

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

BONDO TECHNICAL TRAINING INSTITUTE

**FOR THE YEAR ENDED
30 JUNE, 2025**



NATIONAL ASSEMBLY
PAPERS LAID

DATE: 10 MAR 2026

DAY.

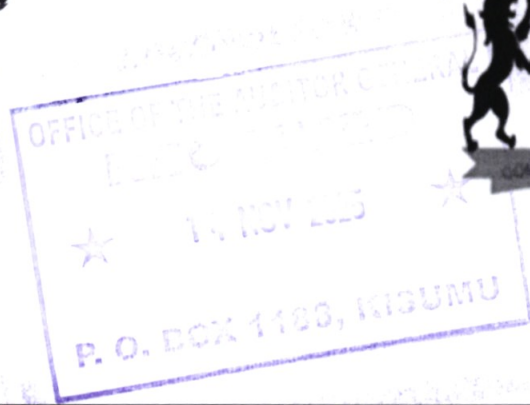
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TABLED

HON. DWEN BAYA, MP

SECRETARY

TABLE: CHRISTINE NDIRITU



BONDO TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2025

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

Bondo Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the year ended 30th June 2025.

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2. Key Entity Information and Management

(a) Background information.

Bondo Technical Training Institute was established in the year 2015. It is in Siaya County, Bondo Sub-County, 5 kilometers along Barkowino Misoro Road. It is a public institution. Its construction was planned to take place in Five Phases. The First Phase of the development of the T.T. I is already completed. This phase comprises of a Building and Civil Engineering Complex. The complex consists of 13 classrooms, Soil Mechanics laboratory, Topology laboratory, Material testing laboratory, Computer laboratory, Technical Drawing Room, 10 lecturers' offices, a staffroom, a kitchen, Head of Department's office and a small departmental library, and of course the necessary ladies and Gents small rooms. There are also three workshops, for Plumbing, Masonry, and Carpentry. Each of the workshops has a store and a classroom and a preparation room. Finally the phase one project also has a lecture hall that can also be used for other purposes. As at now, the college has a capacity of 2,739 students. But when the five phases are complete the institute should be able handle over 5,000 students.



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

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

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

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

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

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(b) Principal Activities

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

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

1. Vision

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

2. Mission

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

3. Core values

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

(c) Key Management

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

- Board of Governors
- B.O.G Secretary/ Principal
- Principal's Management Committee.

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(d) Fiduciary Management

The key management personnel who held office during the financial period ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	MR. Maricus Omolo Ahomo
2.	Deputy Principal Administration	Mr. Patrick Zacchaeus Owuor
3.	Deputy Principal Academics	Dr. Gabriel Ng'ong'a
4.	Registrar	Mr. Odende Simon.
5.	Dean of students	Mad. Faith Ouko
6.	Head of Finance	CPA Otieno Evans
7.	Head of Internal Audit	CPA Ondigo Mercy
8.	Head of Procurement	Miss Maureen Obonyo
9.	Head of Stores	Miss Mercy Adeny

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(e) Fiduciary Oversight Arrangements

COMMITTEE	MEMBERS
<i>Finance and General-Purpose Committee</i>	1. Ms. Sofiah Kerubo Onditi - Chairperson 2. Mr. Maricus Omolo Ahomo - Secretary 3. Ms. Elizabeth O. Oyugi -Member 4. Mr. Kennedy Keraro – Member.
<i>Education Training Research & Innovation</i>	1. Ms. Alice Keboga - Chairperson 2. Mr. Maricus Omolo Ahomo - Secretary 3. Mr. Kennedy Keraro – Member. 4. Ms. Sofiah Kerubo Onditi – Member 5. Eng. Kenneth Adinda Ochieng’ - Member
<i>Risk and Audit Committee</i>	1. Eng. Reuben Maritim – chairperson 2. CPA. Ondigo Mercy – Secretary. 3. Eng. Maxwell Mito - Member. 4. Ms. Alice Keboga - Member
<i>Infrastructure and Development Committee</i>	1. Eng. Kenneth Adinda Ochieng’ – chairperson 2. Mr. Maricus Omolo Ahomo - Secretary 3. Eng. Maxwell Mito - Member 4. Eng. Reuben Maritim - Member 5. Mrs. Elizabeth O. Oyugi - Member

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(f) Bondo Technical Training Institute Headquarters

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

(g) Bondo Technical Training Institute Contacts

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

(h) Bondo Technical Training Institute Bankers

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

(i) Independent Auditors




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

(j) Principal Legal Adviser



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

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3. The Board of Governors.

NAME	PROFESSION	Previous Work Experience
 <p>Prof. Enose Makokha Wambulwa Simatwa (BOG - Chairperson)</p>	<p>PhD – Educational Administration currently he Lecturers at the Maseno University</p>	<p>Prof. Makokha is an Associate Professor and a Senior Lecturer in Educational Management and Foundations at Maseno University. He also is acting Dean, School of Education, Tom Mboya University College (a constituent college of Maseno University). He was appointed to the second BOG on the 5th October 2018 and reappointed to the third BOG on 17th March 2022. Date of birth 5/9/1955.</p>
 <p>Mr. Maricus Omolo Ahomo (BOG -Secretary/Principal)</p>	<p>Master of Science (Applied Mathematics), B ED</p>	<p>Mr. Maricus Omolo Ahomo is currently the Principal of Bondo Technical Training Institution as from 17th March 2025. He has worked at Ugunja TVC as the Deputy Principal. Date of birth 05/07/1969.</p>
 <p>Eng. Kenneth Adinda Ochieng' (BOG Member)</p>	<p>Masters in Project Planning and Management. Bachelors of Technology in Civil & Structural Engineering.</p>	<p>Mr. Adinda in a professional Engineer registered under EBK (No. A2958) and EIK No. (M4664). He is currently working as a Regional Director, Kenya Rural Roads Authority, (KeRRA), Kisumu and Siaya. He had also worked as a Regional Manager, for KeRRA, Kisumu Region. He was appointed to the fourth BOG on 28th Feb 2025. Date of birth 16th April 1976</p>

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NAME	PROFESSION	Previous Work Experience
 <p>Ms. Elizabeth O. Oyugi (BOG -Member)</p>	<p>MA (Development Studies). Bachelor of Arts (Sociology & Political Science).</p>	<p>Mrs. Oyugi is currently a Management Consultant. Previously a Country Director working for Sightsavers International (SSI) for a period of 10 years. And initially a Program Director at Child Fund International. She was appointed to the fourth BOG on 28th Feb 2025. Date of Birth: 17th May 1959.</p>
 <p>Ms. Alice Keboga (Member)</p>	<p>BSc Community Health and Management currently works as a HTS Officer, at Ampath Prevention, Busia County</p>	<p>Ms. Alice is a registered Community Health Officer with the Nursing Council of Kenya. Licence No. 015665. She is a professional in Community Health and Management, currently working for Ampath Prevention, Busia County. She was appointed to the fourth BOG on 28th Feb 2025. Date of birth 24th Nov 1979.</p>
 <p>Ms. Sofiah Kerubo Onditi (BOG - Member)</p>	<p>B-Com (Finance Option)</p>	<p>Ms. Sofia is currently working as a Director in WASSCOX Enterprises Ltd and Ministry of Youths and Sports. She was appointed to the fourth BOG on 28th Feb 2025. Date of birth 2nd Feb 1991.</p>

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NAME	PROFESSION	Previous Work Experience
 <p>Mr. Reuben Maritim (BOG- Member)</p>	<p>Bachelors of Engineering Degree in Industrial and Textile.</p>	<p>Mr. Maritim is an Engineer who has previously worked for Telkom Kenya as a Territory Agent and is currently working as the Sales and Operations Manager (Country) for AFEX Fair Trade Limited -Kenya. He was appointed to the fourth BOG on 28th Feb 2025. Date of birth 13th Jan 1987.</p>
 <p>Eng. Maxwell Mito (BOG- Member)</p>	<p>BSc. In Civil & Structural Engineering</p>	<p>Mr Mito is a professional Engineer registered with ERB and a member of IEK. He has worked as an Engineer under Kenya National Highways Authority and Ministry of Roads. He was appointed to the fourth BOG on 28th Feb 2025. Date of birth 6th June 1982.</p>
 <p>Mr. Kennedy Onkoba Keraro BOG Member – Alternate to the PS, SDTVET</p>	<p>Civil Servant</p>	<p>Mr. Keraro is a Career Civil Servant currently working at the State Department for TVET, MOE as an Assistant Secretary. He holds a BA (Logistics, Literature & Sociology) from UON. An MA (International Relations) from USIU-A and a PGD-Laws from Huddersfield University. He has lectured in local and foreign universities for 13yrs. He has also worked with the Ministry of Interior and National Administration as an Assistant County Commissioner for 13yrs. He was appointed to the fourth BOG on 28th Feb 2025. DOB 9th November 1972.</p>

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4. Key Management Team

Name of the Staff	Responsibility
 <p>Mr. Maricus Omolo Ahomo Master of Science (Applied Mathematics) B ED.</p>	<p>Principal / B.O.G Secretary</p>
 <p>Mr. Patrick Zacchaeus Owuor. B.Arts (Economics & Political Science) B. Lib. & Information Science</p>	<p>Deputy Principal - Administration</p>
 <p>Dr. Gabriel Ng'ong'a Bed. Sc, Msc, Phd. Molecular Epidemiology</p>	<p>Deputy Principal - Academics</p>




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Name of the Staff	Responsibility
 <p>Mad. Faith Ouko (B. S. Computer Science)</p>	<p>Dean of studies</p>
 <p>Mr. Simon Odende (Higher Dip. Construction)</p>	<p>Registrar</p>
 <p>Ms. Lilian Odongo (B. Tech Civil Engineering)</p>	<p>H.O.D Building & Civil Engineering Dept.</p>

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Name of the Staff	Responsibility
 <p>Mr. Jonah Okoth (Higher National Dip. Electrical Eng.)</p>	<p>H.O.D Electrical & Electronics Engineering Dept.</p>
 <p>Mr. Omondi Felix Auma (BEd – Arts : Mathematics/Business)</p>	<p>H.O.D Business Dept.</p>
 <p>Mr. Eugene Otolo (B.A Computer Science)</p>	<p>H.O.D I.C.T Dept.</p>

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Name of the Staff	Responsibility
 <p>Ms. Winfrider Areri Monyenche (B.ED English Communication Skills)</p>	<p>H.O.D Liberal Dept.</p>
	<p>H.O.D Applied Sciences Dept.</p>
 <p>CPA Otieno Evans (B-Com {Finance}, CPA-K) (ICPAK No - 28851)</p>	<p>Finance Officer</p>

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Name of the Staff	Responsibility
 <p>CPA MERCY ONDINGO (B. Ed, CPA-K) (ICPAK No.- 15637)</p>	<p>Internal Auditor</p>
 <p>Ms. Maureen Obonyo (BBA. Supply Chain Management)</p>	<p>Procurement Officer</p>
 <p>Ms. Mercy Adeny (Dip. In Supply Chain Management)</p>	<p>Store Keeper</p>

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5. Chairman's Statement

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

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

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

Finance

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

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

Projects

The College has mentored both Ugunja TVC and Nyando TVC to full completion.

