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CLERK AT THE TABLE: CHRISTINE NDIRITU	

THE AUDITOR-GENERAL

ON

BARINGO TECHNICAL COLLEGE

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

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MINISTRY OF EDUCATION

STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL
TRAINING

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021



BARINGO TECHNICAL COLLEGE

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

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Baringo Technical College was established under the Technical, Vocational Education and Training (TVET) Act, 2013. The entity is domiciled in Kenya. The college operates under the Ministry of Education state department of Technical, Vocational Education and Training. (TVET)

(b) Principal Activities

The principal activity of the institution is found in its mission and vision statements as below:

Vision

To be global leader in technological, engineering, Innovation, entrepreneurial research and training

Mission

To provide quality human resource through technical vocational education and training for global market

Core Values

Baringo Technical College is an integral part of the society and endeavours to exhibit high social and professional standards. Core values are the fundamental values or ideals at the heart of Baringo Technical College that lays the foundation on which the college operates. Core values shape the culture and define the character of Baringo Technical College.

The staff will conduct their duties in accordance with teacher's service code of conduct and ethics and endeavour to project a supportive corporate culture among its members.

Guided by our vision and mission we shall uphold the following values at all the times. These core values are:

- Integrity
- Quality
- Accountability
- Professionalism
- Commitment
- Leadership
- Diversity

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(c) Key Management

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

Board of Governors

Principal

Management team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Principal	Josphat Kipkemboi
2.	Deputy principal Administration	Robert Chesire
3	Deputy principal Academics	Eunice Jepkemboi Kerich
4	Registrar	Hillary Kemboi
5	Dean of students	Rufus Muriuki
6	Head of Finance	CPA Rebecca Chelanga
7	Head of supply chain	Robert Kiprop Chirchir
8	Internal auditor	CPA Elijah Koech
9	Human Resource officer	Fridah Yator

(e) Fiduciary Oversight Arrangements

The board has the overall mandate of ensuring the sound management of the college. This includes: approving budget and procurement plan, approving policies, strategic plan, reviewing management implementation of strategies, policies and plans, risk assessment and management and recruitment of staff. For effective operation of the Board of Governors through clearly mandated board committees, accompanied by monitoring and reporting systems. Each standing board of governors committee has specific roles and responsibilities as set out in corporate governance statement on pages xxiii to xxiv

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

Baringo Technical College
P.O. Box 299-30400
Kabarnet, Kenya

(g) Entity Contacts

Telephone: 0702191409
E-mail: baringotechnical@yahoo.com
Website: www.baringotechnical.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
Kabarnet branch
P.O Box 175-30400
Kabarnet
Account Number. 1137331836, 1175704199, 1167847253




(i) Independent Auditors

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

(j) Principal Legal Adviser




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

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II. THE BOARD OF GOVERNORS

Member's Name	Brief Description
 <p>Designation: Board ChairPerson Name: Ezekiel K. Kimosop Profession: Insurance</p>	<p>Mr. Ezekiel K Kimosop was born on 30 November 1966. He is currently the Chairperson of the Board of Baringo Technical College. He is a holder of MBA (Moi University), M.Div., (International leadership university), Bcom (University of Nairobi). He is currently a PhD student at African International University, Karen. He is an Associate Member of the Insurance Institute of Kenya with 29 years of experience in Insurance practice.</p>
 <p>Designation: Member Name: Grace Chelagat Profession: HR expert</p>	<p>Mrs. Grace J. Chelagat born on 30 June 1966. Currently she is a member of the Board Baringo Technical College. She holds honorary doctorate in Leadership, MBA (Management), Bachelor of Business Administration, Post Graduate diploma in Human Resource. She has vast experience in the Banking sector & Public service (30 years). Member of Public Service Board.</p>
 <p>Designation: Member Name: Dennis Kiprono Komen Profession: Civil Engineer</p>	<p>Mr. Denis Kiprono Komen born on 5 may 1994. Currently a member of the board of Baringo Technical College. He holds a Bachelor of Science in Civil Engineering from University of Nairobi and is a registered graduate engineer with the Engineers Board of Kenya.</p>




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 <p>Designation: Member Name: Lucy J Chepkwony Profession: Accountant</p>	<p>CPA Lucy J Chepkwony was born on 27 May 1985. She is currently a member of the Board of Baringo Technical College. She has served as an Accountant with Arches Tours and Travels for 6 years. She currently practices as a management accountant. She holds a Bachelor's degree in business management (Finance option) from Moi University.</p>
 <p>Designation: Member Name: Wilfred K. Kiplagat Profession: ICT expert</p>	<p>Mr. Wilfred K. Kiplagat was born on 24 March 1985. Currently board member of Baringo Technical College. He holds a Master's in Distributed Computing Technologies at the University of Nairobi. Currently Chief Officer Agriculture Baringo County Government.</p>
 <p>Designation: Member Name: Karoli Ooko Profession: Consultant</p>	<p>Mr. Karoli Ooko was born on 24 April 1956. He is currently the member of the Board of Baringo Technical College. He is a holder of a Master of Arts in Political Science and Public Relations (University of Nairobi). He has over 40 years of experience having worked in public service since 1982. He is currently in private practice and a consultant in Public Administration and Policy.</p>

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	<p>Ms Margaret Mwangi Murugi was born on 5 February 1993. She is currently a member of the Board of Baringo Technical College. She is a holder of a bachelor's degree in computer science. She has five years experience having worked at ITEC S systems Ltd for the last two years. She currently practices as a business development consultant. She is a graduate in computer science from University of Eldoret (2015).</p>
<p>Designation: Member Name: Margaret Mwangi Murugi Profession: ICT expert</p>	<p>Architect Ivan Kelunyo was born on 13 August 1974. He is currently the member of the Board of Baringo Technical College. He is a holder of bachelor of Architecture degree (University of Nairobi) and is a registered architect with the AAK. He has over 15 years experience having worked in public service since March 2005. He currently in private practice.</p>
	<p>Chief Principal Personal number 1990177430 Mr. Josphat Kipkemboi holds Bachelor of arts Degree in Education (Business & Economics) from Kenyatta University and Master of Agricultural Economics and Resource management from Moi University. He has an experience of 31 years in Technical, Vocational Education and Training sector.</p>
	<p>Designation: Chief Principal Name: Josphat Kipkemboi</p>

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BOARD OF GOVERNORS COMMITTEES

Name of the Committee	Members
Audit and Risk management committee	1. Lucy Chepkwony (Chairperson) 2. Grace Chelagat (Member) 3. Ivan Kelunyo (Member) 4. CPA Elijah Koech (Secretary)
Academic, Human Resource & Welfare Committee	1. Margaret Mwangi (Chairperson) 2. Grace Chelagat (Member) 3. Dennis Kiprono (Member) 4. Josphat Kipkemboi (Secretary)
Finance and Infrastructure committee	1. Wilfred Kiplagat (Chairperson) 3. Dennis Kiprono (Member) 4. Josphat Kipkemboi (Secretary)

THE BOARD CHARTER

1. PURPOSE

This charter sets out the key values and principles of the Board of governors of the Baringo Technical College

It provides a concise overview of:

1. The role and responsibilities of the board of governors;
2. Powers of the board and board committees;
3. Separation of roles between the Board and Management;
4. The practice of the board in respect of corporate governance matters.

This Board Charter is subject to the provisions of the TVET Act, 2013, the PFM Act, 2012 and any applicable law or regulatory provision.

2. ROLE OF THE BOARD

- a) The Board is the ultimate decision-making body of the College.
- b) The Board is responsible for establishing sound system of internal control for the College.
- c) The Board is responsible for overseeing the corporate governance framework.
- d) The Board is responsible for: adoption of strategic plans and policies; monitoring the operational performance; establishing policies and processes that ensure integrity of the College's internal controls; and risk management.
- e) The Board is responsible for establishing clear roles and responsibilities in discharging its fiduciary and leadership functions.
- f) The Board is responsible for ensuring that management actively cultivates a culture of ethical conduct and sets the values to which the institution will adhere.

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- g) The Board is responsible for ensuring that the strategies adopted promote the sustainability of the College.
- h) The Board is responsible for establishing policies and procedures for effective operations of the College.
- i) The Board shall establish appropriate staffing and remuneration policies for all employees as required.
- j) The Board shall ensure the College's compliance with all applicable laws, regulations, governance codes, guidelines and regulations and establish systems to effectively monitor and control compliance across the College.

3. MATTERS RESERVED FOR THE BOARD

- a) The Board reserves specific powers to itself and delegates other matters to the management of the College.
- b) The Board delegates its day-to-day powers and duties to the principal and to the Management Teams required by law.

