audit verification

2. Unsupported Expenditure
 The statement of financial performance reflects a balance of Kshs. 3,919,197 in respect of use of goods and services which, as disclosed in Note 10 to the financial statements, includes amounts of kshs. 489,684, kshs.68,180 and kshs.52,630 in respect of ren/hostel, book fund and tender respectively. However, the supporting documents such as ledgers and schedules were not provided for audit verification.

Finance Officer
 Not resolved
 31/12/2022

SCHEDULES FOR USE OF GOODS

DATE	DETAILS	VR NO	AMOUNT
16/7/2020	Arnold Wafula	68	255,000.00
16/7/2020	Mbinda Fire	94	90,258.00
7/14/2020	David Majoni	18	13,420.00
16/7/2020	Tripple Line	85	39,592.00
7/20/2020	Harrison Barasi	32	2,500.00
8/20/2020	David Majoni	71	10,700.00

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9/7/2020	David Majoni	101	10,700.00
10/16/2020	David Majoni	145	21,100.00
10/23/2020	David Majoni	160	2,500.00
10/29/2020	Dismas Okumu	173	6,500.00
11/3/2020	David Majoni	180	3,900.00
11/11/2020	David Majoni	204	4,700.00
11/16/2020	David Majoni	209	22,300.00
12/21/2020	David Majoni	276	31,200.00
1/5/2021	David Majoni	303	6,300.00
1/14/2021	David Majoni	319	19,900.00
1/18/2021	Dismas Okumu	334	6,000.00
2/9/2021	David Majoni	368	7,020.00
2/12/2021	David Majoni	393	7,020.00
2/15/2021	David Majoni	395	20,600.00
3/4/2021	David Majoni	444	24,200.00
3/8/2021	David Majoni	448	9,320.00
3/16/2021	David Majoni	464	21,400.00
3/19/2021	Sarah Ojiambo	474	7,000.00
3/21/2021	David Majoni	477	7,840.00
3/22/2021	David Majoni	483	22,200.00
4/12/2021	David Majoni	498	21,600.00
4/22/2021	Peter Ochar	516	6,950.00
4/27/2021	David Majoni	519	22,200.00
5/7/2021	David Majoni	533	6,980.00
5/17/2021	David Majoni	545	7,920.00
5/26/2021	David Majoni	563	30,200.00
6/6/2021	David Majoni	590	9,700.00
6/7/2021	David Majoni	591	33,300.00
6/30/2021	David Majoni	663	33,300.00
9/21/2020	David Majoni	69	4,660.00
9/22/2020	David Majoni	73	21,100.00
1/14/2021	Busaia County Government	172	71,651.00
2/5/2021	KPLC	219	64,628.00
2/24/2021	Busaia County Government	296	68,095.00
2/26/2021	KPLC	300	57,885.00
4/13/2021	KPLC	363	42,391.00
5/10/2021	Busaia County Government	428	30,330.00
6/3/2021	KPLC	465	74,146.00
6/11/2021	Busaia County Government	501	10,060.00
1/9/2020	KPLC	133	67,380.00

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23/10/2020	KPLC	211	68,770.00
14/7/2020	Kisumu Mordern	51	174,070.00
4/1/2021	KPLC	263	115,363.00
8/6/2021	KPLC	294	52,854.00
		Total	1,768,703.00
VOTEHEAD SECURITY			
DATE	PAID TO	VR NO	AMOUNT
11/23/2020	Chakra Co. Ltd.	99	140,000.00
1/14/2021	Chakra Co. Ltd	171	140,000.00
2/5/2021	Chakra Co. Ltd.	246	140,000.00
3/16/2021	Chakra Co. Ltd.	343	140,000.00
4/14/2021	Chakra Co. Ltd.	380	140,000.00
6/12/2021	Chakra Co. Ltd.	511	140,000.00
9/7/2020	Chakra Co. Ltd	24	140,000.00
10/8/2020	Chakra Co. Ltd	125	140,000.00
4/9/2020	Chakra Co. Ltd	145	140,000.00
20/10/2020	Chakra Co. Ltd	227	140,000.00
6/6/2021	Chakra Co. Ltd	268	140,000.00
		Total	1,540,000.00
VOTEHEAD TENDER			
DATE	DETAILS	VR NO	AMOUNT
7/15/2020	SortalLumbatsi	25	12,235.00
7/28/2020	Emma Nyagweth	46	3,565.00
7/30/2020	Emma Nyagweth	49	14,000.00
9/4/2020	Emma Nyagweth	96	3,450.00
6/24/2021	MethodusBarasa	630	2,230.00
6/30/2021	Emma Nyagweth	664	12,000.00
9/15/2020	Robert Okumu	55	5,150.00
		Total	52,630.00
VOTEHEAD BOOKFUND			
DATE	DETAILS	VR NO	AMOUNT
9/2/2020	CarolynneOdhiambo	90	7,800.00
10/9/2020	CarolynneOdhiambo	137	8,060.00