The 1st phase of the proposed construction of Applied Science Complex is complete.

Enrolment

Based on the Government's commitment to support the education of the youth in Kenya through capitation, Government Scholarships and HELB, Bondo TVC has experienced increase in enrolment with students admitted from different parts of the country. The current student population is 2,155 (1,145 males & 1,010 females).



**PROF. ENOSE MAKOKHA WAMBULWA SIMATWA
B.O.G CHAIRMAN.**

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6. Report of the Principal

1. GOK Finance

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

2. Infrastructure

The institute's 1st phase of Development is basically the Building and Civil Engineering Department. It consists of a tuition block of 13 classrooms, 5 laboratories, 10 lecturers' offices, HOD office, departmental library and a kitchen. There are also three workshops and a lecture hall and it's temporarily hosting the Principal's and the Deputy Principal's Offices. Currently the 1st phase of the applied science complex is also complete. The Institute is planning on when and how it can start the 2nd Phase of Applied Science Complex.

3. GOK Equipment

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

4. Internet Connectivity and Web Site

We have now procured internet connectivity from ICT Authority and Safaricom. We consider these services extremely essential not only for administrative purposes but also for students use in the library and those studying ICT. We have also placed the institute in the website from where interested applicants may now see us and download our application form. The website is: www.bondotti.ac.ke We have also incorporated Student management Portal where the students can get access to their fee Statements and Industrial Attachment Application.

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5. Courses and students' enrolment

The college programs examined by KNEC in departments of Building and civil Engineering, Electrical and Electronics Engineering, ICT, Liberal and Business studies, plus NITA and TVET CDAC programs. Currently we have a total of 2,155 students. The distribution of students is summarized in the tables below;

Courses and Student Enrolment			
	Course Title	Course Level	Enrolment
1	Applied Biology	Level 6	8
2	Accountancy	Level 6	16
3	Agriculture Exclusion	Level 5	7
4	Agriculture Exclusion	Level 6	4
5	Fisheries Technology	Level 5	3
6	Science Laboratory Technology	Level 5	14
7	Science Laboratory Technology	Level 6	16
8	Masonry	Artisan	7
9	Plumbing	Artisan	23
10	Plumbing	Certificate	75
11	Plumbing	Level 4	12
12	Plumbing	Level 5	53
13	Water Engineering	Level 6	12
14	Masonry	Level 4	4
15	Building Technology	Level 5	24
16	Building Technology	Level 6	54
17	Building Technology	Certificate	32
18	Building Technology	Diploma	112
19	Road Construction	Level 5	1
20	Road Construction	Certificate	11
21	Land Survey	Level 5	41
22	Land Survey	Level 6	29
23	Land Survey	Certificate	55
24	Land Survey	Diploma	114
25	Quantity Survey	Level 6	1
26	Civil Engineering	Level 6	76
27	Civil Engineering	Diploma	132
28	Civil Engineering	Higher Diploma	7
29	Building Technology	Higher Diploma	1
30	Information Communication Technology	Certificate	27
31	Information Communication Technology	Diploma	63
32	Information Communication Technology	Level 4	5
33	Information Communication Technology	Level 5	47
34	Information Communication Technology	Level 6	74
35	Library and Information Science	Level 5	1
36	Library and Information Science	Level 6	3
37	Cyber Security	Level 6	4

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38	Data Management Analyst	Level 6	7
39	Computer Packages		7
40	Computer Operator	Nita	7
41	Business Management	Level 5	1
42	Business Management	Level 6	7
43	Business Management	Certificate	7
44	Business Management	Diploma	14
45	Accountancy	Diploma	34
46	Human Resource Management	Level 5	8
47	Human Resource Management	Level 6	11
48	Human Resource Management	Certificate	9
49	Human Resource Management	Diploma	30
50	Supply Chain Management	Level 5	13
51	Supply Chain Management	Level 6	14
52	Supply Chain Management	Certificate	9
53	Supply Chain Management	Diploma	34
54	Hairdressing	Nita	35
55	Hairdressing	Level 4	4
56	Hairdressing	Level 5	8
57	Beauty therapy	Level 4	1
58	Beauty therapy	Level 5	6
59	Electrical and Electronic Engineering	Artisan	7
60	Electrical and Electronic Engineering	Certificate	50
61	Electrical and Electronic Engineering	Diploma	162
62	Electrical and Electronic Engineering	Higher Diploma	1
63	Electrical and Electronic Engineering	Level 4	33
64	Electrical and Electronic Engineering	Level 5	72
65	Electrical and Electronic Engineering	Level 6	102
66	Electrical Wireman	Nita	19
67	Masonry and Tiling	Nita	6
68	Plumbing Pipe Fitter	Nita	33
69	Social Work Community Development	Certificate	36
70	Social Work Community Development	Diploma	101
71	Social Work Community Development	Level 5	33
72	Social Work Community Development	Level 6	32
73	Community Health	Level 4	6
74	Community Health	Level 5	7
75	Community Health	Level 6	21
	Totals		2,155

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6. Staffing.

This college has a total of 76 trainers of which 32 are posted by Public Service Commission while 44 are employed by the Board of Governors.

The non-teaching staffs are 38 employed on permanent terms while 10 are on casual terms. We had 2 paid interns in FY 2024/25.

7. Examination.

Our examination bodies are mainly KNEC, CBET and NITA. KNEC July 2023 Exam Series we had 405 candidates sitting for Technical Courses and 148 candidates sitting for Business Courses. KNEC Nov 2023 Exam Series we had 221 candidates sitting for Technical Courses while 98 candidates sat for Business courses. NITA Nov 2023 Exam Series, we had; 23 candidates sitting for Plumbing pipe Fitter, 29 candidates sitting for Electrical Wireman, 9 sitting for Masonry, 21 sitting for Hairdressing and Beauty therapy and 6 sitting for Computer Operator course. KNEC March 2024 Exam Series we had 125 candidates sitting for Technical Courses while 25 candidates sat for Business courses. CBET Mar/April 2024 Exam Series, we had; 11 candidates sitting for Electrical courses, 23 candidates sitting for ICT, 10 sitting for Plumbing, 3 sitting for community health and 3 sitting for supply chain management course.

8. Research and Innovation.

Bondo TTI is an ardent participant in the TVET Fair since its inception in 2015. In the year 2021 the college was awarded 1st position during National TVET Fair in the building category. In March 2022, we presented three innovations under the following categories; Building, ICT and Business. In June 2024, the College presented two research papers to an International Conference, (ARBEC II 2024). During the same month of June 2024, the College also had internal exhibition of Innovations.

9. Mentorship

The Institute has Successfully managed to mentor both Ugunja TVC and Nyando TVC and handed them over to the new management.

10. Achievements

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

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

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11. Challenges

The delay/partial disbursement of Government funds for capitation has disrupted the normal flow of activities in the college. It is our hope that this will improve going forward.

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

12. Strategic Collaborations

Currently the College is working in collaboration with the Young Africa Works In Kenya- TVET Project (YAW -In Kenya), in the provision of support on various Electrical and ICT Courses. The Institute has received a lot of Asset donations from CICan – YAWK which have not been included in this report due to lack of disclosure of the asset cost. We shall make necessary adjustments to the statements once we get their values from the Donor.

The Institute is anticipating to work and collaborate more with partners in future.

Thank you.



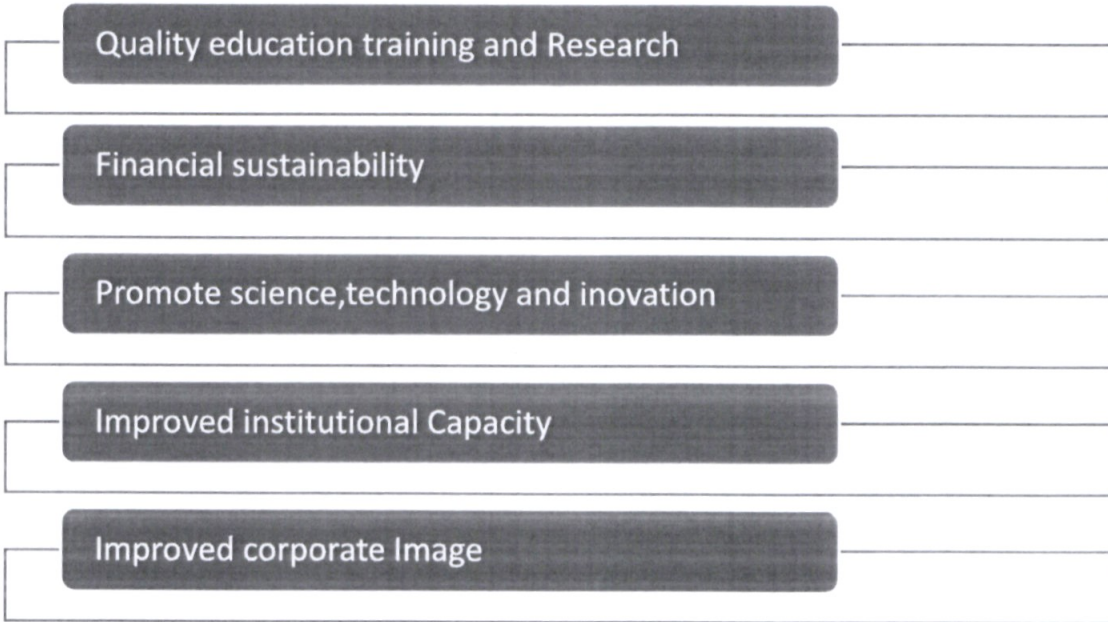
MR. MARICUS OMOLO AHOMO.
PRINCIPAL/BOG SECRETARY



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7. Statement of Performance against Predetermined Objectives

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



Bondo technical training institute develops its annual work plan based on the above pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The institute achieved its performance targets set for the FY 2024/25 year for its 5 strategic pillars, as indicated in the diagram below. BTTI has developed a new Strategic plan for the year running from 2023/24 – 2027/28.