4. DELEGATION OF AUTHORITY

- a) Effective governance of the College requires management to be involved in all significant decisions, and to be accountable to the Board. All delegated authorities must emanate from the Board.
- b) In establishing delegated authorities, whether for financial expenditure approval, or other approvals, both quantum and individuals to be granted authority must be presented to the Board.
- c) The Principal must rise with the Board any matter of significance affecting the College which requires the Board's attention, including any matters which exceed the delegated authority of the executive management.

5. COMPOSITION OF THE BOARD

- a) The Board shall be appointed by the Cabinet Secretary for Education. It includes members representing Industry, Technology, Leadership, ICT, and Finance & Engineering.
- b) The Board shall ensure that it comprises a diverse mix of skills and expertise critical for effective oversight on the management of the College. This shall be underscored by ensuring that each member has the requisite skill and access to the necessary tools required for their effective performance.

5.1. Appointment and Remuneration of Board members

- a) The Board shall consist of members as shall be determined from time to time and subject to regulatory requirements. The Board Nominating Committee shall recommend governors for appointment by the Cabinet Secretary for Education as per regulatory requirements.
- b) The Chairman of the Board shall be appointed by the Cabinet Secretary for Education.
- c) The number of Board members shall be as determined by the TVET Act 2013.
- f) The Board shall establish and approve formal and transparent remuneration policies and procedures for Board members.
- g) Governor's remuneration package shall be adequately disclosed in the full board meeting(s) in line with the financial ability of the college as regulated by the TVET Act 2013.

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6. BOARD INDEPENDENCE

To enhance independence, the Board shall avail an environment that ensures the members are critical and independent of one another so as to promote independent and objective judgment.

7. ACCESS TO INFORMATION AND INDEPENDENT ADVICE.

- a) The Board may from time to time require independent legal, financial, governance or other expert advice. To facilitate this, the Board shall ensure members obtain external advice, as may be required, at the College's expense and shall invite senior management to provide technical advice as needed.
- b) The Board shall establish procedures to allow its members access to relevant, accurate and complete information and professional advice in order to discharge its duties effectively.

8. BOARD TRAINING

- a) Each Board member shall participate in an induction program that is tailored to effectively orient the member to the College's business, strategy, objectives, policies, procedures, operations, senior management and operating environment. The induction shall also include all the necessary information that shall be required by a member for effective performance on the Board. New Board members shall also be introduced to their fiduciary duties and responsibilities as well as any other aspects that are unique to the College.
- b) Board members should have a clear understanding of their role in corporate governance and be able to exercise sound and objective judgment about the affairs of the College.
- c) The Board shall ensure adequate Board development through continuous training to keep the Board well informed on critical information pertinent to the College and corporate governance environment.
- d) The Board shall conduct a bi-annual review to identify the training needs and facilitate up skilling as well as continuous development.

9. BOARD EVALUATION

- a) For improved Board effectiveness, the Board shall carry out an assessment of its performance the performance of the Chairperson, that of its committees, individual members and the Principal.
- b) The Board shall discuss the results of the evaluation exercise which shall also inform the Board on the training needs for its members.
- c) The Board shall disclose whether evaluation of the Board, the chairperson and the Principal has been undertaken in the annual report and financial statements of the College.

10. ROLE OF THE CHAIR AND SECRETARY

The Chair is appointed by the Cabinet Secretary for Education. The Secretary who is the Principal shall keep the Chair informed about the operations of the College.

The Role of the Chair shall be to:

- a) Provide leadership to the Board and ensure its effectiveness in all aspects of its role. The Chair shall set the Board agenda with the assistance of the Principal who is the Secretary.
- b) Facilitate the effective contribution of governors and encourage constructive relations between governors.
- c) Monitor attendance at Board meetings;
- d) To ensure that there is a robust process for Board succession and that a current pool of candidates has been identified;

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- e) Develop the strategy of the College, together with the Principal, and ensure the Board is fully appraised and has the opportunity to debate the strategic direction of the College;
- f) Put in place and maintain an effective delegation of authority structure to provide effective management and control over the College's business with the assistance of the Principal;
- g) Communicate effectively with the College stakeholders. The stakeholders include, where applicable, regulators, governments, students, staff and the communities within which the College operates;
- h) Together with the Principal, to ensure that the College communicates effectively with, stakeholders, government agencies, financial institutions, the media, the public and any relevant special interest groups who have a legitimate concern or involvement with the operation of the College;
- i) Ensure that the views of the stakeholders are communicated to the Board as a whole;
- j) Chair the Full Board Meetings and all other stakeholder meetings of the College;
- k) Together with the Principal and Secretary, ensure that the College operates to the highest standards of corporate governance;
- l) Manage the training needs of each board member and ensure development;
- m) Ensure the Board undertakes continuous development in order to enhance governance practices within the Board itself and in the interest of the College.

The role of the Secretary shall be to:

- a) Ensure that the policies spelt out by the Board in the College's overall corporate strategy are implemented;
- b) Identify and recommend to the board competent officers to manage the operations of the College. In the fulfilment of this duty, the Secretary should ensure that the College's human resources policy is adhered to;
- c) Co-ordinate the operations of the various departments within the College;
- d) Establish and maintain efficient and adequate internal control systems;
- e) Design and implement the necessary management information systems in order to facilitate efficient and effective communication within the College
- f) Ensure that the Board is frequently and adequately appraised about the operations of the College through presentation of relevant board papers, which must cover, but are not limited to, the following areas:
 - i) Actual performance compared with the past performance and the budget together with explanations of all the variances.
 - ii) Capital structure and adequacy.
 - iii) Performance; in particular, problem students, courses and provisions.
 - iv) Income and expenses.
 - v) Income: sources and distribution profile.
 - vi) Report on violation of laws and remedial activities undertaken to ensure compliance with the guidelines.
 - vii) Any other duties as may be assigned by the Board from time to time.

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11. DUTIES OF BOARD MEMBERS

Each Board member shall have the fiduciary duty to—

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

12. THE SECRETARY

The Principal appointed by the Public Service Commission's the Secretary to the Board and is charged with the following responsibilities:

- a) To provide guidance to the Board on its duties and responsibilities and on other matters of governance;
- b) To ensure that the Board complies with its obligations under the law and the TVET Act 2013 and all other relevant laws.
- c) To assist the Chairperson of the Board in organizing the Boards activities;
- d) To assist the Board with evaluation exercise;
- e) To coordinate the governance audit process;
- f) To maintain and update the register of conflict of interest;
- g) To facilitate effective communication between the organization and the stakeholders; and
- h) To carry out any other duties as may be assigned by the Board from time to time.

13. BOARD COMMITTEES

- a) The Board may discharge any of its responsibilities through Board Committees appointed from amongst its members subject to the applicable laws.
- b) The Board has established the following committees:
 1. Audit & Risk Management Committee
 2. Finance & Infrastructure Committee
 3. Academics & Research Committee
- c) The Board shall appoint the Chairpersons of the Committees and shall approve appropriate terms of reference for the Committees.
- d) Reporting obligations:
 - i) The Committees shall report to the Board on matters referred to it by the Board and on the proceedings following each meeting of the committee. The report shall include findings, matters identified for specific recommendation to the Board, action points and any other issues as appropriate.
 - ii) The committees shall liaise with each other in so far as it is expedient to effectively perform their different roles.
- e) The Board remains collectively responsible for the decisions of any committee and shall review the effectiveness and performance of committees annually.
- f) The Board may be required to establish other committees from time to time.

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14. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

- a) All Board members are required to:
 - i) Declare any interests that may give rise to potential or perceived conflict e.g., business relationships or other circumstances that could interfere with exercise of objective judgment;
 - ii) Declare as soon as they become aware that a subject to be discussed at a Board or committee meeting may give rise to a conflict of interest at the outset of the applicable meeting. The conflicted Board member shall not participate further in the discussion of that subject, nor vote on it. This is subject at all times to the provisions of the guiding laws rules & regulations of the College.
- b) The Board shall evaluate all potential or perceived conflict of interest as declared and shall approve such transactions with the College as may be appropriate.
- c) A register of declared Conflicts of Interest shall be maintained by the Secretary.

15. CODE OF CONDUCT

- a) The Board shall adopt a Code of Conduct for all governors and employees that addresses, among other things, conflict of interest and which shall be reviewed and updated regularly. A summary of this code shall be made available on the College's website.
- b) The College shall adopt effective whistle blowing mechanisms that encourage staff and other stakeholders to bring out information helpful in enforcing good corporate governance practices.
- c) The Board shall also adopt the Public Service Code of Conduct that will apply to all governors and staff.

