

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY	
DATE: 09 AUG 2023	DAY: WED
TABLED BY: OF	Hon Owen Baya, MP Deputy leader, Majority party
CLERK-AT-THE-TABLE:	Ahmed Kadhi

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**BUSHIANGALA TECHNICAL TRAINING
INSTITUTE**

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



BUSHIANGALA TECHNICAL TRAINING INSTITUTE (TVET)

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

Table of Contents

I. KEY ENTITY INFORMATION AND MANAGEMENT	iii
II. THE BOARD OF GOVERNORS	viii
III. MANAGEMENT TEAM.....	xi
IV. CHAIRMAN'S STATEMENT.....	xiii
V. REPORT OF THE PRINCIPAL	xvi
VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES	xx
VII. CORPORATE GOVERNANCE STATEMENT.....	xxiii
VIII. MANAGEMENT DISCUSSION AND ANALYSIS.....	xxvi
IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT	xxvii
X. REPORT OF THE BOARD OF GOVERNORS	xxviii
XI. STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES.....	xxix
XII. REPORT OF THE INDEPENDENT AUDITOR ON BUSHIANGALA TECHNICAL TRAINING INSTITUTE	ii
XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022	1
XIV. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022	2
XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30TH JUNE 2022	3
XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022	4
XVII. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022.....	6
XVIII. NOTES TO THE FINANCIAL STATEMENTS.....	8
APPENDICES	31
SURPLUS FROM PAYE.....	34

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Bushiangala Technical Training Institute is situated in Kakamega South Sub-County in Kakamega County. It is located off Sigalagala –Bukura road approximately 10 Kilometers from Sigalagala and about 20 Kilometers from Kakamega Town.

This Institute was started as a skill upgrading centre in 1991 by voluntary service overseas under the support of the European Economic Community. The main mandate of the Institute was to upgrade skills for Youth Polytechnic graduates, instructors and managers.

The Volunteer Service Overseas Group withdrew from the institute in 1993 and it was taken over by the Ministry of labour which replaced the short-term training courses with Artisan and Craft courses. The then Ministry of Higher Education Science and Technology formally took over the running of Bushiangala Technical Training Institute in 2008. The Institute was finally registered as a TVET Institution under TVEA Act on 2016.

The Institute is located on a parcel of land measuring 12 acres and it is in the process of acquiring more land. Through the support of the Kenya Government, the Board managed to construct the Administration/Tuition block, Science Laboratory Complex, Building/Mechanical Workshops, and an Ultra-Modern Resource Centre (Library). Currently the institute is constructing an Electrical & Electronics and Clothing & Textile workshop to provide a conducive environment for students. Equipping of Computer Laboratories and the Workshops is ongoing.

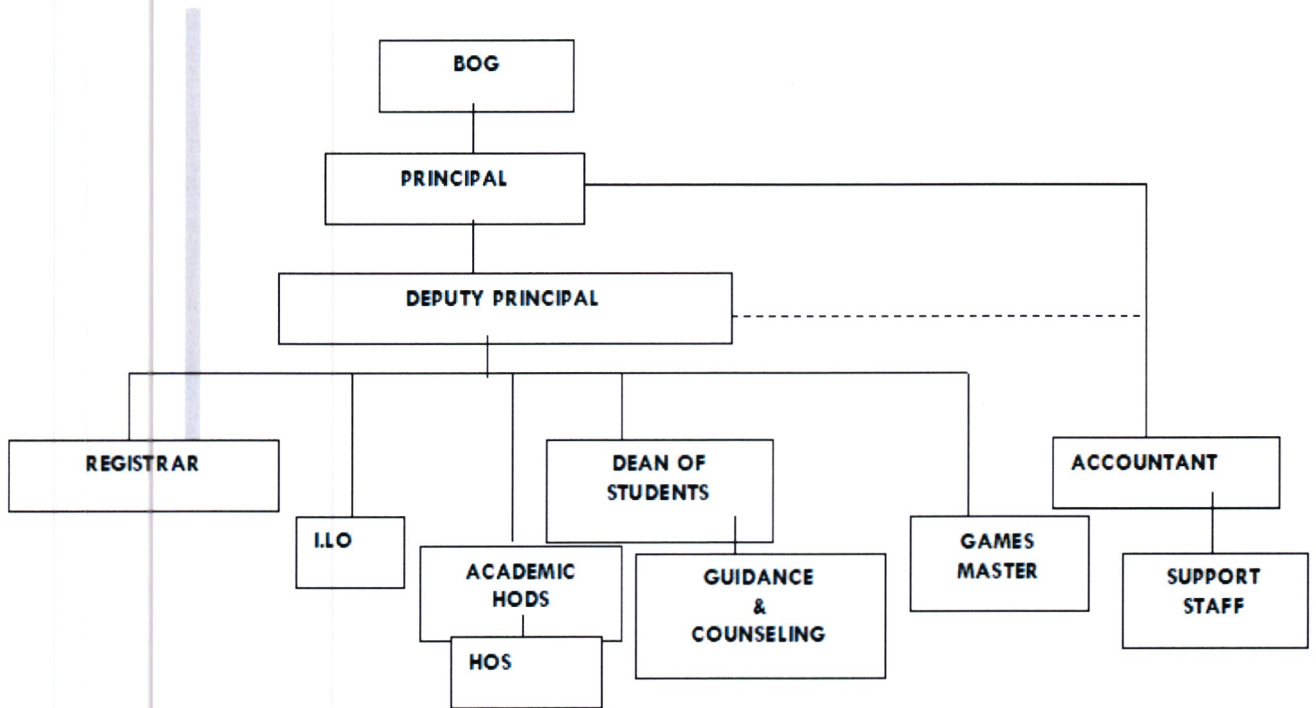
The Institute's current organization structure consists of the Board of Governors appointed by the Cabinet Secretary Ministry of Education. The institute has no branches.

The Principal is the Chief Executive Officer of the Institute and is supported in the administrative function by the Deputy Principal Administration & Finance, Deputy Principal in charge of Academics, Registrar, Dean of Students and Finance Officer. There are seven (7) Academic Departmental Heads. The students are represented by a Students' government referred to as Student Council

KEY ENTITY INFORMATION AND MANAGEMENT

(a) ORGANOGRAM STRUCTURE

The current organogram structure of BUSTTI is as below: -



BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

KEY ENTITY INFORMATION AND MANAGEMENT

(b) Principal Activities

The principle activity of the Bushiangala Technical Training Institute is to offer training to Students in technical courses and business courses as per the industry needs who are examined by KNEC and Computer Society of Kenya

Our Mission:

To provide technical training in science, engineering and technology and to foster applied research and community outreach for innovation and sustainability.

Our Vision:

To be a centre of excellence in Technical & Vocational Training for Socio Economic Development

(c) Key Management

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

- The Principal
- The Management

(d) Fiduciary Management

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

No.	DESIGNATION	NAME
1	Principal	Janet Waswa Otuya
2	Deputy Principal Administration/Fin	Alfred Mukhola
3	Deputy Principal Academics	Violet Watulo
4	Head of Finance	CPA Emily Ashihundu
5	Head of Procurement	Duncan Makumba
6	Registrar	Hezekiah Tundo
7	Dean of students	Samuel T. Shivailu
8	Internal Auditor	CPA Sammy M.K Chege
9	Human Resource Officer	Joy Ngaira

KEY ENTITY INFORMATION AND MANAGEMENT

(e) Fiduciary Oversight Arrangements

- Finance Committee of the Board of Governors
- QMS ISO Auditors
- Office of the Auditor General
- Audit, Risk Management & Compliance Committee

(f) Entity Headquarters

Country: Kenya
County: Kakamega
Sub County: Kakamega South
Constituency: Ikolomani
Location: Isulu
Street: Off Sigalagala – Bukura road approximately 10 Kilometres' from
Sigalagala and about 20 Kilometres from Kakamega Town

(g) Entity Contacts

- Telephone: 0702092440, 0722890891
- E-mail: info@bushiangalatechnical.ac.ke
- Website: www.bushiangalatechnical.ac.ke

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

KEY ENTITY INFORMATION AND MANAGEMENT

(h) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

The college has seven bank accounts at Kenya Commercial bank and one at Equity Bank.