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

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8. Corporate Governance Statement

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

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

The term of the second Board expired and the new board was appointed. The BOG Members of the third Board were appointed on 17th March 2022.

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

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

Bondo Technical Training Institute

Annual Report and Financial Statements for the year ended 30th June 2025

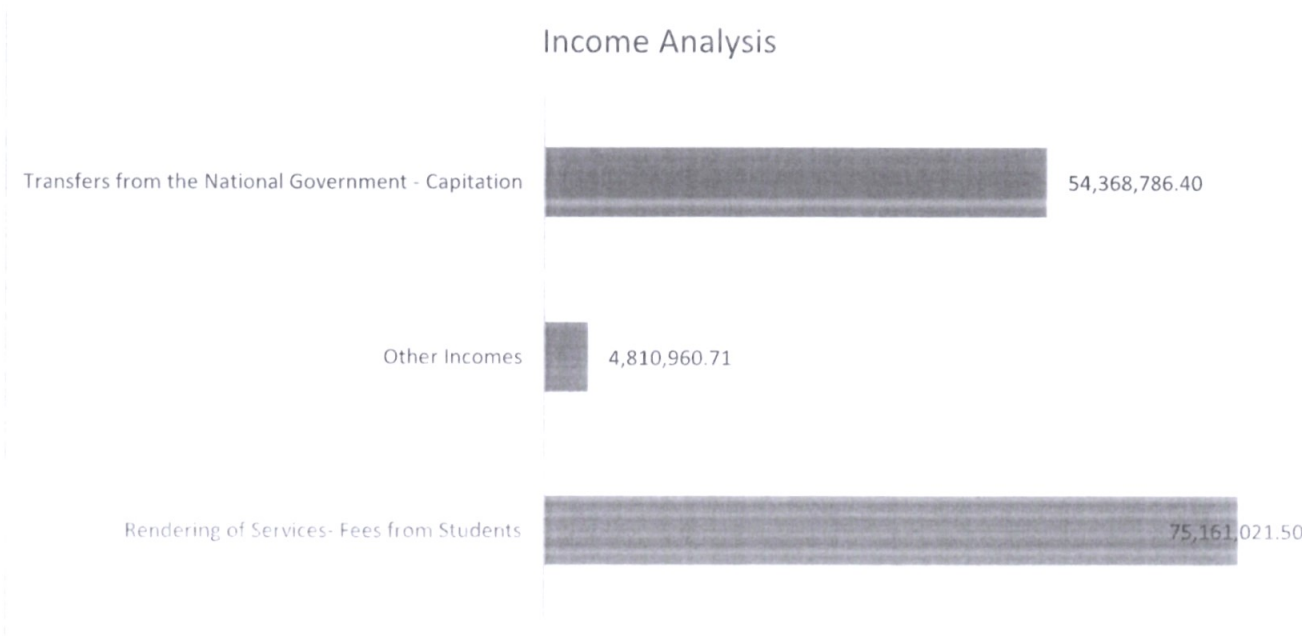
The board in the period that has been in existence has endeavoured in discharging its functions independently with vigour. Their diligence and prudent management of resources has been result oriented and much has been achieved during their term in office. They have been able to interpret government policies and TVET Act as well as other relevant laws in existence making the institution to move forward as we actualize the Strategic plan. Moving forward, the Board is aligning its discharging of duties by improving on its operations while surpassing the set target where possible. In the interest of quality, service delivery, the board is able to read from the same script as they render their duties above board. This will be attained with the incorporation of team spirit and self- sacrifice that is deep within them.

9. Management Discussion and Analysis.

Bondo Technical Training Institute operation and Financial Performance

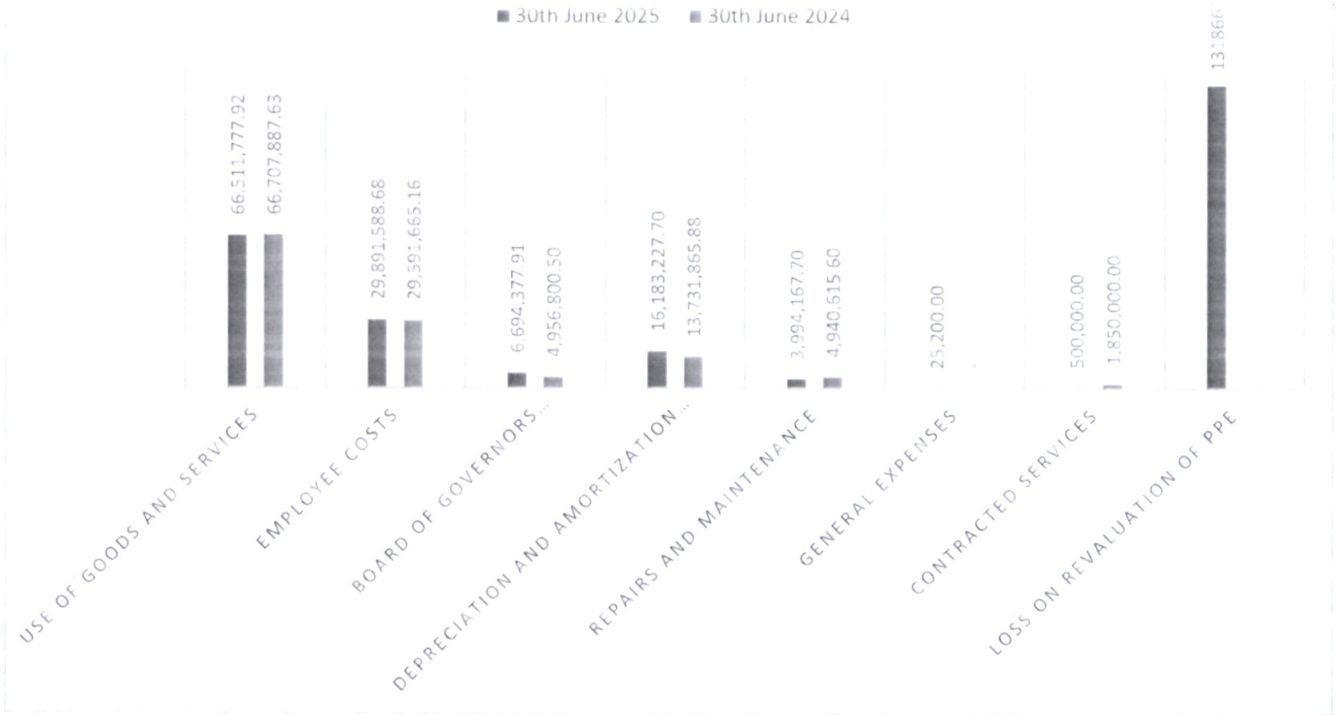
During the period ended 30th June 2025, the institution had 2,155 trainees compared to 2,513 in year 2023/24.

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

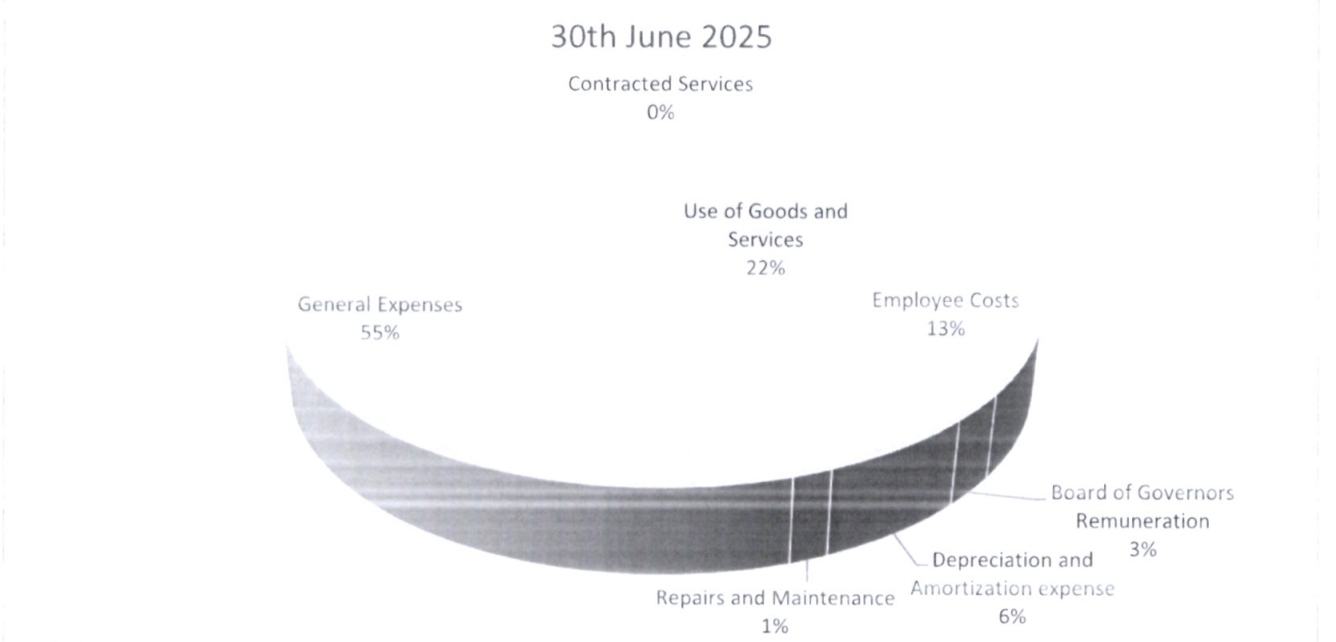


Bondo Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

EXPENSE ANALYSIS



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



Bondo Technical Training Institute

Annual Report and Financial Statements for the year ended 30th June 2025

10. Environmental And Sustainability Reporting Statement

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

1. Sustainability strategy and profile-

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

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

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

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

2. Employee welfare.

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

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

Activity

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

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

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

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

Bondo Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025
Policies guiding hiring process

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

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

Bondo Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

3. Responsible Supply Chain and Supplier relations

Bondo Technical Training Institute (BTTI) has consistently upheld sound business practices by adhering to government policies and complying with **Section 227 of the Constitution of Kenya**.

All procurement activities are undertaken with strict consideration of the approved budget estimates, ensuring that adequate funds are available to meet contractual obligations.