16. RELATIONS WITH STAKEHOLDERS

- a) The Board shall recognize, respect and protect the rights of stakeholders and shall ensure equitable treatment of all stakeholders.
- b) The Board shall provide stakeholders with information as is required under the applicable law and shall establish mechanisms to ensure effective communication with stakeholders.
- c) The Board shall have a stakeholder-inclusive approach and will be responsible for giving due consideration to the legitimate interests and expectations of the College's stakeholders in its deliberations, decisions and actions.
- d) The Board shall establish effective communication with the College's stakeholders including the media as may be appropriate.




17. TERMS OF REFERENCE

The Board shall adopt its detailed Terms of Reference which shall be reviewed periodically.

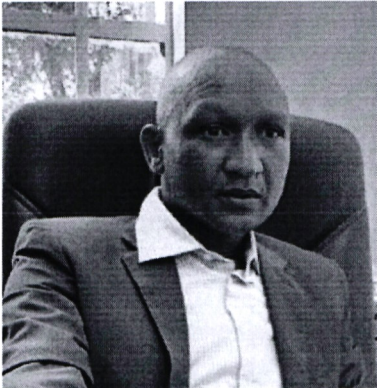



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III. MANAGEMENT TEAM**Key Senior Management**

NAME OF THE EMPLOYEE	BRIEF DESCRIPTION
 <p>Designation: Chief Principal Name: Josphat Kipkemboi</p>	<p>Chief Principal</p> <p>Personal number 1990177430</p> <p>Mr. Josphat Kipkemboi holds Bachelor of arts Degree in Education (Business & Economics) from Kenyatta University and Master of Agricultural Economics and Resource management from Moi University. He has an experience of 31 years in Technical, Vocational Education and Training sector.</p>
 <p>Designation: Deputy Principal Administration Name: Robert Chesire</p>	<p>Deputy Principal (Administration)</p> <p>Personal number 2002078071</p> <p>Mr Robert Chesire holds Bachelor of Arts Degree in Education (Accounting & Mathematics) from UON and Dip in HRM from Kenya Institute of Management and over 18 years of teaching experience.</p>
 <p>Designation: Deputy Principal Academics Name: Eunice Jepkemoi Kerich</p>	<p>Deputy Principal (Academics)</p> <p>Personal Number 19970015966</p> <p>Ms. Eunice Jepkemoi Kerich holds a Master's degree in Curriculum and Instruction from University of Eastern Africa, Baraton and has an experience of more than 20 years.</p>

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	<p>Registrar</p> <p>Personal number 2011230183</p> <p>Mr.Hillary Kipruto Kemboi is the registrar on an acting capacity. He is currently doing masters in education (Curriculum Development) at MMUST university. He also holds a diploma in technical education from Kenya technical trainers' college (KTTC) and Diploma in civil engineering from MMUST and western college of arts and applied science (WECO).</p> <p>He has 7 years' experience in technical, vocational education and training sector</p>
	<p>Dean of Students</p> <p>Personal number 1998045873</p> <p>Mr. Rufus Muriuki is the dean of student on appointment on acting capacity. He holds a diploma in technical education accounting option.</p>
	<p>Finance Officer</p> <p>Personal Number: BTC2013004</p> <p>Rebecca Chelanga is a CPA graduate, a member of ICPAK and Institute of Internal Auditors of Kenya (IIAK). She holds Bachelor of commerce degree Finance option from Egerton University. She is an ongoing MBA student of Kabarak university. She has an Experience of 8 years in accounting and finance field.</p>
	<p>Senior supply chain officer</p> <p>Personal Number: BTC2015007</p> <p>Mr Robert Kiprop Chirchir is a member of KISM; He holds a degree in Business management procurement option. He has an experience of 5 years in procurement field.</p>

Name: Hillary Kemboi
Designation: Registrar

Designation: Dean of students
Name: Rufus Muriuki

Designation: Finance Officer
Name: CPA Rebecca Chelanga

Designation: Senior supply chain officer
Name: Robert Kiprop Chirchir

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CPA Elijah Koech
Internal Auditor

Internal Auditor

Personal Number: BTC2021044

CPA Elijah Koech is a member of Institute of Internal Auditors of Kenya (IIAK) and a member of ICPAK. He has experience of 10 years in accounting and audit field. He holds a degree in Business administration finance option from Kenyatta university. He is also a certified credit professional.



Fridah Yator
Human Resource Officer

Human Resource Officer

Personal Number: BTC2021045

Fridah Yator is an associate member of Institute of Resource Management. She holds a Higher National Diploma in Human Resource Management and a trained and registered Technical and Vocational Education trainer and assessor in Human Resource Management with great experience in administration and Human Resource functions.

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3. CHAIRPERSON'S STATEMENT FOR THE PERIOD ENDED 30 JUNE 2021

KEY ACHIEVEMENTS

The institution made several milestones during the period under review. Here are some of the highlights:

Growth in Student Enrolment

We attribute tremendous growth to the ministry support both financially and centralized admission through Kenya universities and colleges central placement service (KUCCPS) and the contribution of the local community. Currently, the institution has an increased enrolment from 1873 in 2019-2020 to 2641 in 2020-2021. This is an increment of 768 students. This has compelled management to undertake interventions such as construction of temporary structures to supplement the existing infrastructure facilities including classrooms and workshops.

Recruitment of Additional Employees.

The institution has recruited additional employees in order to respond to the increased enrolment. We have recruited Human Resource Officer and Internal Auditor in the financial year 2020-2021 in order to comply with Government directive and to ensure strong internal control mechanism in the college operations.

Progress on Construction for Mentor Institutions

We are proud to report on the completion of a major project for which we were assigned mentorship by the Ministry of Education. Mochongoi Technical and Vocational College is now complete and has been handed over to the Board of Governors while the Kapchepkor Technical and Vocational College is still under construction but has received a public service Principal and equipment in civil engineering.

College Management Change

During the financial year, a new principal was posted to the institution. Mr Josphat Kipkemboi took over from Mr Isaac Bwambok at a handing over event that was witnessed by the Board and ministry of education officials which took place on 19 September 2020.

Infrastructural Development

In the financial year 2020-2021 the new tuition block complex was constructed to 69% completion, however due to insufficient funding and procurement issues the project stalled. The Board is committed to completing the project in the coming financial year. It is our hope that our partners will assist the institution in putting up new infrastructure to accommodate the rise in student population

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CHALLENGES EXPERIENCED

We experienced a number of challenges during the period under review. Funding for our Tuition Block project has been slow and this has seen delays in project completion since 2016. The institution requires additional workshops, laboratories and Tuition rooms in order to accommodate rise in student population. We have been able to compensate land owners who surrendered land to the institution but the challenge now lies in securing the section of the land which was illegally converted into conservancy by some activists. This land belongs to the institution. Student housing is still a major challenge. Our hostels are congested and the supply of local community hostels has been fairly slow, forcing students to seek accommodation in Kabarnet Town.

We are facing a shortage in the number of technical trainers. We wish to appeal to the government to post additional technical staff to the institution.

In addition, the college has not benefited since its inception in the year 2013 from Government provision of training equipment's and Provision of funding for construction of Tuition and administration block. We wish to appeal to the government, Member of national assembly and all well wishers to assist in funding these projects.

FUTURE OUTLOOK

We are looking forward to increased enrolment in numbers to over 5000 students by 2024. The college requires major investment in infrastructure such as hostels, lecture halls, workshops and dining hall. The existing infrastructure requires re-roofing, painting, plumbing works and ceiling. We are engaging with the community stakeholders in an effort to increase housing facilities for students. We also seek to grow our collaboration linkages with various local and international development partners so that we may propel the institution to greater heights. It is our hope that we shall realize key industry linkages with major industry partners. This will see the rise in the quality and relevance of technical courses offered in the institution.



.....

Ezekiel Kimosop

Chairperson of the Board

20 June, 2021

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

IV. REPORT OF THE PRINCIPAL

The College has continued to discharge its core mandate as guided by the Board of Governors, in pursuit of its vision of “A global leader in research and training in technology, engineering, innovation and entrepreneurship”

As one of the Technical and Vocational Colleges built to further the aims of the Vision 2030 and the Big Four agenda by enhancing transfer of technical and Vocational skills and learning in Kenya, the College has continued to offer quality education and training that meets the expectations of industry and the general populace.