S.No	Account No	Account Function
1.	Main (Fees) Account-1102702188 (KCB)	Students fees Account
2.	ESP Account- 1121337007 (KCB)	Economic Stimulus Account
3.	Recurrent Account -1114264563 (KCB)	Receives Government Capitation
4.	Transit Account- 1181740835 (KCB)	Exam and reserved Funds Account
5.	Development Account- 1114264709	Funds for Major Development Projects
6.	Production Account-1152187376 (KCB)	Production Unit Account
7.	Equity fees Account – 05002777739208	Fees account
8.	Constituency Development Fund Account.-1101707453(KCB)	Funds for CDF. Projects

(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

II. THE BOARD OF GOVERNORS




No.	Member	Details
1.		<p>Dorothy Mapenzi Shiroya is the Chairperson of the Board of Governors of Bushiangala Technical. She was born on 17th July 1954. She holds a master's degree in Education Administration and a Bachelor's Degree in Education (Economics & Business Studies) from the university of Nairobi. She also has a certificate in Senior Management from DSE-Germany. She is a renowned lecturer and trainer with more than 30 years' experience. She has worked as a lecturer, Head of Department (HOD), Deputy Principal and Principal. Prior to her retirement, she was a Principal at Ramogi Institute of Advanced Technology (RIAT). She has a wealth of experience in Higher Education Institutions Management.</p>
2.		<p>Moses Mogesi Mokaya is an independent member and the chairperson Human Resource, Research and ICT sub-committee. He was born on 24th February 1976. He holds a masters in Science (Human Nutrition) from the University of Glasgow (UK); Currently he is pursuing a PhD course in Nutrition and Health at Ku Leuven University in Belgium. Mr. Mokaya has Bachelor's Degree in Education (Home Science & Technology) from Maseno University. Mr. Mokaya has also a higher Diploma in psychological counselling from Methodist University & Kenya Institute of Psychological Counselling (KIPC). He has a wealth of experience in management having worked with USAID-AMPATH as Deputy assistant programme manager and project manager cumulatively for 9 years. At USAID- AMPATH, he handled project implementation and monitoring and Human resource. He is currently a lecturer at Kabarak University.</p>
3.		<p>Sylvia Ashitsa Muhanda is an independent Board member and the Chairperson of Audit, Risk management and Compliance committee. She was born on 14th July 1992. She is a graduate of Moi University with Bachelors in Law (LLB). She also holds a post graduate Diploma in Law from Kenya School of Law (KSL). Sylvia is an advocate of the high Court of Kenya with four-year practice and a member of Law society of Kenya (LSK) in good standing. She is currently an Associate advocate at Shitsama and Company advocates. She is the Vice President of the Law Society Of Kenya for Kakamega County. Sylvia Brings on Board business and leadership experiences. She has a good understanding of government operations, Laws, Regulations and policies.</p>

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**





4.		<p>CPA Dr. John O. Messo Raude is an Independent member and the Chairperson Finance sub-committee of the Board of Governors of Bushiangala Technical Training Institute. He was born on 29th April 1962. He holds a PhD qualification (Business Administration) MBA (Finance) and Bachelors of Business Management from Masinde Muliro University of Science and Technology. He is also a Certified Public Accountant and a member of The Institute Of Certified Public Accountants of Kenya (ICPAK). He is also a certified Investment and Financial analyst (CIFA). He has more than 25 years' experience gained in Finance, accounting and auditing in the Public Sector and private Sector. He has a wealth of Board experience having in the past been on the Boards of Friends College Kaimosi and Bumbe Technical Training Institute. He is currently the managing partner at Messo & Associates, a firm that deals in consultancy in Accounting, Auditing and management. He is also a part-time lecturer at Masinde Muliro University of Science and Technology. CPA Dr. John Messo is an accomplished scholar and publisher with several publications under his name.</p>
5.		<p>Daniel Amuli Bulali is an independent member of The Board. He was born on 6th June 1965. He holds a Diploma in Mechanical Engineering and a Higher diploma in Mechanical Engineering from Mombasa polytechnic and Eldoret Polytechnic respectively. He also holds a certificate course-Comprehensive Instructor Training course from Kenya Technical Training College (KTTC). Mr. Bulali is currently a senior superintendent (Mechanical Engineering) at West Kenya Sugar Company Limited. He has management and corporate experience having worked in government for a period spanning 14 years as inspector and senior inspector Mechanical- Buildings in Kisumu and Nandi District.</p>
6.		<p>Jael Chepchirchir Sitienei is an independent member of the Board. She was born on 31st December 1987. Jael is a holder of Masters in business management (Strategic Management), Bachelor of Commerce (Management), Higher Diploma in Business management and a Diploma in Business management. Currently Jael works with Crown paints as a sales Executive in charge of Western Region. Prior to the engagement at Crown Paints, she worked as a sales and customer representative at Telkom Kenya Ltd-Kakamega Branch. She has a wealth of knowledge and expertise in strategic management which has really benefited the Board during formulation of various corporate strategic pillars.</p>

<p>7.</p>		<p>Agnes Ayoma Shikalo is a member of the Board. She was Born on 15th September 1963. She has a Bachelor's Degree in Education (Arts), Higher Diploma in Guiding Psychology counseling and a certificate in Play and Art Theory from Kenyatta University. Prior to her retirement in 2016, she was a teacher of English and Literature in several schools including Bishop Njenga Girls Lugari, Kisumu Boys High School, Isinya Girls among others. At Isinya Girls, she was the Head of Department Languages. Upon her retirement in 2016, Agnes established Oak schools in Kajiado. She is a director of the school. Her experience as a trainer in Educational Institutions is a great resource to the Board.</p>
<p>8.</p>	 <p>Janet Otuya Principal and Secretary to the Board.</p>	<p>Janet Otuya is Principal and Secretary to the Board. She was Born on 17th December, 1963. She is a career teacher and trainer with experience of more than 30 years. Janet has Bachelors of Education arts (Business Studies & English. She also has a Diploma in Technical Education (Secretarial & English), Higher Diploma in Human Resources Management (KNEC) She also holds a certificate in senior management course and Strategic Leadership Course (SLDP). She has been a principal at Bushiangala Technical from January 2016. Prior to her appointment at Bushiangala, she was an acting Principal at Friends College Kaimosi. She had served as a trainer/lecturer, Registrar and Deputy Principal at Friends College Kaimosi.</p>

III. MANAGEMENT TEAM

SNO.	Member	Details
1.		<p>Janet Waswa Otuya PRINCIPAL. Holder of Bachelors in Education-Business/ Diploma in Technical Education (Secretarial Studies), She is the Principal/Chief Executive and the Secretary to the Board. She is an executive member of the Board. She is in charge of the day-to-day operations. She is also a lecturer in Business Studies Department. Is not a member of the Institute of certified Secretary (ICS).</p>
2.		<p>Alfred Mukhola Deputy Principal Administration Key Qualifications: He holds a Bachelor's Degree in Technology (Building), DTP-Building Technology, Diploma in Technical Education. The Deputy Principal Administration is in charge of deputising the principal and he mainly assists in areas of General administration and finance besides teaching in the building and civil Engineering Department.</p>
3.		<p>Violet Watulo Deputy Principal Academics Key Qualifications: Bachelors in Education (Arts). The Deputy Principal Academics is in charge of deputising the Principal and she mainly assists in areas of Academics and curriculum implementation besides teaching in the Business Department.</p>

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

No.	Member	Details
4.		<p>CPA Emily Ashihundu Head of Finance Key Qualifications: A Certified Public Accountant Of Kenya (CPA-K), Certificate in Information Technology & Member of the Institute of Certified Public Accountant Of Kenya(ICPAK)Head of Finance and Accounting.</p>
5.		<p>Duncan Makumba Head of Procurement department. key qualification: Diploma in Supplies Chain Management, member of the Kenya Institute of Supplies management (KISM)</p>
6.		<p>Hezekiah Tundo Registrar of Students Key Qualifications: Bachelors in Education (Arts), Diploma in Entrepreneurship (KNEC)</p>
7		<p>Mir. Samuel Shivailu Dean of Students</p>

IV. CHAIRMAN'S STATEMENT

It is with great pleasure that I present the Bushiangala Technical Training Institute's financial Statements for the year ended 30 June, 2022.

In the year under review, the institute signed a performance contract agreement with the Government of Kenya through the Cabinet Secretary Ministry of Education. The purpose of this performance contract (PC) was to establish the basis for ensuring that efficient and effective services delivery in line with the provisions of the constitution. Through the PC, Bushiangala Technical Training Institute adopted systems that enable innovativeness and adaptability of public services to the needs of users, according special attention to strategies and initiatives that fast tracked post COVID-19 recovery.