The Institute also maintains and regularly updates a list of registered suppliers, contractors, and consultants across different categories of goods, works, and services in line with its procurement needs. In managing supplier relations, Bondo Technical Training Institute has always ensured responsible treatment of the suppliers in various ways through the following measures;

i maintaining Effective Communication

The Institute ensures open and reliable communication channels, such as telephone lines and email, to facilitate efficient and timely information exchange between the procurement department and suppliers.

ii Providing Responsive Support

The Institute through the procurement department actively listens to suppliers, contractors, and consultants and responds appropriately to their concerns or inquiries, thereby fostering a collaborative working relationship.

iii Compliance with Preference and Reservation Requirements

In its procurement planning, the Institute fully complies with government policies on preference and reservation schemes, thereby promoting inclusivity and fairness in the procurement process.

iv Timely Processing of Supplier Payments

The Supply Chain function ensures that supplier invoices are promptly submitted to the finance department upon successful delivery of goods, works, or services. This practice prevents unnecessary delays hence sustains strong supplier relationships.

v Regular Follow-up on Payments

Continuous follow-ups are undertaken on invoices forwarded to the finance department to ensure timely settlement of supplier obligations.

Bondo Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

11. Report of the Board of Governors

The management do hereby submit their report together with the Financial Statements for the year ended 30th June 2025 which show the state of Bondo Technical Training Institute affairs.

Principal Activities

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

Board of governance

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

Auditors

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

By Order of the Board.

MR. MARICUS OMOLO AHOMO.



SECRETARY OF THE BOARD.

DATE: 12/11/2025



Bondo Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

12. Statement Of Board Of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - require the board members to prepare financial statements in respect of Bondo TTI, which give a true and fair view of the state of affairs of the Bondo TTI at the end of the financial period and the operating results of the Bondo TTI for the FY 2024/25. The Board of Governors are also required to ensure that Bondo TTI keeps proper accounting records which disclose with reasonable accuracy the financial position of the Bondo TTI. The Board of Governor are also responsible for safeguarding the assets of the Bondo TTI.

The Board of Governors are responsible for the preparation and presentation of the Bondo TTI's financial statements, which give a true and fair view of the state of affairs of Bondo TTI or and as at the end of the financial year ended on 30th June 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Bondo TTI; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Bondo TTI; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The management accept responsibility for the Bondo TTI's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in partial conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013. The Board of Governors are of the opinion that the Bondo TTI's financial statements give a true and fair view of the state of Bondo TTI's transactions during the financial period ended 30th June 2025, and of the Bondo TTI financial position as at that date. The management further confirm the completeness of the accounting records maintained for the Bondo TTI, which have been relied upon in the preparation of the Bondo TTI's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Bondo TTI financial statements were approved by the Board on 12/11/25 and signed on its behalf by:



Chairperson of the Board of Governors



Accounting Officer/Principal



REPUBLIC OF KENYA



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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

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

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON BONDO TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bondo Technical Training Institute set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June, 2025, 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 Bondo Technical Training Institute at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Irregular Treatment of Prior Year Adjustments

The statement in net assets reflects a prior year adjustment amounting to negative Kshs.3,515,651. However, this has not been disclosed in the Notes to the financial statements on the nature of the error that relates to the prior period and the fact that comparative information has been restated or that it is impracticable to do so. Further, the adjustment has not been supported by journal entries signed by the Accounting Officer or an officer designated by him. This was contrary to Regulation 103 of the Public Finance Management (National Government) Regulations, 2015 which provides that journal entries prepared for all adjustments to be authorized by the accounting officer or an officer designated by him.

In the circumstances, the accuracy and completeness of the prior year adjustments balance of Kshs.3,515,651 could not be confirmed.

2. Unsupported Transfers to a Mentored Institution

Note 20 to the financial statements reflects an amount of Kshs.56,107,156 under capital work in progress as deduction or transfers to Nyando TVC. However, there were no hand over notes of the property, plant and equipment providing details of the assets that were transferred.

In the circumstances, the handing over of assets worth Kshs.56,107,156 could not be confirmed.

3. Devaluation of Property, Plant and Equipment

The statement of financial position and as disclosed in Note 20 to the financial statements, the Institute reflects an amount of Kshs.296,951,232 in respect of property, plant and equipment. However, during the year, the property, plant and equipment were devalued by an amount of Kshs.131,866,283. It is not clear, and management has not explained what informed the devaluation. In addition, the details of the valuers who mainly devalued buildings and plant and equipment was not provided for audit.

In the circumstances, the value of the property, plant and equipment could not be confirmed.

4. Inaccuracies in the Financial Statements

The statement of financial performance reflects total revenue from exchange transactions of Kshs.79,971,982 while the statement of cash flow reflects actual receipts from operating activities amount of Kshs.84,200,077 resulting to variance of Negative Kshs.4,228,095. However, the statement of financial position under Note 18 indicates receivables from exchange transactions increase from Kshs.135,115,851 in 2023/2024 to Kshs.139,112,808 in 2024/2025 financial year, an increase of Kshs.3,996,957. The resultant variance of Kshs.8,228,052 has not been explained or reconciled.

Further, the statement of financial performance reflects total payments of Kshs.123,800,340, while the statement of cash flows reflects actual payments of Kshs.126,561,887, resulting to a variance of Ksh.2,761,547. However, the accounts payable under Note 22 indicates payables decrease from Kshs.24,033,734 in 2023/2024 to Kshs.16,743,763 in 2024/2025 financial year, a decrease of Ksh.7,289,971. The resultant variance of Kshs.4,544,224 has not been reconciled. In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the College in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Property, Plant and Equipment
2	2023/2024	Lack of land Ownership Document

	Financial Year	Audit Issue
3	2023/2024	Lack of Valuation Report for Land and Buildings
4	2023/2024	Non-Insurance of Assets
5	2023/2024	Receivables from Exchange Transactions
6	2023/2024	Rendering of Services- Fees from Students
7	2023/2024	Long Outstanding Payables
8	2023/2024	Non-Compliance with one third Rule
9	2023/2024	Non-Compliance with Law on Ethnic Composition
10	2023/2024	Irregular Recruitment of Trainees
11	2023/2024	Engagement of Unlicensed Trainers
12	2023/2024	Irregular Number of Board Meetings
13	2023/2024	Irregular Payment of sitting Allowances to Board Members

Other Information

The Management is responsible for the Other Information set out on page iii to xxxi which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Senior Principal, Statement of Performance Against Predetermined Objectives Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Directors and Statement of Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Institute's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Comply with Climate Change and Financing Requirements

The Institute did not establish mandatory climate change policies required by the Climate Change Act, 2016, and constitutional provisions under Articles 42 of the

Constitution of Kenya, 2010. Further, no evidence was provided to confirm whether the Institution have established structured procedures to regularly evaluate environmental effects and maintain compliance with environmental requirements.

In addition, there was no evidence that the institution had undertaken public awareness and conducted public consultations as required by Section 24 of the climate change act 2016 (1)

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

2. Failure to Provide Data on Representation of People with Disabilities

Review of human resource records revealed that, the total number of employees on the entity's bio data were 119. However, management did not disclose the status of employees in relation to disability. This was contrary to Section B.23(2) of the PSC HR Policies May 2016 states that The Government shall implement the principle that at least 5% of all appointments shall be for persons with disabilities.

In the circumstance, we could not ascertain compliance with law on representation of people with disability.

3. Failure to Deduct Capacity Levy of 0.03% on Contracts Entered from 1 September, 2024

The Public Procurement Regulatory Authority (PPRA) gave guidelines to all procuring entities to deduct 0.03% levy on all contracts entered into after September, 2024, as well as any contract extensions, renewals and/or variations made from 1 September, 2024; Review of some of the sampled payment vouchers and procurement files revealed that four (4) contractors were paid amount of Kshs.14,492,000 for various supplies. However, Management did not deduct and remit capacity building levy amounting to Kshs.4,348 as tabulated below contrary to Paragraph 3(1) of the Public Procurement Capacity Building Levy Order, 2023.

In the circumstances, the entity was in breach of the Public Procurement Capacity Building Levy order, 2023.

4. Inadequate Staffing of Internal Audit Unit

The Internal Audit Unit has one (1) in-post staff, review of the Internal Audit work plan for the financial year 2024/2025 indicates the unit had a plan to carry out audit in six (6) area which include Finance, Human Resource Management, Registrar of Students office, Deans Office, Procurement and Stores Management and Academic departments. However, they only managed to carry out audit on three (3) areas namely Human resource audit, Maintenance department audit and Direct fees collection.

In the circumstances, internal controls on staffing were not effective.

5. Lack of Internal Audit Strategic plan

The Internal Audit Unit has an approved annual work plan for the year under review. However, from the discussion with the head of Internal Audit, the work plan is carried out on the priority-based basis. The Public Finance Management (National

Government) Regulations, 2015 Regulation 170. (1) requires the entity to develop the plan based on the 3-year strategic plan (Internal Audit). As such, there is non-compliance with the requirement of the regulation.

In the circumstance, Management was in breach of law.

6. Non-Insurance of Assets

The statement of financial position as at 30 June, 2025 reflects an amount of Kshs.296,951,232.30 being property plant and equipment as disclosed under Note 19. However, it was noted that except for motor vehicles, the Institute's assets were not insured contrary to Guidelines on asset and liability management in the public sector 2020, Part IV(i)C- (Operation and maintenance appendix 80 (2-3) on insurance of non-financial assets which states that Insurance cover for public sector entity assets should be guided by risk exposure and cost-benefit criteria and that the Accounting Officer shall arrange for timely acquisition of insurance cover and renewal of all insurance policies to ensure that they are budgeted for and that the public sector entity's assets are adequately protected.

In the circumstances, assurance of safety on the entity's assets in case of theft or fire could not be confirmed.

7. Missing Human Resource Information

Review of human resource records revealed that the College did not discharge its function as per the Employment Act. Employee's bio data provided for audit review revealed instances of missing grades/ job scales, date of birth, KRA PIN, SHA numbers, NSSF numbers, and date of first and current appointment. Management was in breached of Section 79 of the Employment Act Cap 226 No. 11 of 2007 states that an employer shall keep a register in which the employer shall enter the full name, age, sex, occupation, date of employment, nationality and educational level of each of his employees and a return of employees for each calendar year, ending on 31 December containing such information shall be sent to the Director not later than 31 January of the following year.

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

8. Lack of Approved Staff Establishment

Review of records revealed that the entity did not have in place an approved staff establishment to indicate the authorized staffing levels for each category of employee and or any variance thereof for the financial year 2024/2025. Further, no evidence was provided for audit to confirm the Company had carried out job evaluation to determine the staff requirements for each category of staff.

In the circumstance, Management was in breach of the Law.

9. Non-Compliance with the Board Work Plan and Almanac for 2024/2025

Review of Board of Governors data revealed that tenures of all the 7 members of the Board begun on 28 February, 2025 and ended on 28 February, 2028. Therefore, the tenures were not staggered to ensure a phased transition. This was contrary to Chapter 1.14 (I) of Mwongozo (The Code of Governance for State Corporations) on

succession planning states that the appointing authority should ensure that the tenures of Board members are staggered to ensure a phased transition.