COVID-19 has really affected the operations of the College since the learning activities were suspended by presidential order. Physical learning was suspended for the first and partially for second Quarter of the financial year 2020-2021. The college is geared toward ensuring that Covid-19 protocols are observed

Looking to the future, there is need to invest heavily in infrastructure to enable us manage the planned increase in the number of trainees reporting for training. Lecture halls and rooms is our immediate focus in the coming financial year as elucidated in our strategic plan 2020-2025.

As we move into the financial year 2021-2022 below is a description of our activities in the financial year 2020-2021:

I. ADMINISTRATION

On reporting of the tutors from the Public Service Commission, the Principal made substantive appointments to assist with the administration of the college affairs. The following administrative offices were formalized and were filled; Registrar, Examination Officer, Office of Career services, Head of department Building, Head of department Electrical Engineering and Head of department General agriculture

The college in the financial year ended 30 June 2021 had seven functional departments with a total enrolment of **2,641** students. The key functions of the department(s) can broadly be described as creating a conducive environment in which learners in the College can have their concerns addressed in a timely, effective and efficient manner.

Serial Number	Departments	Enrolment per department
1	Information Communication Technology	175
2	General Agriculture	212
3	Business and Development studies	334
4	Mechanical Automotive and Petroleum Geo-science	343
5	Electrical and Electronic Engineering	376
6	Hospitality and Dietetics Management	528
7	Building and Civil Engineering Department	673
	Total	2641

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II. STAFF ESTABLISHMENT

Currently we have staff establishment of 161 in the college, 58 are trainers employed by the Public Service Commission, 57 are Board of Governors trainers while 46 are essential staff employed by the Board of Governors.

Serial Number	Classification of the staff	Total Number of staff
1	Public Service Commission staff	58
2	Board of Governors trainers	57
3	Board of Governors Essential staff	46
	Total	161

III. SUPPLIERS SENSITIZATION

Training of suppliers on Procurement laws and regulations was conducted as a sensitization workshop to the area residents and other interested parties in an effort to boost participation in the college activities by the local community in which we are situated.

VI. REVENUE COLLECTION

In the financial year 2020-2021, we had targeted to collect Kshs 133,543,040. We managed to collect Kshs 163,370,920. Our collections across our budget lines were as follows:

	Revenue description	Actual
1	Fees	90,163,620
2	Capitation	
i	Quarter 1	10,530,000
ii	Quarter 2	13,117,500
iii	Quarter 3	19,178,000
iv	Quarter 4	16,905,000
	Sub total	59,707,500
3	HELB	13,499,800
	Total	163,761,920

High Education Loans Board (HELB) supported our trainees by paying **Kshs 13,499,800** for 739 applications for both Bursaries and loans. We also received an amount of Kshs **90,163,620** in form of bursaries from various Constituency development funds as trainee fee payments. The Government financed our trainees through capitation by paying Kshs **59,707,500**

NYS sponsors 290 trainees in our college and paid up in full the debt owed for these students.

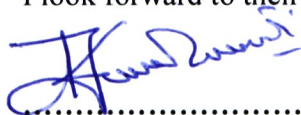
BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Conclusion

On behalf of Baringo Technical College Board of Governors, I take this opportunity to thank the Government for its unequivocal support during the year under review. I also appreciate the financial, material and moral support of our collaborators, partners and friends during the period. It is because of the co-operation with the Government through the Ministry of Education, other stake holders and more importantly guidance of the Board of Governors as well as the mutual cooperation of the management team, all staff and our students that we ended the year within an environment of peace and stability. I wish to register my gratitude to them all.

I look forward to their continued support in the new financial year and the subsequent periods ahead.



.....
Josphat Kipkemboi
Chief Principal/Secretary to the Board
June 20, 2022



BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

V. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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

Baringo Technical College had five strategic pillars and objectives within current Strategic Plan for the Financial Year2020- 2021. These strategic pillars are as follows:

- Pillar 1: Implementation of TVET programmes
- Pillar 2: Modernize institutional facilities
- Pillar 3: Infrastructure development
- Pillar4: Environmental protection and sustainability
- Pillar 5: Enhancing ease of means of transport

The college develops its annual work plans based on the above five pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The College partially achieved its performance targets set for the Financial Year2020-2021 period for its five strategic pillars, as indicated in the diagram below:

Strategic Issue	Objective	Key Performance Indicators	Activities	Achievements
Strategy 1.1.1 Intensification of outreach campaigns to catchment areas.	Conduct outreach campaigns Establish career guidance outreach to secondary schools	1000 trainees annually admitted	Number of trainees admitted	768 New students enrolled
Strategy 3.1.3 construction of ablution blocks	Modernize institutional facilities	i) 20 door student ablution blocks ii).10 door staff ablution block	i) 20 door student ablution blocks ii)10 door staff ablution block	90% complete
Strategy 3.1.8 Construction and equipping of sanatorium	Modernize institutional facilities	Architectural plan Sanatorium constructed	Design done Sanatorium handed over	75% complete
Strategy 5.1.1 Drilling and equipping of borehole	To harness water resource	3 cubic litres per hour of water	Drilling and equipping of bore hall	3 cubic litres per hour
Strategy 6.1.3 Enhancing ease of means of transport	To acquire a 46-seater bus	46-seater bus acquired	Acquisition of 46-seater bus	46-seater bus delivered

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

VI. CORPORATE GOVERNANCE STATEMENT

The current Board of Governors was appointed into office in 12 May, 2020 and upon appointment immediately took charge of their mandate to steer the college forward through application of best governance practices and standards.

The Board of Governors have been forging a united front in confronting challenges facing the institution that started small way back in 2013 and then grew consistently.

One of the core values is effective corporate governance. There are benefits of a properly implemented effective corporate governance system as it provides stakeholders confidence.

The College has built its operations on very strong corporate governance principles based on the application of high and consistent ethical standards in its relationships with all customers, employees and other stakeholders. This is consistent with the institutions core values of effective corporate governance that has led to a strong commitment to conduct business in accordance with best business practices based on principles of transparency, accountability and responsibility, monitoring compliance with relevant laws and regulations, risk management, appropriate checks and balances and the delivery to commitments to all stakeholders.

Ethical leadership and integrity, socio-environmental responsibility and determination of group strategy are the key principles that are taken into account while setting governance standards for the group. The College has kept abreast with international developments in corporate governance for the promotion of enhanced transparency, integrity and rule of law.

The Board of Governors is the representative of the stakeholders, and has the duty of validating financial results and the review of college performance, protecting assets, counselling the chief executive officer on strategy and nurturing the next generation of leaders. The board is all responsible for ensuring proper and sound corporate governance within the College. Good corporate governance is therefore a fundamental part of the culture and the business practices of the College.

Oversight role of board of governors

The Board of Governor's main responsibility is that of guiding the institution in the right path of professional growth to meet the needs of clients and satisfy other stakeholders.

It has ensured that the college management team hire up to their call of duty in ensuring for more transparency and consultation in all affairs of the college.

The board has also ensured prudent use of institution resources including finances and other important assets

Appointments and employment of support staff is the core business of the board and have performed this task in full adherence to established rules and regulations

Composition of the Board

The board of governor was appointed in accordance with the stated guidelines in terms of qualification, technical expertise, gender and age.

This was done by Cabinet Secretary in charge of education ministry and the board's composition appears as below:

Chairperson

The chairman's role is to ensure that the whole board is one and conduct business with professionalism.

The chair therefore takes the lead in guiding members in discharging their mandate with clear boundaries and rules.

i. Board tools

The board develops a calendar of meetings on annual basis and it meets three times annually. The meetings are held once in an academic calendar of three months.

This applies to the two committees for finance and projects and academics respectively. All committees of the board are tasked with the responsibility of reporting to the full board.

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ii. Legal audit

Annual financial statement is prepared and presented to the board for discussion and approval. The board sits to discuss and approve annual budget every June of each year, all issues arising from prior discussion of the budget by finance and project committee are discussed and resolved during this meeting any corrections and amendments are then made and approved before the budget is finally approved for next financial year.

Within the year the college account signatories scrutinize all records on expenditure before approving and signing for withdrawals.