Through my leadership, we made plans and strategies that contributed to high and sustainable social-economic development. We ensured that Bushiangala Technical Training Institute has a credible strategic plan and performance contract that delivered the desired goals. We performed our responsibilities diligently and to the best of our abilities to support the achievement of the agreed performance targets.

In the year 2021-2022, the Board reviewed the strategic plan, aligned it to MTP III and incorporating the "Big Four" agenda, incorporating the COVID-19 recovery strategies and plans and other national priorities.

We have also enhanced strategic Objectives as follows;

Expanding training opportunities and producing well trained, skilled and competent manpower, undertaking active and continuous transfer of Technology through collaborative approach between TVET institutions and relevant industries, community and the society at large. Providing continuous upgrading of skills and knowledge for the labour market, conducting research in appropriate emerging technologies, applying ICT in improving training and Management systems and provide extension services to the community.

When we fulfil the above-mentioned objectives among other pillars and issues, we will fulfil our vision which is; ***"To be a Centre of Excellence in Technical and scientific Training for social-economic development"***. We shall also undertake Science, Technology and innovation (STI)

mainstreaming by developing STI strategic plan, implement STI strategy by documenting research programs/projects and ensuring annual budgetary allocation for Research and Development.

We also achieved the following in year under review

- Establish a Data Bank for Graduants,
- Continued to sensitize Staff and Students On COVID-19 Pandemic,
- Review of Strategic Plan
- Increase Enrolment in Science, &Technology.
- Enhance Good Performance in KNEC Examinations & Increase Gross Enrolment
- Integrate ICT in Teaching and Learning & Road Safety Mainstreaming
- Disability and Gender Mainstreaming.

On supporting the government's efforts in addressing the challenges of climate change, Bushiangala Technical Training Institute has embarked on a strategy to plant not less than 500 trees each year within its land and in collaboration with schools in the neighbourhood. This initiative will assist in increasing the forest cover to a minimum of 10%.

I wish to appreciate and acknowledge the support we have received from the Government and other entities like The National Government Constituency Development Fund (NG-CDF), Higher Education Loans Board (HELB) and other sponsors and well-wishers for continuing to support our students in paying their fees.

The Board of Governors specifically thanks the Ministry of Education (MOE) for releasing the funds for the completion of the Electrical and Textile complex (Building) on 30th June 2021. which was completed and handed over on 19th January 2022. I also thank the MOE for accepting to construct a hostel block that will go in meeting accommodation needs of students.


BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Lastly, I thank the Board of Governors of Bushiangala Technical Training Institute, the staff, students, parents, guardians and other stakeholders for the confidence that they have shown in Bushiangala Technical Training Institute. Your input and support have made the Institute fulfil its Mission.

SIGNATURE: 

MOSES M. MOKAYA

CHAIRPERSON BOARD OF GOVERNORS

DATE: 

V. REPORT OF THE PRINCIPAL

Bushiangala Technical Training Institute located in Kakamega County, Kakamega South Sub county Ikolomani Constituency. It is located off Sigalagala – Bukura – Butere road, approximately 10 kilometres from Sigalagala and about 22 Kilometres from Kakamega Town.

The institute was taken over by the Ministry of Higher Education Science and Technology, from the Ministry of Labour in 2009. The Institute was registered in 2016 by TVETA under the legal provisions of the TVET Act 2013.

It is with great delight that these financial statements for year 1st July 2021 to 30th June 2022 are presented. The accounts have been maintained and presented under the accrual basis as required by the International Public Sector Accounting Standards. (IPSAS'S).

The preparation and presentation of these financial statements is in line with the provision of the Public Finance Management Act 012 and the Public Finance Management Regulations of 2015. We also followed regulations and policy

The preparation and presentation of these financial statements is in line with the provisions of the Public Finance Management Act 2012 and the Public Finance Management Regulations of 2015. We also followed regulations and policy circulars as issued by the National Treasury, Ministry of Education-State Department for Vocational and Technical Training (VTT)) from time to time.

We have fostered a culture of professionalism, excellence, accountability, productivity, integrity, equity and transparency. This culture together with team work, commitment and honesty have made our college to be competitive in the region.

Our training programmes have been chosen in a way that encourage lifelong learning to facilitate:

- Innovativeness and creativity.
- Continuation of training for improvement of professional qualifications, updating of knowledge, skills and understanding.

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

- Complimentary Education for those receiving technical, vocational and Educational Training in the form of on-the-job training.
- Accommodating of marginalized groups which include women, youth and persons living with disability.

Our staff has undergone the internal Quality assurance training initiated by Technical and Vocational Education and Training authority (TVETA). After the training, we established departmental Internal Quality Assurance Committee headed by Internal Quality assurance champions. We endeavour to continue establishing systems and processes geared at the improvement of standards and quality assurance.

Achievements in the year under review.

1. Linkages and Collaborations

We have linkages and collaborations with firms and organisations in both public and private sector. Through these partnerships, we have sourced for attachment opportunities for our trainees and provided short term training for KCB Foundation 2Jijiri programme which aims at formalising the informal sector skilling for self-employment.

2. Electrical and Clothing Twin Workshop

The Electrical and Clothing Twin workshop that was started in September 2019, was completed and handed over on 19th January 2022. This greatly improved our training infrastructure and given the Institution a new look and given a home to the departments that were homeless.

3. Hostels Block

In July 2021 we did a proposal for a hostel block to the Ministry of Education, through the Department of VTTI which was accepted. The procurement process was done completed and the site was handed over to the contractor and ground broken on 25th March 2022.

This project will go a long way in assisting new students have accommodation as they get used to the environment around the college.

4. Improvements

In the year under review, we procured, had trainings done and installed three new modules of the Enterprise Resource Planning System. (ERP)

5. The Students' Portal

- a) The Examinations Portal
- b) Procurement and Stores portal.

These modules will greatly enhance accessibility to our services.

6. Solar Installation

We installed a solar system comprising of 12, 200AH batteries and 12,325 watts panels on the administration block. This system, we believe, is the game changer in solving the perennial problems we experience from Electricity supply fluctuation and instability.

7. Internet Connectivity

We have continued to make improvements in this area. Most of our buildings /offices are now internet connected with Wi-Fi and fibre. This helps in training and affords our trainees uninterrupted accessibility to internet learning resources.

8. Other Achievements

- a) Developed Human Resource Policy
- b) Developed the ICT Policy
- c) Developed the Alcohol and Drug Abuse Policy

CORPORATE SOCIAL RESPONSIBILITY

1. We fabricated the two flag posts currently being used at Imulama Police Post in Idakho North Ward.
2. We have continued to supply water to the community for function such as funerals, whenever they have requested.
3. We visited the SOS children's Centre in Eldoret and donation several assorted items worth Kshs. 10,000.

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

CHALLENGES

1. Land Acquisition

In the previous financial year, we obtained three (3) title deeds Kakamega Shikulu 1446, 1447. However, we have Kakamega Shikulu 1463 for which we are yet to acquire a title deed. This parcel, of approximately one acre was acquired by NG- CDG in February 2010 from Livingstone Mukala who was/ is holding it in trust after the demise of his late father. He has taken about turn and claims that we are intermeddling with his land. We have discussed with NG –CDF who are pursuing the matter.

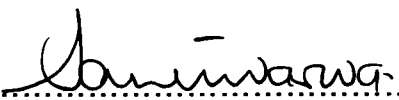
2. Phase of Perimeter Wall

Phase two (2) of the perimeter wall site was handed over the contractor, Dynamic Green Technologies, on 19th January 2022. Unfortunately, there is very little progress on the works.

3. Staffing

As at the close of the FY 2020/2021 we had 40 Public Service Trainers. This number has gone down in the FY2021/2022 to 37 due to transfers and secondment to Vihiga County. In addition, we have had to release three (3) new employed trainers to go for the mandatory pedagogical training at the Kenya Technical Trainers College. (KTTC).