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

10. Non-Compliance with the Law on Ethnic Composition

Review of human pay roll records revealed that the Institute had one hundred and nineteen (119) employees, out of which one hundred and one (101) or 84.9% of the total number were members of the dominant ethnic community in the region. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community.

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

11. Irregularities in Procurement of Goods and Services

The contract for provision of catering services to the Institute was entered on 1 July, 2025. However, management did not provide advert for the tender, minutes of tender opening and evaluation committees, as well as professional opinion on awarding the contract to the successful bidder.

In the circumstances, Management was in breached of law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Internal Audit Unit

1.1. Late Approval of the Internal Audit Work Plan for the Financial Year 2024/2025

Review of the minutes of the Audit, Risk, and Governance Committee meeting held on 5 April, 2024 revealed that the Internal Audit Risk-Based Annual Work Plan for the financial year 2024/2025 was approved on 23 October, 2024. This is contrary to

Regulation 170(2) of the Public Finance Management (National Government) Regulations, 2015, which requires that the annual work plan be submitted to the audit committee by 15th February of each financial year, approved by the committee, and shared with the Accounting Officer in sufficient time for inclusion in the entity's budget.

1.2. Inadequate Staff

The Internal Audit Unit has one (1) in-post staff, review of the Internal Audit work plan for the financial year 2024/2025 indicates the unit had a plan to carry out audit in six (6) area which include Finance, Human Resource Management, Registrar of Students office, Deans Office, Procurement and Stores Management and Academic departments. However, they only managed to carry out audit on three (3) areas namely Human resource audit, Maintenance department audit and Direct fees collection.

In the circumstances, the Internal Audit work is not very effective.

2. Non-Compliance with the Board Work Plan and Almanac for 2024/2025

Review of Board of Governors data revealed that tenures of all the 7 members of the Board begun on 28 February, 2025 and ended on 28 February, 2028. Therefore, the tenures were not staggered to ensure a phased transition. This was contrary to Chapter 1.14 (I) of Mwongozo (The Code of Governance for State Corporations) on succession planning states that the appointing authority should ensure that the tenures of Board members are staggered to ensure a phased transition.

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

3. Non-Compliance with the Board Work Plan and Almanac for 2024/2025

Review of the Board and Board Committee minutes provided for audit review revealed that the Board did not execute this mandate as per plan as summarized in the table below:

	Number of meetings held			
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Full Council	2 (1 regular, 1 special)	2 (1 regular, 1 special)	2 (Regular)	2 (1 regular, 1 special)
Audit, Risk & Governance	0	1	0	0
Finance & Administration	1	0	1	0
Infrastructure	1	0	1	0
Education	0	0	1	0

In the circumstances, the Board was in contravention of the law.

4. Imprest Management System

Review of imprest records revealed the following anomalies;

- i. Imprest amounting to Ksh.234,800 was issued to six (6) officers for transport and subsistence without making formal applications for the same, and obtaining proper authorization and approvals.
- ii. Imprest issued before application by staff; The cheque No.4759 of Kshs.1,110,800 was drawn in favor of staff attending the workshop to modularize the CBET Curriculum was drawn on 30 March, 2025. The written request for facilitation and approval by the accounting officer was done on 30 March, 2025.
- iii. Further, the imprests are not recorded in the imprest register (e-system) maintained by the entity, contrary to the requirements of the Bondo Technical Institute's Finance policy 2021 on imprests, which requires that Departmental heads and Finance shall ensure that imprest applied for is registered in the imprest register.

In the circumstances, the effectiveness on controls on issuance and recording of imprest could not be confirmed

5. Authenticity of Trade Payable

The statement of financial position and as disclosed under Note 21 to the financial statements is trade and other payables amount of Kshs.16,994,679.38. Included in this amount is trade payables amount of Kshs.5,492,986. Review of supporting schedule revealed that accounts payable of Kshs.836,414 arises from commitments after 31 May, and the commitment is not supported by the written approval of the Accounting Officer, as required by regulation 51 (1).

In the circumstances, the authenticity of the accounts payable could not be verified.

6. National Youth Service (NYS) Prepayments

The statement of financial position and as disclosed under Note 22 to the financial statements is trade and other payables balance of Kshs.16,743,764. Included in this amount is Kshs.8,987,623.08 for Fees paid in advance, out of which Kshs.5,936,880 is the re-calculated NYS students' prepayments resulting to irregular payments of Kshs.3,050,743. The schedule submitted for review in relation to the NYS students' fee payment that students exited in June 2023 after completion of the course.

Further, it's not clear how Bondo TTI intends to transfer back the money to NYS, considering the purpose for the funds was already achieved.

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

Responsibilities of the Management and Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 December, 2025

Bondo Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

14. Statement of Financial Performance for the year ended 30th June 2025.

Description	Notes	2024/25	2023/24
		Kshs	Kshs
Revenue from Non-Exchange Transactions			
Transfers from the National Government-grants	6	54,368,786.40	35,988,830.00
Sub Total		54,368,786.40	35,988,830.00
Revenue from Exchange Transactions			
Rendering of Services- Fees from Students	7	75,161,021.50	95,215,734.76
Other Incomes	8	4,810,960.71	6,802,468.10
Sub Total		79,971,982.21	102,018,202.86
Total Revenue		134,340,768.61	138,007,032.86
Expenses			
Use of Goods and Services	9	66,511,777.92	66,707,887.63
Employee Costs	10	29,891,588.68	29,591,665.16
Board of Governors Remuneration	11	6,694,377.91	4,956,800.50
Depreciation and Amortization expense	12	16,183,227.70	13,731,865.88
Repairs and Maintenance	13	3,994,167.70	4,940,615.60
General Expenses	14	25,200.00	-
Contracted Services	15	500,000.00	1,850,000.00
Total Expenses		123,800,339.91	121,778,834.77
Other Gains/(Losses)			
Loss On revaluation of PPE	16	131,866,282.85	-
Total Other Losses		131,866,282.85	-
Net surplus/(deficit) for the year		(121,325,854.16)	16,228,198.09

Pages 7 to 34 form an integral part of the Annual Financial Statements.

.....
 Chairman of Board

Date

Principal
BONDO TECHNICAL TRAINING INSTITUTE
 Date
 12 NOV 2025
PRINCIPAL
 P. O. Box 377 - 40601 BONDO

.....
 Finance Officer
 ICPAK No. 28851
 Date

Bondo Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

15. Statement of Financial Position as at 30th June 2025.

Description	Notes	2024/25	2023/24
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	17	73,430,111.49	61,585,995.24
Current portion of receivables from exchange transactions	18	139,112,808.66	135,115,851.83
Inventories	19	10,281,002.80	9,192,400.79
Total Current Assets		222,823,922.95	205,894,247.86
Non-Current Assets			
Property, Plant and Equipment	20	296,951,232.30	444,567,682.85
Intangible Asset	21	1,425,600.00	1,782,000.00
Total Non-Current Assets		298,376,832.30	446,349,682.85
Total Assets (A)		521,200,755.25	652,243,930.72
Liabilities			
Current Liabilities			
Trade and other payable from Exchange transactions	22	16,743,763.83	24,033,734.14
Refundable deposits from customers	23	2,929,900.00	1,841,600.00
Provisions and Accruals	24	7,949,250.00	7,949,250.00
Total Current Liabilities		27,622,913.83	33,824,584.14
Total Liabilities (B)		27,622,913.83	33,824,584.14
Net Assets (A-B)		493,577,841.42	618,419,346.58
Represented by:			
Accumulated (Deficit)/Surplus		(12,171,321.58)	112,670,183.58
Capital Fund		505,749,163.00	505,749,163.00
Net Assets		493,577,841.42	618,419,346.58

The Financial Statements set out on pages 1 to 34 were signed on behalf of the Board of Governors by:

.....
Chairman of Board

.....
Principal

.....
Finance Officer
ICPAK No. 28851

Date

BONDO TECHNICAL TRAINING INSTITUTE
Date 12 NOV 2025
2
PRINCIPAL
P. O. Box 377 - 40601 BONDO

Date

Bondo Technical Training Institute

Annual Report and Financial Statements for the year ended 30th June 2025

16. Statement of Changes in Net Asset for the year ended 30th June 2025.

Description	Revaluation Reserve	Fair value adjustment reserve	Retained Earnings	Capital/	Total
				Development Grants/Fund	
At July 1, 2023	-	-	96,441,985.49	505,749,163.00	602,191,148.49
Surplus for the year			16,228,198.09		16,228,198.09
As at June 30, 2024	-	-	112,670,183.58	505,749,163.00	618,419,346.58
At July 1, 2024	-	-	112,670,183.58	505,749,163.00	618,419,346.58
Prior year Adjustment			(3,515,651.00)	-	(3,515,651.00)
Deficit for the year			(121,325,854.16)	-	(121,325,854.16)
As at June 30, 2025	-	-	(12,171,321.58)	505,749,163.00	493,577,841.42

Prior year Adjustment relates to Development grant amounting to **Ksh. 3,515,651.00** meant for Nyando TVC Construction Project. The amount was wrongly classified in the financial statements for the year ended 30th June 2025, hence overstating Surplus for the year. The amount has therefore been reclassified to Funds held on behalf of Nyando Tvc Account. The amount had been transferred to Nyando TVC.