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11/4/2020	Carolyn Odhiambo	183	7,800.00
12/21/2020	Carolyn Odhiambo	283	8,060.00
1/20/2021	Carolyn Odhiambo	336	8,060.00
2/4/2021	Carolyn Odhiambo (B)	356	5,000.00
2/18/2021	Carolyn Odhiambo	411	7,280.00
3/16/2021	Carolyn Odhiambo	466	8,060.00
6/3/2021	Carolyn Odhiambo	585	8,060.00
	Total		68,180.00
VOTEHEAD			
HOSTEL/RENT			
DATE	PAID TO	VR NO	AMOUNT
12/14/2020	Dismus Okumu	268	4,000.00
11/23/2020	Augustino Ogesa	93	154,000.00
11/23/2020	Obada Nadebu	97	56,000.00
11/23/2020	Bwire & Family	101	120,000.00
3/4/2021	Pamela Nadebu	305	5,326.00
3/4/2021	Fredrick Makokha	306	1,358.00
3/23/2021	Charles Egondi	359	22,000.00
5/10/2021	Bwire & Family	417	120,000.00
6/11/2021	Sarah Ojiambo	499	7,000.00
	Total		489,684.00
SUMMARY			
E W & C	KSHS		
	1,768,703		
Book Fund	68,180		
Security	1,540,000		
Rent/Hostel	489,684		
Tender	52,630		
TOTAL	3,919,197		

Other matter

1. Budgetary Control and performance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.409,125,333 and recalculated amount of kshs.52,823,269 for actual on comparable basis resulting in under-funding of kshs.356,300,064 or 87% of the budget. Similarly, the statement reflects final budget expenditure and actual on comparable basis of Kshs.409,125,333 and kshs.69,330,088 resulting to under absorption of a recalculated amount of kshs.339,795,245 or 83% of the budget. No explanation was provided for both the under-funding and under-absorption of

The Institution had budgeted for capital expenditure anticipating support from the Government and other donor agencies. However, this was not realized and hence the only funds expended were internally generated

Finance Officer

Not resolved

31/12/2022

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<p>2. Unresolved Prior Year matters</p>	<p>funds</p> <p>In the audit of the previous year, several issues were raised. The management has not resolved the issues or provided reasons for the delay in resolving them. Further, the unresolved prior year issues are not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public sector accounting standards Board and the National Treasury Circular Ref: AG.4/16/2 VOL.3 (72) dated 30 June 2021</p>	<p>Unresolved prior year issues have since been disclosed under the progress on follow up of auditor's recommendations and financial statement updated</p>	<p>Finance Officer</p>	<p>Not resolved</p>	<p>31/12/2022</p>
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Guidance Notes:

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

Principal

Secretary of the Board of Governors

Sign.....  Date..... 29/9/2022

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The Bumbe Technical Training Institutewishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Bumbe Technical Training Institute as at 30th June 2022

Reference Number	Date Disbursed	Amounts Disbursed by Ministry (Kshs) as at 30 th June 2022			Total	Amount Received by Bumbe TTI (KShs) as at 30 th June 2022	Differences (KShs)
		Capitation grants	Development	Inter-Ministerial			
	18/11/2021	9,660,000	0	0	9,660,000	9660000	0
DTE/CAP9/33 (8)	3/3/2022	9,660,000	0	0	9,660,000	9660000	0
	3/6/2022	11,497,500	0	0	11,497,500	11497500	0
Total		30,817,500		0	30,817,500	30817500	0

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

Head of Accountants department of beneficiary Entity:

Name *Esther W. Omulo* Sign *[Signature]* Date *27/9/2022*