As a result, we have had to employ more BOG trainers to cover the deficit

SIGNATURE  DATE *09th June, 2023*

JANET WASWA OTUYA

PRINCIPAL/SECRETARY BOG MEMBER

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Strategic Objectives

- i. To expand training opportunities and produce well educated, skilled and competent manpower.
- ii. To undertake active and continuous transfer of technology through collaborative approach between TVET Institutions and relevant Industries, Communities and Society.
- iii. To provide continuous upgrading of skills and knowledge for the labour market.
- iv. To conduct research in appropriate emerging technologies.
- v. To apply ICT in improving training and management systems.
- vi. To provide extension services to the community.
- vii. To improve Institutional Human Resource and Governance

Bushiangala Technical Training Institute has 17 Strategic pillars/issues/themes and objectives within current Strategic Plan for FY 2020 – FY 2025. These strategic pillars are as follows:

1. Pillar/theme/issue 1: **Improve training programs**
2. Pillar/theme/issue 2: **Expand facilities based on government priorities**
3. Pillar/theme/issue 3: **Promote affirmative action for TVET trainees**
4. Pillar/theme/issue 4: **Develop a framework for improving and increasing physical facilities**
5. Pillar/theme/issue 5: **Improving TVET equipment, information and communication systems**
6. Pillar/theme/issue 6: **Establish collaboration and linkages**
7. Pillar/theme/issue 7: **Strengthen existing collaboration and linkages**
8. Pillar/theme/issue 8: **Establish benchmarks and joint cooperation networks both with national and international TVET Institutions**
9. Pillar/theme/issue 9: **Improve and sustain relevance of skills**
10. Pillar/theme/issue 10: **Promote innovativeness in TVET**
11. Pillar/theme/issue 11: **Promote R&D collaboration among TVET and other Institutions**
12. Pillar/theme/issue 12: **Promote the use of Research findings in technology development and transfer.**
13. Pillar/theme/issue 13: **Community outreach**
14. Pillar/theme/issue 14: **Develop adequate ICT capacity and infrastructure**
15. Pillar/theme/issue 15: **Institutionalize Management Information System (MIS)**
16. Pillar/theme/issue 16: **Promote the use of ICT in curriculum delivery and management systems**
17. Pillar/theme/issue 17: **Develop and implement institutional policies, strategies and programs**

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar/them/issue 1: <i>Improve training programs</i>	To expand training opportunities and produce well educated, skilled and competent manpower	Curriculum in place	To develop and implement market oriented curriculum	Market oriented courses introduced
Pillar/them/issue 2: <i>Expand facilities based on government priorities</i>	To expand training opportunities and produce well educated, skilled and competent manpower	Expanded infrastructure	To develop and implement expansion plans for existing infrastructure	New workshops constructed
Pillar/them/issue 3: <i>Promote affirmative action for TVET trainees</i>	To expand training opportunities and produce well educated, skilled and competent manpower	Gender equity	To develop and implement affirmative action mechanism	Gender equity in training ensured by sensitizing female enrolment in SET Courses.
Pillar/them/issue 4: <i>Develop a framework for improving and increasing physical facilities</i>	To expand training opportunities and produce well educated, skilled and competent manpower	New physical infrastructure developed and maintained	To develop and maintain infrastructure and completed plan	Workshops constructed and equipped.
Pillar/them/issue 5: <i>Improve TVET equipment, information and communication systems</i>	To expand training opportunities and produce well educated, skilled and competent manpower	Equipment improvement and maintenance plan developed equipment improved and maintained	To develop and implement plans for improvement and maintenance of equipment	More equipment procured
Pillar/them/issue 6: <i>Improve students welfare</i>	To expand training opportunities and produce well educated, skilled and competent manpower	Data base for graduated students and establishment of OCS Office	To establish follow ups programs for our graduates	Office of Career Services formed and data base for students exceeding college created
Pillar/them/issue 7: <i>Establish collaborations and linkages</i>	To undertake active and continuous transfer of technology through collaborative approach between TVET Institutions and relevant Industries, Communities and Society.	Number of forums organized	To organize forum for TVET awareness events and exhibition of products	College established linkages with KCB Foundation in sponsoring students in the Industry.
Pillar/them/issue 8: <i>Improve quality of work</i>	To improve institutional Human Resource and governance	Service Charter developed and implemented 100%	To develop and implement Service Charter	Service Charter developed and implemented.
Pillar/them/issue 9: <i>Improve and sustain relevance of skills</i>	To provide continuous upgrading of skills and knowledge for the labour market	M&E of quality assurance and standards undertaken	To undertake M&E of quality assurance and standards with relevant government authorities.	Monitoring and evaluation of skills upgrading done.

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Pillar/them/issue 10: <i>Promote innovativeness in TVET</i>	To provide continuous upgrading of skills and knowledge for the labour market	Number of innovations	To improve and sustain relevance of skills	Number of innovations done and displayed in TVET Fare.
Pillar/them/issue 10: <i>Promote innovativeness in TVET</i>	To provide continuous upgrading of skills and knowledge for the labour market	Number of innovations	To improve and sustain relevance of skills	Number of innovations done and displayed in TVET Fare.
Pillar/them/issue 11: <i>Promote R&D collaboration among TVET and other Institutions</i>	To conduct research in appropriate emerging technologies	R&D Collaboration Policy in place	To develop and implement collaboration policy in R&D	Policy documentation in progress
Pillar/them/issue 12: <i>Promote the use of Research findings in technology development and transfer</i>	To conduct research in appropriate emerging technologies	Number of forums organized	To promote the use of research results in technology development and transfer	Forums held annually
Pillar/them/issue 13: <i>Improve community extension services</i>	To provide extension services to the community	Number of solutions to community problems	To identify and solve community problems via developed technology	Community outreach programs in place
Pillar/them/issue 14: <i>Develop adequate ICT capacity and infrastructure</i>	To apply ICT in improving training and management systems	Number and type of ICT equipment procured	To integrate ICT in training	ICT integrated in training
Pillar/them/issue 15: <i>Institutionalize Management Information System (MIS)</i>	To apply ICT in improving training and management systems	Number of Management Information Systems procured and administered	To develop adequate ICT Capacity and infrastructure	Management Information Systems for finance, procurement and student admission in place
Pillar/them/issue 16: <i>Promote the use of ICT in curriculum delivery and management systems</i>	To apply ICT in improving training and management systems	Tests and test results online. Teaching/learning data base. Customized lesson planning. ICT in teaching.	To develop and install ICT Systems	ICT Systems developed
Pillar/them/issue 17: <i>Develop and implement institutional policies, strategies and programs</i>	To improve Institutional Human Resource and Governance	Number of Policies developed and approve by BOG	To develop Human Policy Manual, ADA Policy, and Institutional ICT Policy	The following policies developed: ADA Policy, Academic Policy, ICT Policy

BUSHIANGALA TECHNICAL TRAINING (TVET)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

In the Performance Contract for 2021/2022 the following were achievements: -

- i. Construction and completion of Electrical/Clothing Workshop: - The construction of the Work shop is now completed 100% and now in use.
- ii. Science and Technology Innovation Mainstreaming: - Students prepared innovations in Mechanical and Civil Engineering and presented to TVET Fare Exhibitions.

Collaboration linkage with KCB Foundation: - The College has established linkages with KCB Foundation to train local students for six months in Electrical, Masonry, Clothing, and Clothing. So far 43 students are enrolled.

VII. CORPORATE GOVERNANCE STATEMENT

Corporate governance is the process and structure implemented to direct and manage the business affairs of Bushiangala Technical Training Institute towards enhancing prosperity and corporate accounting with the ultimate objective of realizing Stakeholders' long-term value while taking into account the interests of all stakeholders. The Board of Governors is committed to ensuring complying with all those guidelines on corporate governance of best practices as issued by Mwongozo and also adhering to all the government circulars that are appropriate to the circumstances of the institute and adherence generally to best practice in corporate governance.

The Board of Governors acknowledges their responsibility of maintaining internal controls, systems to safeguard the assets of the Institute and ensure reliability of the financial information. Whilst these controls are considered to be appropriate to the circumstances of the Institute, they can only provide reasonable assurance against material misstatement or loss. The full Board meets at least four times a year and for scheduled meetings and on other occasions as may be necessary to deal with specific matters that require attention between the scheduled meetings.

The Bushiangala Board of Governors operates on Board Charter that stipulates the Board functions and the almanac. The functions of the Board are follows: -

- i. Overseeing the conduct of education and training in the institutions in accordance with the provisions of technical and Vocational and Education and training Act 2013.
- ii. Promoting and Maintaining standards, quality and relevance in education and training in the college.
- iii. Administering and managing the property of the college.
- iv. Preparing annual estimates of revenue and expenditure for the Institute and incurring expenditure on behalf of the college.
- v. Receiving on behalf of Institute fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institute or other bodies or persons.
- vi. Mobilizing Resources for the college.