A) Audit and Risk committee

- i) Lucy Chepkwony (Chairperson)
- ii) Ivan Kelunyo (Member)
- iii) Grace Chelagat (Member)
- iv) Elijah Koech (Secretary)

Their roles include:

- i) To provide strong and effective oversight of the college internal audit function
- ii) Examine internal and external audit reports and recommendations
- iii) Asses the performance of internal audit function

B) Academic, Human Resource & welfare committee

- i) Margaret Mwangi (Chairperson)
- ii) Grace Chelagat (Member)
- iii) Dennis Kiprono (Member)
- iv) Josphat Kipkemboi (Secretary)

Their roles include:

- i) Receive reports from the principal, deputy principal and academic heads of departments on implementation of curriculum in the college and handles any issues and challenges hindering curriculum implementation.
- ii) Authorizes expenditure on acquisition of academic materials and resource for Smooth curriculum implementation.
- iii) Reports to the main board on all issues discussed and steps taken by the committee

C) Finance & projects committee

- i) Wilfred Kiplagat (Chairperson)
- ii) Margaret Mwangi (member)
- iii) Dennis Kiprono (Member)
- iv) Josphat Kipkemboi (Secretary)

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

VII. MANAGEMENT DISCUSSION AND ANALYSIS

The college operational and financial performance

The operational and financial performance of Baringo Technical College is set out in pages 1 to 31

College compliance with statutory requirement

Baringo Technical college financial statements have been prepared in accordance with Section 81(3) of the Public Finance Management Act of 2012. The college complied with statutory obligation of its employees from time to time.

Total exposure

The college going concern is not in doubt, and has no on-going or potential court cases that may expose it into potential contingent liability. Further the institution has complied with statutory obligation and requirements. Further, the financial statements have been prepared on a going concern basis and management does not have a significant going concern about the entity's ability to continue as a going concern.

Reporting framework

The college first time adoption of International Public sector accounting standards (IPSAS) Accrual in the financial year 2013-2014.

The presentation of financial statements under review is in conformity with International Public sector accounting standards (IPSAS) 1 on the presentation of financial statements. Additionally, each material class of similar items has been presented separately in the financial statements while dissimilar items have been aggregated only if they are immaterial on an individual basis International Public sector accounting standard (IPSAS 1(13))

The college financial probity and serious governance issues

During the financial year 2020-2021 there was no major financial improprieties reported by agencies on oversight that came to the knowledge of management. In addition, the college does not have serious governance issues among the board and the top management including conflict of interest.

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

VIII. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Baringo Technical College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

Sustainability strategy and profile

The college in collaboration with county Government of Baringo was able to drill a bore hall within the college. This was meant to increase water accessibility within the college so as to enable the college have access to adequate water for domestic use.

Environmental performance

In our strategic plan, one of our aims is to come up with policies that guide our operations. We are in the process of developing the policies that will guide how the College is to maintain the physical environment we operate in. Currently we are utilising targets we set in our performance contract to guide our actions. We set and surpassed our target of planting and maintaining 500 tree seedlings within the college compound annually. The college has installed a bio digester plant in the college to assist in management of waste.

Employee welfare

In our strategic plan, one of our aims is to come up with policies that guide our operations. We have just completed developing policies that will guide how the College is to recruit and maintain staff, the appraisal of performance, career progression paths and reward systems. We are in compliance with the Occupational Safety and Health Act of 2007. The college is also in a process of adopting the Work Injury Benefits Act (WIBA) after ratification by Board of Governors.

Market place practices-

Being a public Institution, there is the perception that there is a lot of resources to be utilised. The reality is far from that and the resources we have are carefully managed to have the most impact. To this end we carry out the following exercises to get the best partners for continued provision of goods and services.

- a) **Supplier prequalification**
We are guided by the PPOA 2015 and the PPRA guidelines on how to identify suppliers. This is an open and public process that invites all interested parties and has protections built within the process to carve out opportunities for youth, women and people with disabilities.
- b) With our prequalified suppliers, we endeavour to meet our obligations on time so that we may be able to sustain relations for future partnerships.
- c) Being a national Government entity, the college makes a nationwide advert through newspaper and use of the local administration notice boards, social media and our website to market opportunities in the College.
- d) To enhance our presence and be able to demand from our suppliers the best products, we conduct an annual conference on Procurement Sensitization where we invite our registered suppliers, all who showed an interest in being our partners and the local community to attend and we give them a certificate of participation after the training. We train them on the PPOA regulations for the Procuring entities and suppliers, the procurement cycle, forms of business and the specific documentation required when doing business with the College.

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

VIII. CORPORATE SOCIAL RESPONSIBILITY / COMMUNITY ENGAGEMENTS

Baringo Technical College was founded for public benefit, to promote technical education and knowledge and provide an institution open for all, irrespective of race, creed or political belief. It is pioneering institution of higher learning in making technical education available to the communities living in Baringo county and Kenya at large.

The College s corporate social responsibility is to set out the guiding principles by which the organization is run in order to fulfil its core mandate.

During the financial year ended 30 June 2021, Baringo Technical College did not engage in any corporate social responsibility. However, the college is committed in implementing community engagements in the next financial year.

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

IX. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended 30 June 2021 which show the state of the College's affairs.

Principle activities

The principal activity of Baringo Technical College is Training.

Results

The results of the entity for the year ended 30 June 2021 are set out on pages 1 to 31

Board of Governors

The Members of the Board who served during the year are shown on page v,vi and vii above.

Auditors

The Auditor General is responsible for the statutory audit of the entity in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015 to carry out the audit of Baringo Technical College for the year ended 30 June 2021 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

.....
Josphat Kipkemboi
Chief Principal/Secretary to the Board
Baringo Technical College



BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

X. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

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

The Board are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on 30 June 2021. This responsibility includes:

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

The board members accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and Technical Vocational Education and Training (TVET) Act, 2013. The board members are of the opinion that the College's financial statements give a true and fair view of the state of Baringo Technical College transactions during the financial year ended 30 June 2021 and of the entity's financial position as at that date. The board, further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

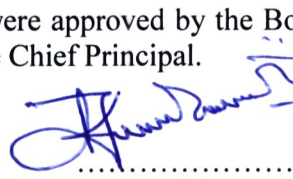
Nothing has come to the attention of the board members to indicate that Baringo Technical College will not remain a going concern for at least the next twelve months from the date of this statement.


Approval of the financial statements

Baringo Technical College financial statements were approved by the Board on June 20, 2022 and signed on its behalf by the Chairman of the Board and the Chief Principal.


.....
Ezekiel K. Kimosop

Chairperson of the Board


.....
Josphat Kipkemboi



Chief Principal/Secretary to the Board

REPUBLIC OF KENYA



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON BARINGO TECHNICAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Baringo Technical College set out on pages 1 to 33, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Baringo Technical College as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Technical, Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of cash flows reflects decrease in trade payables balance of Kshs.2,748,229 which vary from the recomputed amount of Kshs.2,314,605. The resultant variance of Kshs.433,624 was not explained or reconciled.

Further the statement of comparison of budget and actual amounts for the year ended 30 June, 2021 reflects actual on comparable basis total expenditure of Kshs.135,626,190 which vary from the recomputed amount of Kshs.159,277,074. The resultant variance of Kshs.23,650,884 was not explained or reconciled.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.53,820,667. Review of the College records revealed the following anomalies:

- i. Note 20 to the financial statements reflects property, plant and equipment balance of Kshs.53,820,667. However, the balance excludes hostel block, staff quarters, dining hall and mechanical workshop whose values could not be determined. In addition, these buildings were not depreciated in the books of account.
- ii. The College land measuring 7.2 hectares had not been valued and included in the books of account.
- iii. The assets register provided for audit review, did not contain the asset tag numbers and location.

- iv. In addition, motor vehicle registration number KBZ 083C acquired on 27 May, 2014 was fully depreciated as per Note 20 to the financial statements though the vehicle is still in use by the College without revaluation.

In the circumstances, the accuracy, valuation and completeness of property, plant and equipment balance of Kshs.53,820,667 as at 30 June, 2021 could not be confirmed.

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total revenue of Kshs.163,761,920 against a budget of Kshs.133,543,040 an indication that the College surpassed its revenue targets by Kshs.30,218,880 (or 22.6%) of the approved budget.

Further, the College's actual expenditure for the year under review, was Kshs.159,277,074 (or 113%) of the total budget of Kshs.140,414,725 resulting to over absorption of Kshs.18,862,349 (or 13%) of the total amount budgeted during the year. This indicates that the College overspent on items it had under budgeted or incurred expenditure on items which had not been budgeted for contrary to Section 79(2)(b)(i) and (ii) of the Public Finance Management Act, 2012 which requires Public Officers to ensure that the resources within their area of responsibility are used in a way which is lawful, authorized, effective, efficient, economical and transparent.

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 .