Bondo Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

17. Statement of Cash Flows for the year ended 30th June 2025.

Description	2024/25	2023/24
	Kshs	Kshs
Cashflows from Operating Activities		
Receipts		
Transfers from other Government entities/Govt. Grants	54,368,786.40	35,988,830.00
Rendering of Services- Fees from Students	71,879,580.15	89,623,946.75
Other Incomes	652,265.00	263,569.00
Production Unit Income	551,456.00	5,000,515.10
Debts recovered	8,617,638.00	-
Funds for Nyando TVC Received	2,499,137.50	7,857,574.00
Increase in Other Payables	-	49,500.00
Prior year Adjustment to Petty Cash Account	-	809.00
Total Receipts	138,568,863.05	138,784,743.85
Payments		
Use of Goods and Services	75,817,209.73	69,883,914.89
Compensation of Employees	29,107,496.82	27,997,429.90
Payment to creditors	15,246,098.80	15,612,119.15
Expenses incurred on behalf of Nyando TVC	4,495,149.50	512,380.00
Nyando TVC 11th Certificate paid	1,895,931.95	-
Total Payments	126,561,886.80	114,005,843.94
Net Cashflows Generated from Operating Activities	12,006,976.25	24,778,899.91
Cashflows from Investing Activities		
Purchase of Property, Plant, Equipment and Intangible Assets	(162,860.00)	(14,160,874.10)
Net Cashflows used in investing Activities	(162,860.00)	(14,160,874.10)
Net Increase in cash and cash equivalents	11,844,116.25	10,618,025.81
Cash and cash equivalents as at July 1st, 2024	61,585,995.24	50,967,969.43
Cash and cash equivalents as at June 30th, 2025	73,430,111.49	61,585,995.24

18. Statement of Comparison of Budget & Actual amounts for the year ended 30th June 2025.

DESCRIPTION	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other govt entities and govt grants	103,224,091.97	-	103,224,091.97	54,368,786.40	(48,855,305.57)	-47%
Rendering of services- Fees from students	105,184,264.41	-	105,184,264.41	66,602,621.21	(38,581,643.20)	-37%
Other Income	26,232,000.00	-	26,232,000.00	13,369,361.00	(12,862,639.00)	-49%
Total Income	234,640,356.38	-	234,640,356.38	134,340,768.61	(100,299,587.77)	
Expenses						
Compensation of employees	35,266,143.14	-	35,266,143.14	29,891,588.68	(5,374,554.46)	-15%
Use of Goods and services	148,673,325.45	-	148,673,325.45	66,511,777.92	(82,161,547.52)	-55%
Remuneration of directors	6,171,805.71	-	6,171,805.71	6,694,377.91	522,572.20	8%
Repairs and Maintenance	24,953,394.54	-	24,953,394.54	20,177,395.40	(4,775,999.14)	-19%
Contracted Services	2,375,000.00	-	2,375,000.00	500,000.00	(1,875,000.00)	-79%
Coporate Social Responsibility	200,000.00	-	200,000.00	25,200.00	(174,800.00)	-87%
Loss on Revaluation of PPE	-	-	-	131,866,282.85		
Total Expenditure	217,639,668.84	-	217,639,668.84	255,666,622.77	(93,839,328.92)	
Capital Expenditure Payments	17,000,687.54	-	17,000,687.54	-		0%
Deficit for the year		-		(121,325,854.16)		-

Notes:

- **Rendering of services- Fees from students** – was projected at **Ksh. 105.2M** yet only **Ksh. 66.6M** has been realised so far due to low number of trainees’ enrolment realised during the period.
- **Transfers from other govt entities and govt grants** was projected at **Ksh. 103.2M** during the year, the Institute has so far realised a total of **Ksh. 54.4M** during the period, this is because of the partial disbursement of Capitation and scholarship amounts by the Ministry of Education.
- **Other income** was projected at **Ksh. 26.2M** for the year yet only **Ksh. 13.4M** has been realised so far due to low enrolment of students in short courses during the period.
- The shortfall in funds utilization under the categories of; Use of goods and Repairs and Maintenance was as a result of the circular from the National Treasury instructing all public institutions to embrace austerity measures due to the tough economic times facing the country then. Some of the expenditure vote heads even experienced 100% budget cuts during the period. This directive affected the other expenditure vote heads in the same manner.
- Other expenses of **Ksh. 25,200.00** related to hospitality donations in kind made by the Institute to Rachar Secondary School.

- **Loss on revaluation of PPE** was never budgeted for at the beginning of the year since it could not be estimated reasonably.
- **Capital Expenditure** budget was never utilized in compliance with the circular from the National Treasury instructing all public institutions to embrace austerity measures due to the tough economic times facing the country then. Capital expenditure vote heads experienced 100% budget cuts during the period.

19. Notes to the Financial Statements

1. General Information

Bondo TTI is established by and derives its authority and accountability from xxx Act. Bondo TTI is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is xxx.

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 judgment in the process of applying the *entity'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 in Note 5. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 20xx, it is applicable in Kenya from 1st July 20xx)

i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There are no new and amended standards issued in the financial year.

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>This Standard has no impact on this year's financial statements.</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>This Standard has no impact on this year's financial statements.</i>
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. <i>State the expected impact of the standard to Bondo TTI if relevant</i>
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by:

Bondo Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>This Standard has no impact on this year's financial statements.</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to Bondo TTI if relevant</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>This Standard has no impact on this year's financial statements.</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>This Standard has no impact on this year's financial statements.</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <p>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</p> <p>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</p> <p>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p><i>This Standard has no impact on this year's financial statements.</i></p>

iii. Early adoption of standards

Bondo TTI did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

b) Budget information

The original budget for FY 2024/25 was approved by the Council or Board on 30th January 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Bondo TTI upon receiving the respective approvals to conclude the final budget. Accordingly, Bondo TTI recorded additional appropriations of **xxx** on the FY 2024/25 budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

First Schedule, Part I, Paragraph 10 of the Income Tax Act (Cap. 470, Laws of Kenya) exempts Bondo TTI from Income tax obligation.

Sales tax/ Value Added Tax

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

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

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

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 an 5-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.*

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

e) Property, plant and equipment

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

Bondo TTI depreciates its Fixed assets annually on a straight-line basis. Full depreciation rate is charged in the year of purchase and none in the year of disposal.

Depreciation on all other asset is calculated on the reducing balances basis method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates;

<u>Asset Classes</u>	<u>Rate %</u>
Building	2.0
Plant and Equipment	12.5
Motor Vehicles	25.0
Furniture and Fittings	12.5
Computer Equipment	33.3

f) Intangible assets

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

Bondo TTI provides for amortization at the rate of 20% annually. As at the end of the financial year, Bondo TTI only had Ultimate ERP system as an intangible asset on which amortization cost was charged.

g) Biological Assets

Bondo TTI recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *Bondo TTI does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any

contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, Bondo TTI measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

Bondo TTI assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. Bondo TTI recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 20*

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. Bondo TTI recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that Bondo TTI will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

Bondo TTI 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. *(Bondo TTI to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies)*

p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

q) 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.

r) Related parties

Bondo TTI 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 Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

s) Service concession arrangements

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

t) 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.

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 20XX.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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.

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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6. Transfers from other National Government entities

Description	2024/25	2023/24
	Kshs	Kshs
Unconditional Grant		
Capitation Grants	40,665,105.40	17,443,000.00
Govt Scholarship Program - New Funding Model	13,703,681.00	15,030,179.00
Development Grant from Govt	-	3,515,651.00
Total Government Grants and Subsidies	54,368,786.40	35,988,830.00

(a) Transfers from other Government entities

Name Of Bondo TTI Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund. Kshs	Total grant income during the period Kshs	31st March 2024 Kshs
State Department of Technical and vocational Training	54,368,786.40	0	0	54,368,786.40	35,988,830.00
Total	54,368,786.40	-	-	54,368,786.40	35,988,830.00

Details of Transfers from other Government entities

Government Scholarship- New Funding Model		
27-09-2024	Scholarship for First Year Trainees FY 2024/25	2,543,588.10
27-09-2024	Scholarship for First Year Trainees FY 2024/25	7,464,697.90
27-09-2024	Scholarship for First Year Trainees FY 2024/25	3,695,395.00
		13,703,681.00
Capitation from GOK		
27-09-2024	Capitation for the First Quarter of FY 2024/25	10,291,000.00
09-10-2024	Capitation for the First Quarter of FY 2024/25	409,680.40
19-02-2025	Capitation for the Second Quarter of FY 2024/25	29,964,425.00
		40,665,105.40
Total Income received from the Government		54,368,786.40

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7. Rendering of services.

Description	2024/25	2023/24
	Kshs	Kshs
Tuition Fees	18,045,256.13	16,378,455.20
Activity fees	3,054,930.32	5,946,733.15
Examination Fees	12,087,511.00	10,858,122.00
Registration Fees	75,700.00	88,500.00
Personal Emoluments Income	5,067,630.35	10,364,310.03
Electricity Water and Internet Income	2,343,267.14	1,536,404.74
Local Transport and Travel Income	3,738,696.65	2,474,622.06
Repairs and Maintenance Income	7,745,324.41	11,124,517.89
Attachment (Medical & Insurance) Income	3,763,236.76	5,394,868.77
Administrative cost Income	5,227,688.43	28,613,533.91
Student Union Welfare	1,281,850.00	1,197,000.00
Meals and Accommodation Income	157,200.00	1,238,667.00
BOG	3,812,389.28	-
Covid 19	21,472.60	-
Projects	5,015,461.15	-
Iso	1,512,043.23	-
Performance Contract	2,211,364.05	-
Total Revenue from The Rendering Of Services	75,161,021.50	95,215,734.76

For the last five income vote heads, we have zero in the comparative column because we did not have them as separate income vote heads in the previous year's budget. The new change has been occasioned by the changes in the funding model which affected the budget for FY 2024/25.

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8. Other Incomes

Description	2024/25	2023/24
	Kshs	Kshs
Windfall gains - Hiring of College Facilities	173,755.00	264,378.00
Production Unit Income	4,637,205.71	6,538,090.10
Total Other Incomes	4,810,960.71	6,802,468.10

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9. Use of Goods and Services

Description	2024/25	2023/24
	Kshs	Kshs
Electricity Bill Expense	1,174,850.65	1,882,047.40
Security Fees	960,000.00	933,036.00
Internet Bill Expense	540,592.10	1,176,866.20
Administrative cost	10,314,249.00	10,935,967.99
Insurance Expense	241,433.00	421,946.00
Production Unit	2,154,104.67	2,942,210.95
Performance contract	439,441.00	262,756.00
Meals Expense	3,288,898.00	650,480.00
Accommodation Expense	1,271,600.00	2,295,253.00
Bank Charges	149,101.00	133,488.50
Attachment and Medical Expense	3,678,162.00	3,856,015.85
Professional Bodies Subscriptions	26,900.00	63,900.00
Audit Fees Expense	-	1,324,875.00
Bad/Doubtful Debt expense	444,106.31	596,819.84
Student Union Expense	2,340,136.00	1,953,675.00
Examination Expense	17,441,888.65	14,841,695.00
Staff Training Expense	7,198,909.00	6,706,313.00
Tuition and Other Learning Materials	1,703,052.99	3,662,491.26
Water Bill Expense	31,517.00	35,290.00
Career Service Activities	200,500.00	584,093.00
Strategic Collaboration Activities	691,950.00	941,717.00
Research and Innovation Expense	425,711.00	1,141,270.00
Sporting Activities Expense	2,503,016.00	3,131,438.00
Marketing and Advertisement Expense	485,900.00	818,604.00
ISO Expenses	259,250.00	339,300.00
Travel, motor car, accommodation subsistence and other allowances	5,781,390.55	5,076,338.64
WITED Activity Expenses	185,500.00	-
Telephone Expenses	211,900.00	-
Staff Teaming and Bonding	2,203,700.00	-
Gender mainstreaming Activities	91,369.00	-
Greening Activities Expenses	72,650.00	-
Total Goods and services	66,511,777.92	66,707,887.63

Audit fee expense was never provided for during the year after consultation with the Office of the Auditor general. It was noted that Audit work on Public Institutions under normal circumstance is not chargeable except when the audit is done on a business that makes profit. For the Audit fees that had been provided for previously, we shall remove the amount from our liabilities once we receive an official communication from OAG to take that action.