- vii Preparing comprehensive annual reports on all areas of their mandate and submit the same to the relevant authorities and government departments and Ministries when required.

BOARD OF GOVERNORS.

There are ten members of the Board, including the chairpersons who are non-executive members. This ensures that the decision-making process is objective and takes into account the rights and expectations of the body of stakeholders as a whole. All the Board members have experience and expertise which is considered relevant to the requirements of the college. All Board members, other than the Principal who is exempted, are required to retire and seek nomination once every three years for a second and final term of three years. At every expiry of three years, at least a third of the Board of Governors is supposed to retire but this has not been the case. The Ministry of Education should ensure that a succession plan is put in place so that the appointments to the Board are staggered to ensure proper and effective succession.

The Board has delegated authority for the day-to-day operations of the college to the Principal who is the Chief Executive Officer as well as the Accounting Officer and senior Management. The principal responsibilities of the Board of Governors are to define the mission and strategy of the college and to ensure that the college complies with statutory and regulatory requirements and with its responsibilities to its stakeholders. Other functions include;

- a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of technical and Vocational and Education and training Act 2013.
- b) Promoting and Maintaining standards, quality and relevance in education and training in the college.
- c) Administering and managing the property of the college.
- d) Preparing annual estimates of revenue and expenditure for the Institute and incurring expenditure on behalf of the college.
- e) Receiving on behalf of Institute fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institute or other bodies or persons.
- f) Mobilizing Resources for the college.
- g) Preparing comprehensive annual reports on all areas of their mandate and submit the same to the relevant authorities and government departments and Ministries when required.

The full Board meets at least four times a year and for scheduled meetings and on other occasions as may be necessary to deal with specific matters that require attention between the scheduled meetings.

The Board of Governors are provided with full and timely information to enable them to discharge their responsibilities effectively. The independent Board members are encouraged to develop their

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

knowledge of the operation of the college by visits to the various departments of the college and interaction with senior personnel.

COMMITTEES OF THE BOARD.

There are three standing committees of the Board with written terms of reference.

1.The Audit, Risk Management and Compliance Committee:

No.	NAME	TITLE
1	Sylvia Muhanda	Chair person
2	Moses Mokaya	Member
3	Agnes Shikalo	Member
4	Sammy Chege	Internal Auditor(Secretary)

The Committee' mandate is to;

1. Support the accounting officer with regard to her responsibility for issues of risk, control and governance and associated assurance.
2. Follow up on the implementation of the recommendations of internal and external auditors.
3. To prepare risk mitigation plans
4. To ensure checks and balance in the institution
5. To oversee financial expenditure of the institute
6. To ensure compliance of the applied laws and regulations. The committee holds four formal meetings each year. The committee may also meet as and when required.
7. The internal Auditor is the secretary to the committee.

2. The Human Resources, Education, Research and ICT Committee

No.	NAME	TITLE
1	Moses Mokaya	Chair person
2	Jael Chepchirchir	Member
3	Agnes Shikalo	Member
4	Joy Ngaira	Human Resource Officer(Secretary)

The Mandate:

1. To advice the Board on matters of personnel requirements
2. To propose ways of skills upgrading of staff
3. To facilitate research activities

The committee meets formally at least quarterly and as when required between the scheduled meetings.

The Finance and Infrastructure Committee

No.	NAME	TITLE
1	Dr.CPA John Odwako Messo Raude	Chair person
2	Jael Chepchirchir	Member
3	Daniel Bulali	Member
4	Emily Ashihundu	Finance Officer/Secretary

The Mandate:

1. To advise the Board on the financial practices, Funding, cost reduction, monitor production units
2. To oversee preparation of financial reports and annual budget.
3. To advise the Board on matters concerning infrastructure and development

The committee meets formally at least quarterly and as per the need.

All committees and full Board meetings are either done in person meeting or through electronic means as may be necessary from time to time.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

During the Financial year 2021/2022 the college was able to generate Kshs **54,817,481** from its two spheres, i.e., Revenue from Non-Exchange Transaction and Revenue from Exchange Transactions. The college managed to complete Workshop for Electrical and Clothing Departments. An award for Construction of Dormitory has been done and construction of the same has begun.

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT

Bushiangala 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 highlight of strategies and activities that promote Bushiangala TTI strategic objectives.

Sustainability strategy and profile

The management of Bushiangala Technical, led by the Principal, has made tireless efforts to ensure that our trainees have access to quality education. In order to achieve quality education, training is offered under seven academic departments namely: Business, Applied Sciences, Building & Civil Engineering, Clothing & Textiles, Electrical & Electronics, Mechanical and ICT department. For quality management, each department is headed by a competent HOD, assisted by course tutors and section heads. The courses offered are market oriented and tailored to the needs of Industry. Each department has qualified trainers to take the trainees through theoretical and practical lessons. Each trainer ensures adequate syllabus coverage and effective monitoring of evaluation systems within specified time limits. The trainees are taken through well-developed practical projects equipping the students with necessary skills for the industry. The training programs are punctuated with industrial attachment sessions of three months. The Institute is offering modular courses that are evaluated by KNEC at every stage. Most of our graduands are absorbed by the industries, County Governments, and Public Institutions.

Environmental performance

The Institute has developed a number of policies that guide the Institute to achieve quality education and training. Among the policies developed include: Academic Policy, HR Policy Manual, Drug Abuse Policy, Road Safety Policy, ICT Strategic Policy, Attachment Policy, Environmental Policy, among others. These Policies have been approved by the Board of Governors. They were subjected to Public Participation. All these policies have put the Institute on a forward projectile. Proper implementation of these policies has resulted in more efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the Institute's training products.

Employee welfare

The Institute has developed a comprehensive Human Resource Policy Manual addressing all the necessary employee requirements. These range from recruitment, remuneration, training opportunities, disciplinary procedures, leave, healthy issues, up to retirement. Also in place are Gender Policy. These policies have a direct bearing on the efforts made in improving skills and

managing careers, appraisal and reward systems. The Institute has tailored its policies on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

Market place practices-

Bushiangala Technical has outlined the objectives to:

a. **Responsible competition practice.**

Bushiangala is a training institution of best practices. The Institute ensures responsible competition practices with issues like anti-corruption, non-partisan political involvement, fair competition and respect for competitors.

b. **Bushiangala ensures responsible Supply chain and supplier relations-** Bushiangala TTI maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices. This is achieved through regular meetings with all stakeholders.

c. **Bushiangala TTI has put in place responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.**

Product stewardship- The management has outlined efforts to safeguard consumer rights and interests. This is achieved through Quality Management Systems

Corporate Social Responsibility / Community Engagements

The Institute has extended CSR to the community by providing clean water, providing dust bins, litter bins and a Bus Stage Shade.

X. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of Bushiangala Technical Training Institute affairs.

Principal activities

The principal activity of the Bushiangala Technical Training Institute is to offer training to students in technical courses and business courses as per the industry needs which are examined by KNEC, KASNEB and Computer Society of Kenya. The institute offers the following programmes in 7 academic departments:

1. **Business Studies** (Diploma in Supplies Chain Management, Community Development; Certificate in Supplies Chain Management, Single and group secretarial, Community Development; Artisan in Store Keeping Human Resource Management Human Resource Management) CPA & ATC.etc.
2. **Building Department** (Diploma in Civil Engineering & Building Construction; Certificates in Building Construction, Plumbing & Masonry)

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

3. Applied Science Department (Diploma in Applied Biology and Certificate in Science laboratory technology).
 4. Computer and Information Communications Technology: (Diploma in ICT, Computer Science; Certificate in ICT, ICTT and Computer Packages).
 5. Clothing & Fashion Design (Diploma in Textile technology, Clothing Technology, Fashion Design; Certificate in Clothing and Textiles, Artisan Garment Making, Beauty and Hairdressing)
 6. Automotive and Mechanical Engineering (Diploma in Automotive Engineering; Craft and Artisan courses in Motor Vehicle Mechanics, Welding and Fabrication Driving Courses)
 7. Electrical /Electronic Engineering (Craft and Artisan courses in Electrical Installation.)
- These courses are demand driven and find application in various sectors of the economy

Results

The results of the entity for the year ended June 30 2022 are set out on page 1-7

Board of Governors

The members of the Board of governors who served during the year are shown on page XI-XV During the year none of the board members retired/ resigned.