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 described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else

has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Stalled Project

As reported in the previous year, the statement of financial position as at 30 June, 2021 reflects property, plant and equipment balance of Kshs.53,820,667 that includes work in progress of Kshs.37,707,532 as disclosed under Note 20 to the financial statements. Verification revealed that construction of tuition block building within the College compound had stalled. However, as at the time of audit in May, 2021 documentary evidence provided shows that the contractor has been fully paid the contract sum of Kshs.24,924,427 and the retention fees despite several works not being completed including flooring, fittings and wiring, painting, ceiling boards and pavements. In addition, the contractor was not on site.

Management attributed this delay to underfunding on development capital and underestimation of the cost of the contract during the original award which was agreed to run for 52 weeks from the date of site handing over.

In the circumstances, value for money for the project could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Risk Management and Fraud Policies

Review of the College records indicates that the College does not have a risk management and fraud policies in place contrary to the provisions of Regulation 165(1) of

the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the National Government entity develops - (a) risk management strategies, which include fraud prevention mechanism; and (b) a system of risk management and internal control that builds robust business operations. No satisfactory explanation was provided by the Management for failure to have a risk management policy in place.

In the circumstances, the College is exposed to fraud and risks.

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

Responsibilities of Management and the 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of intention to terminate the College or to cease operations.

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

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

The Board of Governors is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the College 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 College's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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

31 August, 2022

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

XI. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government	6	59,707,500	32,615,000
Total Revenue from non-exchange transactions		59,707,500	32,615,000
Revenue from exchange transactions			
Rendering of services- Fees from students	7	103,663,420	95,969,869
Other income	8	391,000	391,400
Revenue from exchange transactions		104,054,420	96,361,269
Total revenue		163,761,920	128,976,269
Expenses			
Use of goods	9	82,530,947	43,695,231
Employee costs	10	21,125,520	17,796,389
Board expenses	11	3,917,587	1,989,552
Repairs and maintenance	12	12,198,122	11,959,131
Grants and subsidies	13	10,510,193	5,960,660
Intangible asset amortisation	14	-	1,467,396
Depreciation expense	15	4,841,636	1,981,647
Covid-19 expenses	16	502,185	-
Total expenses		135,626,190	84,850,006
Net surplus/deficit for the year		28,135,730	44,126,263

The notes set out on pages 7 to 31 form an integral part of the Annual Financial Statements.

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

XII. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	17	22,784,524	47,122,803
Receivables from exchange transactions	18	73,317,774	44,907,394
Inventories	19	4,028,339	2,203,842
Total Current Assets		100,130,637	94,234,039
Non-current assets			
Property, plant and equipment	20	53,820,667	35,190,953
Total Non-current Assets		53,820,667	35,190,953
Total assets		153,951,304	129,424,992
Current liabilities			
Refundable deposits from customers	21	855,575	855,575
Payments received in advance	22	-	1,294,813
Trade and other payables from exchange transactions	23	7,977,124	10,291,729
Bursary	24	80,000	80,000
Total Current Liabilities		8,912,699	12,522,117
Reserves			
Development fee fund	25	510,987	510,987
Accumulated surplus	26	129,353,442	101,217,712
Development grants	27	15,174,176	15,174,176
Total Capital and Reserves		145,038,605	116,902,875
Total Liabilities and capital and Reserves		153,951,304	129,424,992

The Financial Statements set out on pages 1 to 31 were signed on behalf of the College Board of Governors by:



Ezekiel Kimosop
Chairperson of Board Governors
 Date: 20/06/22



Rebecca Chelanga
Finance Officer
 ICPAK NO.20590



Josphat Kipkemboi
Chief Principal/Secretary to the Board
 Date:



I. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021

	accumulated fund	Fees development fund	Development grants	Total
	Kshs	Kshs	Kshs	Kshs
As at 1 July 2019				
School fees development fund receipts for the year	57,091,448	510,987	8,459,308	66,061,743
Transfers from national Government/Development grants received during the year			3,357,434	3,357,434
Surplus for the year	44,126,264			44,126,264
As at 30 June 2020	101,217,712	510,987	11,816,742	113,545,441
As at 1 July 2020	101,217,712	510,987	11,816,742	113,545,441
Transfer to Total comprehensive income				
Transfers from national Government/Development grants received during the year			3,357,434	3,357,434
Surplus for the year	28,135,730			28,135,730
AS at 30 June 2021	129,353,442	510,987	15,174,176	145,038,605

II. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		2020-2021	2019-2020
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entity	6	59,707,500	32,615,000
Rendering of services- Fees from students	7	103,663,420	95,969,869
Other income	8	391,000	391,400
Total Receipts		163,761,920	128,976,269
Payments			
Use of goods and goods	9	82,530,947	43,695,231.0
Compensation of employees	10	21,125,520	17,796,389.0
Board expenses	11	3,917,587	1,989,552.0
Repairs and maintenance	12	12,198,122	11,959,131.0
Grants and subsidies	13	10,510,193	5,960,660.0
Intangible asset amortisation	14	-	1,467,396.0
Depreciation	15	4,841,636	1,981,647.0
Covid -19 expenses	16	502,185	-
Total payments		135,626,190	84,850,006
Net cash from operating expenses		28,135,730	44,126,263
Movement in working capital			
Decrease/(increase) in receivables	18	-28,410,380	5,518,296
Decrease/(increase) in inventory	19	1,824,497	-39,333
(Decrease)/increase in fees paid in advance	22	-	-1,294,813
(Decrease)/increase in trade payables	23	-2,748,229	-1,903,187
Net cash flows from operating activities		-29,334,112	2,280,963
cash flow from investing activities		-1,198,382	46,407,226
Purchase of assets	20	-23,650,884	-11,390,160
Net cash flow from investing activities		-23,650,884	-11,390,160
Cash flow from financing activities		-24,849,266	38,700,664
Development funds		510,987	3,357,434
Net cash flows used in financing activities		510,987	3,357,434
Net increase/(decrease) in cash and cash equivalents		-24,338,279	42,058,098
Cash and cash equivalents at 1 July 2020	17	47,122,803	5,064,705
Cash and cash equivalents at 30 June 2021		22,784,524	47,122,803

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from government	45,000,000	-	45,000,000	59,707,500	(14,707,500)	-32.7
Rendering of services- Fees from students	88,385,540	-	88,385,540	103,663,420	(15,277,880)	-17.2
Other Income	157,500	-	157,500	391,000	(233,500)	14.8
Sub total	133,543,040	-	133,543,040	163,761,920	(30,218,880)	-
Transfers from Government - Development grants	-	-	-	-	-	-
Total income	133,543,040	-	133,543,040	163,761,920	(30,218,880)	
Expenses		-	-	-	-	-
Compensation of employees	23,006,802	-	23,006,802	21,125,520	1,881,282	8.2
Use of goods and services	80,835,246	-	80,835,246	82,530,947	(1,695,701)	-2.1
Grants and subsidies	-	-	-	10,510,193	(10,510,193)	-
Repairs and maintenance	3,290,000	6,071,685	9,361,685	12,198,122	(2,836,437)	-3
Board expenses	3,168,000	800,000	3,968,000	3,917,587	50,413	1.27
Development costs	23,242,992	-	23,242,992	23,650,884	(407,892)	-1.75
Depreciation	-	-	-	4,841,636	(4,841,636)	-
Covid-19 expenses	-	-	-	502,185	(502,185)	-
Total expenditure	133,543,040	6,871,685	140,414,725	135,626,190	4,788,535	-
Surplus	-			28,135,730	(28,135,730)	-

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Budget notes

(a) The negative variance of 32.7% on this vote head was as a result of increase in the number of students who benefited from Government capitation grant

(b) The Positive variance of 17.2% on this vote head was as a result of increase in student enrolment as well as stringent measures that the institution undertook to enhance fee collection

(c) The negative variance of 14.8% on this vote head was as a result of increase in Rent receivables in the financial year under review

(d) The positive variance of 8.2% on employee cost vote head was as a result of reduction in the number of casual employees than budgeted for in the financial year

(e) The positive variance of 1.27% on this vote head was as a result of reduced expenses on Board allowances

BARINGO TECHNICAL COLLEGE

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2021**

XVI. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Baringo Technical College is established by and derives its authority and accountability from Technical Vocational Education and Training (TVET) Act, 2013. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College principal activity is training.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the College's accounting policies. The areas involving a higher degree of 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 Baringo Technical College.