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10. Employee Costs

Description	2024/25	2023/24
	Kshs	Kshs
Trainers' Salaries and Wages	11,968,602.83	12,899,698.39
Non-Trainers' Salaries and Wages	17,922,985.86	16,691,966.77
Total Employee costs	29,891,588.68	29,591,665.16

Employee Costs include all BOG Staff Monthly salaries & wages and any related statutory charges, together with remunerations to casual workers during the period. Employee costs displayed above do not include remunerations to PSC Staffs. The reduction in Trainers' Salaries and Wages amount is due to PSC Absorption of 11 BOG trainers during the previous year in quarter four.

11. Board of Governors Expense

Description	2024/25	2023/24
	Kshs	Kshs
Directors' Emoluments	5,472,692.91	4,581,576.50
Other BOG Expense	956,685.00	200,224.00
Chairmans Honoraria	265,000.00	175,000.00
Total Directors' emoluments	6,694,377.91	4,956,800.50

The expenditure on chairman's honoraria paid in the previous period was at the rate of Ksh. 25,000.00 per month starting from December 2024, while the rate changed again in this year as per the new MOE circular on BOG Allowances decreasing the rate to Ksh. 20,000.00 per month from January 2025.

12. Depreciation and Amortization Expense

Description	2024/25	2023/24
	Kshs	Kshs
Property Plant and Equipment	15,826,827.70	12,873,865.88
Intangible assets	356,400.00	858,000.00
Total depreciation and amortization	16,183,227.70	13,731,865.88

Details of Depreciation Expense on Property Plant and Equipment are shown under **Note 20. PPE**.

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13. Repairs and Maintenance

Description	2024/25	2023/24
	Kshs	Kshs
Property /Building Repairs	109,748.00	476,749.00
Equipment and Machinery and Computer accessories	843,678.00	2,089,810.80
Electricity Repairs	418,624.00	130,059.00
Vehicles Repairs & Maintenance	952,070.70	1,296,639.80
General Repair & Maintenance Expense	1,670,047.00	947,357.00
Total Repairs and Maintenance	3,994,167.70	4,940,615.60

14. General Expense

Description	2024/25	2023/24
	Kshs	Kshs
Corporate Social Responsibility	25,200.00	-
	25,200.00	-

During the period, the institute made food donations to Rachar Secondary School costing **Ksh.25,200.00**

15. Contracted Services

Description	2024/25	2023/24
	Kshs	Kshs
Asset Valuation and Tagging	500,000.00	1,850,000.00
	500,000.00	1,850,000.00

16. Loss On revaluation of PPE

Description	2024/25	2023/24
	Kshs	Kshs
Loss on Revaluation of PPE	131,866,282.85	-
	131,866,282.85	-

17. Cash and Cash Equivalents

Description	30th June 2025	30th June 2025
	Kshs	Kshs
Current accounts	73,391,936.49	61,585,514.24
Petty Cash account	38,175.00	481.00
Total cash and cash equivalents	73,430,111.49	61,585,995.24

(a). Detailed Analysis of Cash and Cash equivalents

Description		30th June 2025	30th June 2025
Financial institution	Account number	Kshs	Kshs
a) Current account			
Equity - Fee Collection Account	750263777542	58,914,145.30	43,004,551.15
Equity - Operations Account	750263777515	5,056,649.72	6,160,519.07
Co-Operative Bank - Development Account	1141623975600	1,465,102.37	3,377,874.32
KCB - Saving Account	1182729274	465,973.65	1,511,634.75
KCB - Production Unit Account	1182250955	7,490,065.45	7,530,934.95
Sub- total		73,391,936.49	61,585,514.24
cash in hand		38,175.00	481.00
Grand total		73,430,111.49	61,585,995.24

18. Receivables from Exchange transactions

Description	2024/25	2023/24
	Kshs	Kshs
Current receivables		
Student debtors	101,398,637.40	93,183,469.26
Other exchange debtors- un accounted for cash withdrawals	53,171,150.00	53,171,150.00
Other accounts receivables	-	3,324,405.00
Receivables from Nyando TVC	-	449,700.00
Less:		
Provision for Bad/Doubtful Debts (10% of Debt bal.)	(15,456,978.74)	(15,012,872.43)
Total current receivables	139,112,808.66	135,115,851.83

Student debtors of **Ksh. 101,398,637.40** provides the picture of the debt expected to be recovered from Students. Any fee not paid on behalf of the student by any sponsor, (Including Capitation) translates into debt recoverable from the student. Bondo TTI normally calculates provision for bad/doubtful debts at the rate of 10% on the total receivable balance as at the end of the period.

Ageing Analysis of receivables from exchange transactions

Description	2024/25	2024/25	2023/24	2023/24
	Kshs	Kshs	Kshs	Kshs
Current receivables	Current	% of Total	Previous	% of Total
Less than 1 year	3,400,000.00	2.20%	449,700.00	0.30%
Between 1-2 years	97,998,637.40	63.40%	93,183,469.26	62.07%
Between 2-3 years	-	0.00%	3,324,405.00	2.21%
Over Three Years	53,171,150.00	34.40%	53,171,150.00	35.42%
Total current receivables	154,569,787.40	100.00%	150,128,724.26	100.00%

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19. Inventories

Description	2024/25	2023/24
	Kshs	Kshs
Consumable stores	2,856,918.00	2,306,022.05
Maintenance stores	519,461.00	677,902.00
Health Unit stores	-	880,788.00
Electrical stores	916,536.00	1,307,086.04
Building stores	1,186,105.00	1,606,585.00
Cleaning materials stores	60,939.00	920,492.00
Hairdressing Stores	554,534.00	676,007.00
Catering Stores	206,397.00	-
Applied Science Store	3,381,184.80	817,518.70
Sports and recreation stores	598,928.00	-
Total inventories at the lower of cost and net realizable value	10,281,002.80	9,192,400.79

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20. Property, Plant and Equipment

Cost	Land	Buildings	Motor Vehicles	Furniture & Fittings	Computers	Plant and Equipment	Capital Work In Progress	Total
		2%	25.0%	12.50%	33.30%	12.50%		
	KShs	KShs	KShs	KShs.	KShs.	KShs	KShs.	KShs.
As at 1 July, 2023		332,165,604.00	4,093,696.86	8,775,301.24	3,585,890.45	71,312,570.33	78,734,122.14	498,667,185.02
Additions		-	-	1,083,702.00	293,144.00	3,298,212.00	10,206,462.21	14,881,520.21
Deduction (Project Handed-over)		-	-	-	-	-	(56,107,156.49)	(56,107,156.49)
As at 30 June, 2024		332,165,604.00	4,093,696.86	9,859,003.24	3,879,034.45	74,610,782.33	32,833,427.86	457,441,548.74
Depreciation And Impairment			(1,023,424.22)	(1,232,375.40)	(1,291,718.47)	(9,326,347.79)		(12,873,865.88)
As at 30 June, 2024		-	(1,023,424.22)	(1,232,375.40)	(1,291,718.47)	(9,326,347.79)	-	(12,873,865.88)
Net Book Values								-
As at 30 June, 2024		332,165,604.00	3,070,272.65	8,626,627.83	2,587,315.98	65,284,434.54	32,833,427.86	444,567,682.85
As at 1 July, 2024	-	332,165,604.00	3,070,272.65	8,626,627.83	2,587,315.98	65,284,434.54	32,833,427.86	444,567,682.85
Additions		-	-	154,760.00	-	23,900.00	-	178,660.00
Reclassification of Asset Category	66,815,000.00	(33,981,572.14)					(32,833,427.86)	-
Gain/(Loss) on Revaluation		(121,214,031.86)	7,429,727.35	(2,131,627.83)	8,714,584.02	(24,664,934.54)		(131,866,282.85)
Prior Year Adjustment				(102,000.00)				(102,000.00)
As at 30 June, 2025	66,815,000.00	176,970,000.00	10,500,000.00	6,547,760.00	11,301,900.00	40,643,400.00	-	312,778,060.00
Depreciation And Impairment		(3,539,400.00)	(2,625,000.00)	(818,470.00)	(3,763,532.70)	(5,080,425.00)		(15,826,827.70)
As at 30 June, 2025	-	(3,539,400.00)	(2,625,000.00)	(818,470.00)	(3,763,532.70)	(5,080,425.00)	-	(15,826,827.70)
Net Book Values								-
As at 30 June, 2025	66,815,000.00	173,430,600.00	7,875,000.00	5,729,290.00	7,538,367.30	35,562,975.00	-	296,951,232.30
As at 1st July, 2025	66,815,000.00	173,430,600.00	7,875,000.00	5,729,290.00	7,538,367.30	35,562,975.00	-	296,951,232.30

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18 b) Property, Plant and Equipment at Cost

Description	Cost	Accumulated	NBV
		Depreciation	
Land			66,815,000.00
Buildings	332,165,604.00	158,735,004.00	173,430,600.00
Motor Vehicles	13,513,113.00	5,638,113.00	7,875,000.00
Furniture & Fittings	12,677,571.00	6,948,281.00	5,729,290.00
Computers	6,852,202.00	(686,165.30)	7,538,367.30
Plant And Machinery	167,477,900.00	131,914,925.00	35,562,975.00
Work In Progress	61,148,395.86	61,148,395.86	-
Total	593,834,785.86	363,698,553.56	296,951,232.30

21. Intangible Assets

Description	2024/25	2023/24
	Kshs	Kshs
Cost		
At beginning of the period	4,290,000.00	1,890,000.00
Accumulated Amortization cost	(2,508,000.00)	(1,650,000.00)
NBV at beginning of the period	1,782,000.00	240,000.00
Additions during the period	-	2,400,000.00
At end of the period	1,782,000.00	2,640,000.00
Amortization and impairment expense	(356,400.00)	(858,000.00)
NBV at end of the period	1,425,600.00	1,782,000.00

Bondo TTI Provides for amortization cost of Intangible Asset at the rate of 20% every year.