Auditors

The Auditor General is responsible for the statutory audit of the entity in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 The Institute has recruited an Internal Auditor to streamline and enforce internal controls system

XI. STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

Section 83 of the Public Finance Management Act, 2012 and Section 14 Of TVET Act, 2013 (Section 29) requires the Board of Governors to prepare financial statements in respect of that the college, which give a true and fair view of the state of affairs of Bushiangala Technical Training Institute at the end of the financial year/period and the operation results for that year. The Board of Governors are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board of Governors are also responsible for safeguarding the assets of the College. The Board of Governors are responsible for the preparation and presentation of the College financial statements, which give a true and fair view of the state of affairs of the College for and financial year ending on June 30,2022. This responsibility includes:

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

- Maintaining adequate financial management arrangements and ensuring that these continue to be effective through out the reporting period.
- Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity.
- 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;
- Safeguarding the assets of the College.
- Selecting and applying appropriate accounting policies; and
- Making accounting estimates that are reasonable in the circumstances

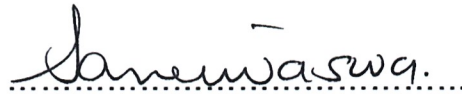
The Board members accept responsibility for the College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the TVET Act). The Board of Governors are of the opinion that the College Financial statements give a true and fair view of the state of College's transactions during financial year ended 30 June 2022, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Board members to indicate that the College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Bushiangala Technical Training Institute financial statements were approved by the Board on 16th September 2022 and signed on its behalf by:



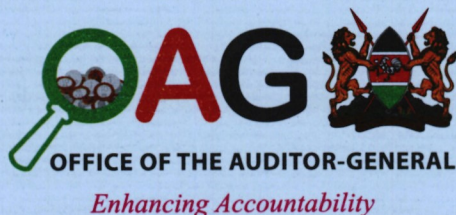
.....
Moses M. Mokaya
Chairperson of the BOG



.....
Janet Waswa Otuya
Accounting Officer/Principal

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bushiangala Technical Training Institute set out on pages 1 to 32, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit

Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

Lack of Land Ownership Documents

The statement of financial position reflects a balance of Kshs.200,917,428 in respect of property, plant and equipment which, as disclosed in Note 24 to the financial statements, includes Kshs.3,457,000 being the value of six (6) pieces of land owned by the Institute. However, title deed and valuation reports for the pieces of land were not provided for audit .

Under the circumstances, the accuracy, completeness and ownership of the property, plant and equipment balance of Kshs.3,457,000 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs.128,012,602 and Kshs.65,117,481 respectively, resulting to under-funding of Kshs.62,895,121 or 59% of the budget. Similarly, the statement reflects actual expenditure of Kshs.75,224,973 against approved budget of Kshs.128,012,602 resulting to under-performance of Kshs.52,787,629 or 41% of the budget.

The under-funding and under-performance affected the planned activities and may have negatively affected service delivery to the public.

2. Unresolved Prior Year Matters

In the audit of the previous year, several issues were raised in the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or provided reasons

for the delay in resolving them. No satisfactory explanation was provided on the failure to resolve the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 July, 2023

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


DESCRIPTION	NOTE S	2021-2022	2020-2021
		Kshs	Kshs
Revenue from non –exchange transactions			
Transfers from the National Government–MOE Capitation	6(a)	21,165,000	29,565,000
Total Revenue from non-exchange transactions		21,165,000	29,565,000
Revenue From Exchange Transactions			
Rendering of services- Fees from students	9	30,971,133	33,289,154
Sale of goods	10	45,750	7,850
Hire of facilities and Equipment	11	1,669,590	1,995,500
Other Incomes	12	966,008	359,815
Total Revenue from Exchange Transactions		33,652,481	35,652,319
Total revenue		54,817,481	65,217,319
Expenses			
Use of goods and services	13	36,149,433	31,468,454
Employee costs	14	14,732,966	13,187,410
Remuneration of Board of Governors	15	2,024,480	1,979,625
Depreciation And Amortization Expense	16	7,586,586	10,021,092
Repairs and Maintenance	17	2,345,635	1,362,749
Finance Costs	18	164,634	190,566
Other Expenses	19	308,638	201,757
Total Expenses		63,312,372	58,411,653
Net surplus for the year		(8,494,891)	6,805,666

The notes set out on pages to 8-30 form an integral part of the Annual Financial Statements

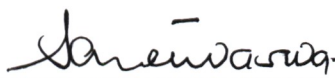
The Financial Statements set out on pages 1 to 7 were signed by:



 Chairperson BOG



 Finance Officer
 ICPAK No. 22795
 Date: 9th June, 2023



 Principal
 Date: 09th June, 23

Date: 9th June, 2022

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

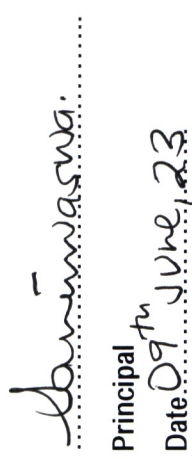
XIV. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

DESCRIPTION	NOTES	2021-2022 KSHS	2020-2021 KSHS
ASSETS			
Current assets			
Cash and cash equivalents	20	19,245,340	34,378,502
Receivables from exchange transactions	21	51,366,119	40,822,576
Receivables from non-exchange transactions	22	50,000	85,000
Inventories	23	2,000,077	3,402,690
Total Current Assets		72,661,536	78,688,768
Non- Current Assets			
Property, plant and equipment	24	200,917,428	188,638,849
Intangible assets	25	2,475,831	2,841,810
Total Non-current Assets		203,393,259	191,480,659
TOTAL ASSETS		276,054,796	270,169,427
LIABILITIES			
Current Liabilities			
Trade and other payables from exchange transactions	26	6,059,385	6,267,432
Refundable deposits from students	27	890,065	687,065
Payments received in advance	28	14,535,690	9,269,813
Total Current Liabilities		21,485,140	16,224,310
TOTAL LIABILITIES		21,485,140	16,224,310
Capital and Reserves	SCNA	157,546,837	157,542,572
Revenue Reserves	SCNA	52,683,352	62,363,078
Capital Fund	SCNA	44,339,467	34,039,467
Total Capital and Reserves		254,569,656	253,945,117
TOTAL		276,054,796	270,169,427

The Financial Statements set out on pages 1 to 7 were signed by:


Chairperson BQG


Finance Officer
ICPAK No. 22795


Principal
Date 09th June, 2023

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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

Description	Capital Reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	138,107,206	-	36,620,601	74,616,065	249,343,872
Revaluation gain	19,435,366	-	-	-	19,435,366
Fair value adjustment on quoted investments	-	-	-	-60,576,598	-60,576,598
Total comprehensive income	-	-	6,805,666	-	6,805,666
Capital/development grants received during the year	-	-	-	20,000,000	20,000,000
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	18,936,811	-	18,936,811
At June 30, 2021	157,542,572	-	62,363,078	34,039,466	253,945,117
At July 1, 2021	157,542,572	-	62,363,078	34,039,466	253,945,117
Revaluation gain	-	-	-	-	-
Other Reserves/Adjustment during the Quarter	-	-	-1,184,835	-	1,184,835
Total comprehensive income	-	-	(8,494,891)	-	(8,494,891)
Capital/development grants received during the year	4,265	-	-	10,300,000	10,300,000
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
At June 30, 2022	157,546,837	-	52,683,352	44,339,467	254,569,656

Note:

1. Ksh 1,184,835. Refers to adjustment made to student's accounts due to billing done by error in the prior years and amount recognized in income statement.
2. Ksh 4,265. refers to amount found on CDF account at KCB Bank that was dormant for a long time of which the current management wasn't aware. The Institute received ksh 300,000 from Ikolomani CDF for processing land title deed for the Institute land. The institute also received sh 10million from Ministry of Education for Construction of Dormitory.