The financial statements have been prepared in accordance with the Public Finance Management Act, the State Corporations Act, 2004, the Technical Vocational Education and Training (TVET) Act, 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)**3. ADOPTION OF NEW AND REVISED STANDARDS**

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.**

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none">a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard. <p>The standard has no effect to the financial statements of the institution</p>

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1 January 2023: 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>The standard is not relevant to the institution.</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023 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 entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows. <p>The standard is relevant to the institution</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</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. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. <p>The standard is not relevant to the institution</p>

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

Baringo Technical College recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

Sale of goods

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

Interest income

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

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for Financial Year 2020-2021 was approved by the Board on 30 June 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the College upon receiving the respective approvals in order to conclude the final budget. Accordingly, the College recorded additional appropriations on 14 May 2021 on the Financial Year 2020-2021 budget following the Board's approval.

The College's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on 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) Taxes

Current income tax

Baringo Technical College is exempt from paying taxes as per Income Tax Act Cap.470

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

Sales tax/ Value Added Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

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

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

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The annual depreciation applied on reducing balance basis are:

Motor vehicle	25%
Furniture and fittings	12.5%
Computers	30%
Library books	25%
Plant & Equipment	12.5%
Intangible asset	30%

DISCLOSURE ON ASSETS

In the financial year ended 30 June 2021, the college had the following assets which had not been valued and therefore not included in the financial statements for the year ended 30 June 2021

- Land 7.2 hectares
- Buildings
 - i) Hostels block
 - ii) Staff quarters (2 blocks)
 - iii) Dining hall
 - iv) Mechanical workshop

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the College. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The College also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the College will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

g) Intangible assets

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

h) Research and development costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

The College assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of International Public Sector Accounting Standard 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The College determines the classification of its financial liabilities at initial recognition.

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

Loans and borrowing

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) Inventories

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

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

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

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the College.

j) Provisions

Provisions are recognized when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the College expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

Baringo Technical College creates and maintains reserves in terms of specific requirements. The College has Retained Earnings as a reserve and the purpose of this is to clear any outstanding debts accrued in the financial year prior once income is realized.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

n) Foreign currency transactions

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

o) Borrowing costs

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

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

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

Baringo Technical College 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 College, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Chief Principal and Senior Managers.

q) Service concession arrangements

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

r) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

s) Comparative figures

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

t) 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 30 June 2021.

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

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:

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)**6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

Description	2020-2021	2019-2020
	KShs	KShs
Unconditional grants		
Capitation grants	59,707,500	32,615,000
Total	59,707,500	32,615,000

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund. Kshs	Total grant income during the year Kshs	2019-2020 Kshs
Ministry of Education, State Department of Technical & Vocational Education & Training	52,545,250	-	7,162,250	59,707,500	32,615,000
Total	52,545,250	-	7,162,250	59,707,500	32,615,000

7. RENDERING OF SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Tuition fees	58,750,957	27,370,471
Activity fees	4,038,299	5,555,924
Catering fees	11,459,135	10,184,131
Personnel emoluments	13,839,544	19,044,305
Repairs, maintenance and improvements	2,017,488	2,792,227
Local Transport and Travelling	4,143,231	5,325,687
Electricity and water	4,034,413	5,521,665
Medical/ Industrial attachment fees	3,464,894	4,564,672
Development fees(internal)	-	4,392,058
Examination fees	1,915,459	7,123,860
Material fees	-	4,030,869
Kapchepkor	-	64,000
Total	103,663,420	95,969,869

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)**8. OTHER INCOME**

Description	2020-2021	2019-2020
	Kshs	Kshs
Salary recoveries	195,000	-
Rental fees	146,000	339,400
Income from sale of tender	50,000	52,000
Total	391,000	391,400

9. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	Kshs	Kshs
Teaching and learning materials	39,348,188	8,487,290
Industrial attachment costs	646,644	904,303
Electricity	1,107,045	935,419
Water	2,215,291	-
Tender expenses	359,612	
Student activity	842,459	2,747,785
Student council	-	81,250
Examination fees	2,823,110	8,694,890
Fees refund	96,250	
Catering	13,975,742	10,736,892
Travelling and accommodation	7,903,426	4,253,974
Performance contracting	-	341,800
Bank charges	27,722	39,812
Administration costs	11,235,670	6,219,006
Marketing	1,949,788	252,810
Total	82,530,947	43,695,231

10. EMPLOYEE COSTS

	2020-2021	2019-2020
	Kshs	Kshs
Salaries and wages	21,125,520	17,796,389
Total	21,125,520	17,796,389

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)**11. BOARD ALLOWANCES**

Description	2020-2021	2019-2020
	Kshs	Kshs
Board allowances	3,917,587	1,989,552
Total	3,917,587	1,989,552

12. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	KShs	KShs
Property	7,505,430	11,336,666
Equipment and machinery	3,495,642	234,555
Vehicles	15,000	75,300
Repairs of Hostels	1,182,050	-
Fencing	-	312,610
Total	12,198,122	11,959,131

13. GRANTS AND SUBSIDIES

Description	2020-2021	2019-2020
	KShs	KShs
Kapchepkor	3,879,900	-
Mochongoi	6,630,293	-
Total	10,510,193	-

14. INTANGIBLE ASSETS-SOFTWARE

Description	2020-2021	2019-2020
	Kshs	Kshs
Cost		
At beginning of the year	-	1,467,396
Additions	-	-
At end of the year	-	-
Additions-internal development	-	-
At end of the year	-	1,467,396
Amortization and impairment		
At beginning of the year	-	1,463,002
Amortization	-	1,467,396
At end of the year	-	2,930,398
Impairment loss	-	(1,467,396)
At end of the year	-	1,467,396
NBV	-	-

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

15. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	Kshs	Kshs
Property, plant and equipment	4,841,636	1,981,647
Total	4,841,636	1,981,647

16. COVID-19 EXPENSES

Description	2020-2021	2019-2020
	KShs	KShs
Covid-19 expenses	502,185	-
Total	502,185	-

17 (a) CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Current account	22,784,524	47,122,803
Total	22,784,524	47,122,803

17 (b). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2020-2021	2019-2020
		Kshs	Kshs
a) Current account			
Kenya Commercial bank	1137331836	15,933,930	16,223,754
Kenya Commercial bank	1175704199	6,264,185	30,301,631
Kenya Commercial bank	1167847253	586,409	588,791
Sub- total		22,784,524	47,114,176
b) Others(specify)			
cash in hand	1137331836	-	4,263
cash in hand	1175704199	-	4,363
Sub- total		-	8,626
Grand total		22,784,524	47,122,803

18. RECEIVABLES FROM EXCHANGE TRANSACTIONS**Current Receivables from Exchange Transactions**

Description	2020-2021	2019-2020
	Kshs	Kshs
Current receivables		-
Student debtors	73,317,774	44,907,394
Total	73,317,774	44,907,394

BARINGO TECHNICAL COLLEGEANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2021**NOTES TO THE FINANCIAL STATEMENTS (Continued)****19. INVENTORIES**

Description	2020-2021	2019-2020
	Kshs	Kshs
Catering stores	777,716	283,300
Maintenance stores	821,090	439,870
Stationery	624,541	279,652
Electrical stores	1,008,355	444,290
Cleaning materials stores	86,706	38,940
Food and beverage stores	87,600	93,003
Fashion and design stores	151,105	29,656
Building stores	225,655	78,600
Automotive and mechanical stores	245,571	516,531
Total inventories at the lower of cost and net realizable value	4,028,339	2,203,842

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2021

20. PROPERTY, PLANT & EQUIPMENT

Asset	Motor Vehicles	Building/W.I.P	Furniture and	Computer s and ict equipmen t	Books	Plant and	Totals
			Fittings			Equipme nt's	
	0.25	0	12.5				
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 1st July 2019	2,350,000	20,613,661	2,546,750	2,710,645	1,288,436	1,642,415	31,151,907
Additions	-	6,120,721	1,270,000	1,287,500	1,161,089	1,550,850	11,390,166
As at 30 June 2020	2,350,000	26,734,382	3,816,750	3,998,145	2,449,525	3,193,265	42,542,067
Accumulated depreciation as at 1 July 2019	2,350,000	-	682,468	1,415,879	649,693	271,427	5,369,467
Depreciation for the year	-	-	391,785	774,674	449,958	365,230	1,981,647
Accumulated depreciation 30 June 2020	2,350,000	-	1,074,253	2,190,553	1,099,651	636,657	7,351,114
Net Book Value 30 June 2020	-	26,734,382	2,825,087	2,718,292	1,349,874	1,383,802	35,190,955
Net book value 30 June 2019		20,613,661	1,864,282	1,294,748	638,743	1,370,988	25,782,422
As at 1st July 2020	-	26,734,382	2,825,087	2,718,274	1,349,874	1,383,802	35,011,419
Additions	7,162,250	10,973,150	1,499,464	3,861,150	55,000	99,870	23,650,884
Book Value 30th June 2021	7,162,250	37,707,532	4,324,551	6,579,424	1,404,874	1,483,672	58,662,303
Depreciation	1,790,563	-	540,569	1,973,827	351,219	185,459	4,841,636
Net book value 30 June 2021	5,371,688	37,707,532	3,783,982	4,605,597	1,053,656	1,298,213	53,820,667
Accumulated depreciation 30 June 2021	4,140,563	-	1,614,822	4,164,380	1,450,870	822,116	12,192,750
Net book value 30 June 2021	5,371,688	37,707,532	3,783,982	4,605,597	1,053,656	1,298,213	53,820,667
Net Book Value 30 June 2020	-	26,734,382	2,825,087	2,718,292	1,349,874	1,383,802	35,190,955
Net book value 30 June 2019		20,613,661	1,864,282	1,294,748	638,743	1,370,988	25,782,422

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Valuation

Land and buildings have not been valued by independent valuer.