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22. Trade and Other Payables from Exchange transactions

Description	2024/25	2023/24
	Kshs	Kshs
Trade payables	5,300,695.55	13,560,583.45
Fees Paid in advance	8,987,623.08	3,456,203.00
Other payables	24,996.41	3,452,672.51
Funds held on behalf of Nyando TVC	1,006,566.56	2,040,843.51
Salary Deductions Payables	924,054.73	1,523,431.67
Funds held on behalf of Got Ramogi TVC	499,827.50	-
Total trade and other payables	16,743,763.83	24,033,734.14

Funds held on behalf of Nyando TVC of **Ksh. 1,006,566.56** includes; **Ksh. 144,911.56** which relates to the balance left after completion of Nyando TVC Mentoring Project and Ksh. 861,655.00 which was a balance out of the recurrent Grant Received on behalf of Nyando TVC that had not cleared at bank by 30th June 2025, same case applies to **Ksh. 499,827.50** Funds held on behalf of Got Ramogi TVC.

Salary payable balance relates to BOG Staffs' salaries and wages for the month of June 2025 which was processed in July 2025 including; KRA, SHIF, NSSF.

Ageing Analysis of Trade and Other Payables from Exchange transactions

Description	2024/25		2023/24	
	Kshs	Kshs	Kshs	Kshs
	Current	% of Total	2023/24	% of Total
Under one year	7,900,463.19	0.47	18,536,687.63	77.13%
Between 1-2 years	1,875,000.00	0.11	3,456,203.00	14.38%
Between 2-3 years	6,823,389.08	0.41	2,040,843.51	8.49%
Over Three Years	144,911.56	0.01	-	0.00%
Total trade and other payables	16,743,763.83	1.00	24,033,734.14	100.00%

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23. Refundable Deposits from Customers/Students

Description	2024/25	2023/24
	Kshs	Kshs
Caution money	2,929,900.00	1,841,600.00
Total deposits	2,929,900.00	1,821,100.00

This amount is paid in by trainees as security just in case they may cause any damage to the Institute. Otherwise, the Institute refunds the funds to the Trainees at completion stage of their training.

Ageing Analysis of Refundable Deposits from Customers/Students

Description	2024/25		2023/24	
	Kshs	Kshs	Kshs	Kshs
	Current	% of Total	2023/24	% of Total
Under one year	1,088,300.00	0.37	20,500.00	1.11%
Between 1-2 years	20,500.00	0.01	404,400.00	21.96%
Between 2-3 years	404,400.00	0.14	848,400.00	46.07%
Over Three Years	1,416,700.00	0.48	568,300.00	30.86%
Total deposits	2,929,900.00	1.00	1,841,600.00	100.00%

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24. Current Provisions

Provisions and Accruals

Description	2024/25	2023/24
	Kshs	Kshs
Balance at the beginning of the period	7,949,250.00	6,624,375.00
Additional Provisions- provision for audit fees	-	1,324,875.00
Total provisions	7,949,250.00	7,949,250.00

Since Bondo TTI is a government Institution that does not deal in profit making activities, the audit fee should not be charged on its normal operations' audit by the OAG. The Institute is following up actively with the Office of the Auditor general to obtain official communication to support the removal of the accumulated Audit fee balance of Ksh. 7,949,250.00 from our books.

25. Cash generated from operations

Description	2024/25	2023/24
	Kshs	Kshs
Net Surplus for the period	(121,325,854.16)	16,228,198.09
Adjusted for:		
Depreciation	16,183,227.70	13,731,865.88
Decrease in Provision for Bad/Doubtful debts	(895,253.50)	596,819.84
Loss on Valuation on PPE	132,994,007.31	-
Working Capital Adjustments		
(Increase)/Decrease in Inventory	(13,832,010.15)	
(Increase)/Decrease in Receivables	(3,996,956.83)	(3,574,935.19)
Increase in Refundable deposits from customers	1,088,300.00	(5,371,378.54)
Decrease in Payables	482,812.83	20,500.00
(Decrease)/Increase in Provisions and Accruals	-	1,822,954.83
Decrease in Deferred Income	(2,206,947.96)	1,324,875.00
Prior Year Adjustments	3,515,651.00	-
Net Cashflows generated from Operating Activities	12,006,976.25	24,778,899.91

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26. Financial Risk Management

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

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the Governors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Institute's Board of Governors based on prior experience and their assessment of the current economic environment. The Board of Governors estimated Bad/Doubtful debts at the rate of 10% of the total amount of accounts receivables.

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024				
Receivables from exchange transactions	135,115,851.83	81,944,701.83	53,171,150.00	-
Bank balances	61,585,995.24	61,585,995.24	-	-
Total	196,701,847.07	143,530,697.07	53,171,150.00	-
As at 30th June 2025				
Receivables from exchange transactions	139,112,808.66	85,941,658.66	53,171,150.00	-
Bank balances	73,430,111.49	73,430,111.49	-	-
Total	212,542,920.15	159,371,770.15	53,171,150.00	-

Within the total amount of **receivables from exchange transactions** of **Ksh. 128,717,808.66** is an amount relating to un-accounted for cash totalling to **Ksh. 53,171,150.00**. This includes the amount prosecuted in Court.

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(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30th June 2024				
Trade Payables	-	13,057,983.45	502,600.00	13,560,583.45
Other Payables	-	647,320.00	2,805,354.11	3,452,672.51
Caution Money	-		1,841,600.00	1,841,600.00
Provision for Audit fees	-	1,324,875.00	6,624,375.00	7,949,250.00
Funds held on behalf of Nyando TVC	-	-	2,040,843.51	2,040,843.51
Student Creditors: Non- NYS Students	-	-	3,456,203.00	3,456,203.00
Total	-	15,030,178.45	17,270,975.62	32,301,152.47
At 30th June 2025				
Trade payables	2,956,760.55		2,343,935.00	5,300,695.55
Other Payables	19,996.41	-	5,000.00	24,996.41
Salary Deductions Payables	924,054.73			924,054.73
Funds held on behalf of Nyando TVC	-	-	1,006,566.56	1,006,566.56
Funds held on behalf of Got Ramogi TVC	499,827.50	-	-	499,827.50
Student Fee Prepayments	5,531,420.08	-	3,456,203.00	8,987,623.08
Total	9,932,059.27	-	6,811,704.56	16,743,763.83

Bondo Technical Training Institute**Annual Report and Financial Statements for the year ended 30th June 2025****iii)Capital Risk Management**

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

Description	2024/25	2023/24
	Kshs	Kshs
Net Surplus	(121,325,854.16)	16,228,198.09
Retained Earnings	112,670,183.58	96,441,985.49
Capital Reserve	505,749,163.00	505,749,163.00
Total Funds	497,093,492.42	618,419,346.58
Less: Cash and Bank Balances	(73,430,111.49)	(61,585,995.24)
Net Debt/(Excess Cash and Cash Equivalentents)	423,663,380.93	556,833,351.34
Gearing	85%	90%

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27. Related Party Balances

Nature of related party relationships

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

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

Description	2024/25	2023/24
	Kshs	Kshs
a) Purchases from related parties		
Purchases of electricity from - KPLC	120,907.00	1,751,405.40
Purchase of water from govt service providers - SIBOWASCO	31,517.00	35,290.00
Outsourced Security Services - Pride Kings Security Ltd	960,000.00	933,036.00
Outsourced Internet Provider - Safaricom	540,592.10	1,176,866.20
External Audit Services - OAG	-	1,324,875.00
ACE Appraisal Ltd	500,000.00	1,850,000.00
Total	2,153,016.10	7,071,472.60
b) Grants /Transfers from the Government		
Grants from National Govt - Capitation/Development/Scholarship	54,368,786.40	35,988,830.00
Total	54,368,786.40	35,988,830.00
c) Key Management Compensation		
Directors' emoluments	6,694,377.91	4,581,576.50
Total	6,694,377.91	4,581,576.50

28. Events After The Reporting Period

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

29. Ultimate and Holding Entity

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

30. Currency

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

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20. Appendices.

Appendix 1: Progress on follow up of auditor recommendations

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

Referen ce 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.	Ownership, Presentation and Variance of PPE. Separate disclosure of buildings from land. Asset register did not include values for land, buildings and plant and equipment's.	Valuation of Assets has been factored in the FY2022/2023 budget and plant.	Resolved	31/12/2024
2	Incomplete Asset register. Lacking details like; tag/serial number, make/model, suppliers name, original location, current location and officer responsible.	Once the valuation report is received from ACE Appraisal Ltd, (The Valuer), we shall include the necessary information.	Resolved	30/6/2025
3.	Inaccuracy in the statement of Financial Performance and the statement of cashflows. The accuracy of statement of financial performance and statement of cashflows could not be confirmed.	The variance is caused by the accrual method of accounting used which is recommended by PSASB.	Resolved	
4.	Unreconciled differences between Gross salary as per Payroll and ledger. Unreconciled difference of Ksh. 205,067.00	This over payment for salaries above the total gross salaries for the year was caused by Employer NSSF Contribution which is normally not part of the payroll processed every month.	Resolved	
5.	Receivables from exchange transactions. Unaccounted for cash withdrawals of Ksh. 53,171,150.00 which has not yet been recovered.	The management shall make follow-ups with the Office of The Attorney General for legal advice on the recovery of the lost funds.	Not resolved	30/6/2025

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Referen ce 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.	Non-Compliance with the law on Ethnic composition.	The management normally bases its recruitment strategy on merit rather than ethnicity. Will strive to consider more candidates from other ethnic backgrounds going forward.	Not Resolved.	30/6/2026
2.	Irregular procurement of Items. Purchases not supported by the procurement plan.	The Items were requested in cutting list during KNEC Exam, hence could not have been envisioned as the start of the year. Items were budgeted for under the general Examination budget for year.	Resolved	
3.	Installation of Inventory management system. The available ERP did not include a module for Inventory management.	The management has since procured and Inventory management ERP module and it is in use.	Resolved.	

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

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Applied Science Complex	1	GOK		Taken over by Bondo TTI	No	Yes
Nyando TVC Construction	2	GOK		Good	No	Yes

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Applied Science Complex	32,833,448.00	32,833,448.00	100%	32,833,448.00	32,833,448.00	GOK/Bondo TTI

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Appendix II: Recording of Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized		
	As per bank statement			Statement of Financial Performance	Receivables	Total Transfers during the Period
Ministry of Education	60,143,786.40	Recurrent	60,143,786.40	54,368,786.40	5,775,000.00	60,143,786.40
Total	60,143,786.40		60,143,786.40	54,368,786.40	5,775,000.00	60,143,786.40

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