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

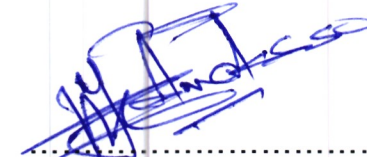
XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

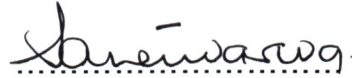
DESCRIPTION		2021-2022	2020-2021
	NOTE	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Receipts from MOE -Capitation	6a	21,165,000	29,565,000
Transfer from Other Government Agencies	6b		22,447,018
Mungatsi TVC Operation Grant			1,000,000
Rendering of services- Fees from students	9	30,971,133	
Sale of goods	10	45,750	7,850
Hire of Facilities	11	1,669,590	589,420
Refundable deposits received			69,500
Payments received in advance			227,980
Other Revenues collected	12	966,008	2,943,648
Rendering Services			2,326,722
Working Capital Changes			
Increase in Payables	29	5,260,830	
Decrease in the debtors	29	35,000	
Increase in Inventory	29	1,402,613	
Increase in Student debtors and other debtors	29	(10,543,543)	
Total Receipts		50,972,381	59,177,138
PAYMENTS			
Use of goods and Services	13	36,149,433	31,468,455
Employee costs paid	14	14,732,966	13,154,409
Remuneration of Board of Governors	15	2,024,480	1,979,625
Repairs and Maintenance costs	17	2,345,635	1,362,749
Finance costs	18	164,634	190,566
Other Expenses	19	308,638	7,208,063
Payment to Creditors			5,918,805
Total Payments		55,725,786	61,282,672
Net Cash flow from Operating activities	30	(4,753,405)	(2,105,535)
Cash flow From Investing Activities			
Purchase of Intangible assets, Property Plant & Equipment	24	(19,499,187)	(22,352,483)


BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

Net cash flow from Investing Activities		(19,499,187)	(22,352,483)
Cash Flow from Financing Activities			
MOE. Development Grant	6(c)	10,304,265	20,000,000
Other Adjustments	SCNA	(1,184,835)	
Net cash flow From Financing Activities		9,119,430	20,000,000
Net Increase /Decrease in cash and cash Equivalents		(15,133,162)	(4,458,018)
Cash and cash Equivalents at the beginning of the year 1 July 2021	20	34,378,502	38,836,520
Cash and cash Equivalent at the end of the Year-30 June 2022		19,245,340	34,378,502

The Financial Statements set out on pages 1 to 7 were signed by:


.....
Chairperson BOG.
Date... 9/6/2023


.....
Principal
Date... 09th June, 23


.....
Finance Officer
ICPAK No.22795
Date... 09th June, 2023

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

XVII. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

DESCRIPTION	ORIGINAL BUDGET		ADJUSTMENTS		FINAL BUDGET		ACTUAL ON COMPARABLE BASIS		PERFORMANCE DIFFERENCE		UTILIZATION DIFFERENCE	
	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	%
Revenue												
Transfers from MOE-Development grants	18,673,552				18,673,552		10,300,000		8,373,552		45%	
Transfers from MOE- Capitation	46,500,000				46,500,000		21,165,000		23,335,000		54%	
Rendering of services- fees from students	57,609,750				57,609,750		30,971,133		26,638,617		46%	
Sale of goods	178,960				178,960		45,750		133,210		74%	
Other income	2,652,340				2,652,340		966,008		1,686,332		64%	
Gains on disposal, rental income and agency fees	2,398,000				2,398,000		1,669,590		728,410		30%	
Total Income	128,012,602				128,012,602		65,117,481		60,895,121		49%	
Expenses												
Compensation of employees	18,096,026				18,096,026		14,732,966		3,363,060		19%	
Use of goods and services	54,331,854				54,331,854		36,149,433		18,182,421		33%	
Finance costs	255,000				255,000		164,634		90,366		35%	
Remuneration of Board of Governors	3,676,000				3,676,000		2,024,480		1,651,520		45%	
Repair & Maintenance	2,876,050				2,876,050		2,345,635		530,415		18	
Other Expenses	1,205,700				1,205,700		308,638		897,062		74%	
Capital Expenditure	47,571,972				47,571,972		19,499,187		28,072,785		59%	
Total Expenditure	128,012,602				128,012,602		75,224,973		52,787,629		41%	
Surplus For the Period	0000				000		(10,107,492)		(10107,492)			

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

NOTES TO THE BUDGET:

Generally , the institute budget could not be achieved due to low enrolment resulting from long run effects of Covid 19 pandemic which resulted to decrease in income and increase in expenditure due to high prices hence failure to achieve the targets for the year

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Bushiangala Technical Training Institute is established by and derives its authority and accountability from TVET Act and Public Finance and Management Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared accrual basis. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies.

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Adoption of New and Revised Standards

i. Early adoption of standards

Bushiangala Technical Training Institute did not early-adopt any new or amended standards in year 2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The entity 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.

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Board of Governors of Bushiangala Technical Training Institute on 25 January 2020. Subsequent revisions or additional appropriations were not made to 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.

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 financial performance has been presented under section (V) of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes.

d) Investment property

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

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

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic

NOTES TO THE FINANCIAL STATEMENTS (Continued)

benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

The Institute property plant and equipment includes the following:

1. Land
2. Workshop Buildings and Equipment
3. Staff houses
4. Laboratory Buildings and Equipment
5. Administration Buildings
6. Motor vehicles
7. Kitchen Building and Equipment
8. Computer and Computer Accessories
9. Furniture

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

g) 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.

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

h) Provisions

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

Where the Entity 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

The Entity 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 Summary of Significant Accounting Policies (Continued)

Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity 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.

Notes to the Financial Statements (Continued)

i) **Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. Bushiangala Technical Training Institute Maintains Two Reserves ie Capital Reserves and Revenue Reserves.

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

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

k) **Employee benefits**

Retirement benefit plans

The Entity provides retirement benefits for its employees and Board of Governors. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

a) 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.

b) Related parties

The Entity 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 Board of Governors, the Principal and senior managers.

c) 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.

d) Comparative figures

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

e) Subsequent events

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of 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. The Entity 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 eg provision for audit fee

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. TRANSFERS FROM OTHER NATIONAL GOVERNMENT ENTITIES

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional Grants		
6(a) Capitation grants: Quarter 1	6,645,000	7,267,500
Quarter 2	6,645,000	7,267,500
Quarter 3	7,875,000	1,740,000
Quarter 3		6,330,000
Quarter 4		6,960,000
Total Capitation Bushiangala TTI.	21,165,000	29,565,000
Operation Grant -Mungatsi TVC		1,000,000
Sub- Total	21,165,000	30,565,000
6(b) Conditional Grants		
Construction of Twin Workshop` B` - Electrical and Clothing Workshop		20,000,000
Construction of Dormitory	10,000,000	
Ikolomani CDF. Land Conveyance Grant	300,000	
SUB-TOTAL	10,300,000	20,000,000
Total Government Grants and Subsidies	31,465,000	50,565,000

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. TRANSFERS FROM OTHER GOVERNMENT ENTITIES (CATEGORIZED)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the FY2021-2022	2020-2021
			Kshs	Kshs	Kshs
Ministry of Education	21,165,000			21,165,000	30,565,000
Ministry of Education			10,000,000	10,000,000	20,000,000
Ikolomani CDF			300,000	300,000	
Total	21,165,000		10,300,000	31,465,000	50,565,000

8. TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2021-2022	2020-2021
	Kshs	Kshs
Student loan and bursary from HELB	7,581,000	8,065,800
Bursary From CDF & County Government		1,485,918
National Youth Service	4,373,100	4,862,800
Total Transfers	11,954,100	14,414,518

The above funds were received as sponsorship Funds under liability Account hence form part of revenue from rendering services on allocation to the beneficiary students.