21. REFUNDABLE DEPOSITS FROM STUDENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Consumer deposits	855,575	855,575
Caution money	-	-
Total	855,575	855,575

22. PAYMENTS RECEIVED IN ADVANCE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees paid in advance	-	1,294,813
Total	-	1,294,813

23. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	Kshs
Trade payables	7,977,124	10,291,729
Total	7,977,124	10,291,729

24. BURSARY

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees paid in advance	80,000	80,000
Total	80,000	80,000

25. DEVELOPMENT FUND INTERNAL

Description	2020-2021	2019-2020
	Kshs	Kshs
Development fund	510,987	510,987
Total	510,987	510,987

26. ACCUMULATED SURPLUS

Description	2020-2021	2019-2020
	Kshs	Kshs
Accumulated surplus	129,353,442	101,217,712
Total	129,353,442	101,217,712

27. DEVELOPMENT FUND

Description	2020-2021	2019-2020
	Kshs	Kshs
Capital fund	15,174,176	15,174,176
Total deposits	15,174,176	15,174,176

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

28. EMPLOYEE BENEFIT OBLIGATIONS

Retirement benefit Asset/ Liability

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

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

29. FINANCIAL RISK MANAGEMENT

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

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

v) Credit risk

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

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

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

(ii) Liquidity risk management

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

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the College's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

a) Foreign currency risk

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

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31. FINANCIAL RISK MANAGEMENT (Continued)

a) Interest rate risk

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

Management of interest rate risk

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

(iii) Market risk (Continued)

b) Interest rate risk(continued)

Sensitivity analysis

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

vi) Capital Risk Management

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

32. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

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

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

33. SEGMENT INFORMATION

Baringo Technical College does not operate in different geographical regions or departments

34. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**Contingent Assets**

	2020-2021	2019-2020
	Kshs	Kshs
Contingent assets	-	-
Insurance reimbursements	-	-
Assets arising from determination of court cases	-	-
Reimbursable indemnities and guarantees	-	-
Others (Specify)	-	-
Total	-	-

In the financial year under review the college had no contingent asset and the subsequent years.

Contingent Liabilities

	2020-2021	2019-2020
	Kshs	Kshs
Contingent liabilities	-	-
Court case against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

In the financial year under review the college had no contingent liability and the subsequent years.

35. EVENTS AFTER THE REPORTING PERIOD

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

36. ULTIMATE AND HOLDING ENTITY

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

37. CURRENCY

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

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Basis for Qualified Opinion				
1.0	Errors in the Annual Reports and Financial Statements	We have amended the financial statements as advised	Resolved	18 February 2021
2.0	Inaccuracies in the Financial Statement	The management has amended the financial statements for the year ended 30th June 2020 as set out on statement of Financial performance on page 1 , statement of financial position on page 2 , statement of cash flow page 3 and property plant and equipment on page 25 of the revised financial statements.	Resolved	18 February 2021
3.0	Property, Plant and Equipment	The management is committed to undertake valuation of all its assets by the end of the current financial year	Not Resolved	30 September 2022
4.0	Cash and Cash Equivalent	The management is committed in the current financial year to Automate its services and to follow up on cheques drawn to the suppliers and not presented to the bank for clearance in the future through cashbook reversal as advised.	Resolved	30 June 2022
Other Matters				
1.0	Budgetary Control and Performance	The management is committed to automate its budgeting process and the entire system to correct such anomalies in the future.	Resolved	30 June 2022
1.1	Revenue Budget	The management have revised financial statements on statement of Budget and actual for the year ended 30 June 2020 as set out on page 5	Resolved	30 June 2022
1.2	Development Budget	The management is committed to bring to completion the Tuition complex in the current financial year.	Partially Resolved	30 September 2022
1.3	Expenditure Budget	The management is committed to automate its budgeting process and the entire system to correct such anomalies in the future.	Resolved	30 June 2022

BARINGO TECHNICAL COLLEGE

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Basis for Conclusion				
1.0	Lack of a Risk Management Policy	The management is committed to develop and operationalize risk management policy by 30th June 2021	Not Resolved	30 June 2022
2.0	Lack of an Internal Audit Function	The management is committed to operationalize internal audit department by 30th June 2021 in order to evaluate and improve the effectiveness of risk management, control and good governance process in the institution	Resolved	30 June 2021
3.0	Stalled Project	The management is committed to bring to completion the Tuition complex in the next financial year.	Partially resolved	30 September 2022

Josphat Kipkemboi

Chief Principal/Secretary to the Board

Signature.....

Date.....



BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY**Projects**

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

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	-	-	-	-	-	-
2	-	-	-	-	-	-

In the financial year under review the college did not receive any development funds from development partners

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Construction of staff ablution blocks	3,962,000	2,555,518	90%	3,962,000	2,555,518	Internal Funds
2	Drilling of bore hall/piping	2,000,000	1,650,000	100%	2,000,000	1,650,000	Internal Funds
3	Construction and equipping of sanatorium	3,500,000	3,152,400	75%	3,530,000	3,152,400	Internal Funds
4	Construction of student ablution blocks	1,920,000	1,522,350	80%	1,920,000	1,522,350	Internal Funds

BARINGO TECHNICAL COLLEGE

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APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		BARINGO TECHNICAL COLLEGE		
Break down of Transfers from the State Department for Technical Vocational, Education and Training (TVET)				
Financial Year 2020-2021				
a.	Capitation Grants			
		Bank Statement Date	Amount (Kshs)	Financial Year to which the amounts relate
	Baringo Technical College	10.07.2020	10,530,000	<u>2019-2020</u>
		06.11.2020	13,117,500	2020-2021
		15.02.2021	13,117,500	2020-2021
		30.03.2021	6,037,500	2020-2021
		30.6.2021	16,905,000	2020-2021
		Sub-Total	59,707,500	
	Mochongoi Technical College	30.03.2021	22,500	2020-2021
		Sub -Total	22,500	
b.	Recurrent Grants			
	Mochongoi Technical College	09.11.2020	500,000	2020-2021
		10.02.2021	500,000	2020-2021
		30.03.2021	500,000	2020-2021
	Kapchepkor Technical College	02.12.2020	500,000	2020-2021
		30.03.2021	500,000	2020-2021
		Sub-Total	2,500,000	
		TOTAL KSHS	62,230,000	

The above amounts have been communicated to the Ministry of Education.

CPA Rebecca Chelanga
Finance Officer

Sign: 
FINANCE OFFICER
BARINGO TECHNICAL COLLEGE
20 JUN 2022
 Sign: P.O. BOX 299 - 30400, KABARNET

Josphat Kipkemboi
Chief Principal/Secretary to the Board

Sign: 
PRINCIPAL
BARINGO TECHNICAL COLLEGE
20 JUN 2022
 P.O. BOX 299 - 30400, KABARNET

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Don or Transferring the funds	Date received	Nature: Recurrent/ Development/ Others	Total Amount - Kshs	Where Recorded/recognized		
	as per bank statement			Statement of Financial Performance	Capital Fund	Total Transfers during the Year
Ministry of Education	10.07.2020	Capitation	10,530,000	3,367,750	7,162,250	10,530,000
Ministry of Education	06.11.2020	Capitation	13,117,500	13,117,500	-	13,117,500
Ministry of Education	15.02.2021	Capitation	13,117,500	13,117,500	-	13,117,500
Ministry of Education	30.03.2021	Capitation	6,037,500	6,037,500	-	6,037,500
Ministry of Education	30.6.2021	Capitation	16,905,000	16,905,000	-	16,905,000
Total Kshs			59,707,500	52,545,250	7,162,250	59,707,500