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. RENDERING OF SERVICES

Description	2021-2022	2020-2021
	Kshs	Kshs
Application/registration income	232,500	134,705
contingencies income	365,420	576,384
Development f income	2,548,005	1,421,010
Driving School	175,750	125,645
E.W.C income	1,042,152	1,660,012
Exams income	7,378,465	924,240
Library income	813,837	1,317,450
LT &T income	1,018,202	1,646,812
Medical income	329,833	981,795
Personal emoluments income	4,070,959	6,598,717
RMI income	814,762	1,317,449
Student ID income	7,400	
Student Smart card	202,900	135,300
Tuition income	4,021,159	6,102,052
Attachment fee	1,148,000	42,000
Activity income	1,272,048	2,058,515
Administration Income	1,528,803	2,470,218
Computer & ICT Maintenance Income	1,029,702	1,646,812
student council income	305,571	494,043
NYS Tuition fees	2,518,500	3,610,995
Computer Packages Income	21,950	25,000
Other Fee Payments	125,215	
Total Revenue from Rendering of Services	30,971,133	33,289,154

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. SALE OF GOODS

Description	2021-2022	2020-2021
	Kshs	Kshs
Sale of farm produce(bananas & vegetables)	45,750	7,850
Total Revenue from Sale of Goods	45,750	7,850

11. HIRE OF FACILITIES AND EQUIPMENT

Description	2021-2022	2020-2021
	Kshs	Kshs
Rent Income	50,000	
Hire of Mattresses	15,050	10,500.00
Bus Hire fees	516,500	488,000.00
Accommodation (Boarding)	1088,040	1,497,000
Grand total	1,669,590	1,995,500

12. OTHER INCOME

Description	2021-2022	2020-2021
	Kshs	Kshs
	KShs.	
Disposal of Old Newspaper	2,720	
Penalty	15,900	2,000
KATTI. Co-curricular Events	1,048,390	
Mungatsi tti mentorship		1,565,632
Salary advance Recoveries	323,812	
Surplus from Fabrication of Ngiya girls hand washing points		20,925
Student Unrest Damages	4,000	
Deficit/Surplus from Cafeteria (Appendix iv)	(510,089)	(1,410,976)
Income from sale of tender	12,000	142,415
Income from disposal of scrap	54,895	39,819
Refunds	14,380	
Sale of tender		142,415
Total Other Income	966,008	359,815

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

EXPENSES

13. USE OF GOODS AND SERVICES

Description	2021-2022	2020-2021
	Kshs	Kshs
Administration	4,616,911	5,026,777
Boarding expense	113,228	142,710
Electricity Water and Conservancy	1,027,098	1,130,684
Consultancy fees		112,000
Hire charges (Bus)	986,776	487,681
Staff Capacity Building	1,227,250	
Computer and ICT Maintenance	2,578,698	1,960,254
Contingencies expense	438,855	341,000
TVET fair Expenses	931,130	
Student ID. expense		56,000
ISO 9001:2008 expense		7,250
KATTI Co-curricular Expense	1,040,236	200,000
LT&T expense	1,400,054	1,490,254
Medical expense	353,075	349,630
NYS student expense	1,951,240	2,490,660
Activity Expense	2,521,010	149,150
Industrial attachment costs	551,905	264,290
Driving school expense	150,757	308,666
Tuition expense	363,045	1,585,197
Training Materials	2,007,943	
Student council expense	1,161,795	375,854
Audit fees provision	150,000	150,000
Refund		187,794
KNEC Exam Materials	2,020,998	1,726,370
Library expenses	41,780	27,000
Covid mitigation	18,000	6,789,315
Performance and contracting	1,486,571	2,794,772
Marketing	338,282	499,386
Examination expense	4,540,233	2,815,760
KATTI Expenses	1,161,800	
Academic Trip Expenses	271,750	
Stationery Expenses	2,699,013	
Total goods and services	36,149,433	31,468,454

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. EMPLOYEE COSTS

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages paid	10,800,627	9,187,324
Employee related costs	3,932,339	3,967,085
Employee costs paid	14,732,966	13,154,409
Salaries and wages accrued		33,000
TOTAL	14,732,966	13,187,409

15. REMUNERATION OF BOARD OF GOVERNORS

Description	2021-2022	2020-2021
	Kshs	Kshs
Board of Governors Emoluments	1,588,880	1,979,625
Board of Governors' travelling costs	435,600	
Total	2,024,480	1,979,625

16. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	7,220,607	9,655,113
Intangible Assets	365,979	365,979
Total Depreciation and Amortization	7,586,586	10,021,092

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. REPAIRS AND MAINTENANCE

Description	2021-2022	2020-2021
	Kshs	Kshs
General repair of Equipment and machinery and building.	661,880	1,123,569
Repair of motor vehicles	1,683,755	239,180
Total Repairs And Maintenance	2,345,635	1,362,749

18. FINANCE COSTS

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank charges	164,634	190,566
Total Finance Costs	164,634	190,566

19. OTHER EXPENSES

Description	2020-2021	2020-2021
	Kshs.	Kshs.
Tender Expenses	269,588	176,157
Farm expenses	39,050	25,600
Total Other Expenses	308,638	201,757

20. CASH AND CASH EQUIVALENTS

Description	2021-2022	2020-2021
	Kshs	Kshs
Main account (College) -1102702188	3,466,877	903,332
Petty cash-main account	1,763	49,665
ESP Account- NO.1121337007	53,140	43,539
Transit account- NO 1181740835	453,009	4,233,264
Development account- NO.1114264709	14,971,280	-126,635
Recurrent account - NO.1114264563	83,508	9,044,157
Production account - No 1152187376	5,138	20,109,502
Equity fees account- No.05002777739302	12,578	121,678
Constituency Development Fund Account: No.	198,047	
Total Cash and Cash Equivalents	19,245,340	34,378,502

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Student debtors	49,475,876	38,816,374
Other exchange debtors	1,890,243	2,006,202
Total Current Receivables	51,366,119	40,822,576

22. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Imprest debtors	50,000	85,000
Total Current Receivables	50,000	85,000

23. INVENTORIES

Description	2021-2022	2020-2021
	Kshs	Kshs
Stationery	760,165	783,203
Training materials	951,287	2,035,770
Health unit stores	112,918	210,915
Farm stores		5,500
Cleaning materials stores	47,614	155,250
Catering stores	128,093	212,052
Total inventories at the lower of cost and neutralizable value	2,000,077	3,402,690

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. PROPERTY, PLANT AND EQUIPMENT

Description	Land	MOTOR VEHICLE	Furniture & fittings	Computers	Buildings	Plant & equipment	TEXTBOOKS	work in progress			TOTAL PPE.
		DEPRECIATION 20 %	(DEPRECIATION 10%)	(DEPRECIATION 25%)	DEPRECIATION 2 %	DEPRECIATION 10 %	DEPRECIATION 5%	SOLAR SYSTEM	CONSTRUCTION OF PERIMETER WALL	INSTALLATION OF FIBRE (LAN)	
COST											
TOTAL AS AT 1 st July 2021	3,225,000	17,218,591	6,712,046	6,863,119	177,663,015	7,067,631	919,907		3,161,941	1,345,264	224,176,514
Additions	232,000	430,000	300,712	737,341	14,118,337	910,320			166,418	1,638,290	19,499,187
adjustment											
Disposals/Transfer											
At 30 th June 2022	3,457,000	17,648,591	7,012,758	7,600,460	191,781,352	7,977,951	919,907	965,769	3,328,359	2,983,554	243,675,701
DEPRECIATION & IMPAIRMENT:											
At the Beginning of the Year(1st July 2021)	-	14,162,436	1,453,856	4,114,354	13,900,371	1,860,653	45,995	-		-	35,537,665
Depreciation for the Year	-	1,218,718	671,205	1,295,942	3,281,985	706,763	45,995				7,220,608
Impairment	-										-
Accumulated as at 30 June 2022	-	15,381,154	2,125,061	5,410,296	17,182,356	2,567,416	91,990	-	-	-	42,758,273
disposals											
DEPRECIATION & IMPAIRMENT											
Impairment											
Transfers											
At 30 June 2022	-	15,381,154	2,125,061	5,410,296	17,182,356	2,567,416	91,990	-	-	-	42,758,273
Net book values	3,457,000	2,267,437	4,887,697	2,190,164	174,598,996	5,410,535	827,917	965,769	3,328,359	2,983,554	200,917,428

NOTE.

The value of sh 232000 being addition of land refers to capitalisation of legal fee charged in acquisition of Land title deed of one of the land parcel for the college.

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. INTANGIBLE ASSETS

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At beginning of the year	3,659,789	1,840,000
Additions		1,819,789
At end of the year	3,659,789	3,659,789
Additions—internal development		-
At end of the year		-
Amortization and impairment		
At beginning of the year	817,979	452,000
Amortization	365,979	365,979
At end of the year	1,183,958	817,979
Impairment loss		-
At end of the year		-
NBV	2,475,831	2,841,810

26. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Payables (Institute recurrent Creditors)	3,307,031	2,906,583
Provision for audit fee	900,000	750,000
Taxation 2% vat	29,849	9,655
10% retention Owing to Contractors	1,384,105	1,522,794
Unallocated sponsorship (NYS)		872,400
Unallocated sponsorship (HELB)	33,900	
Unallocated sponsorship (Capitation)	360,000	
Unallocated sponsorship(bursary CDF & Others)	44,500	206,000
Total Trade and Other Payables	6,059,385	6,267,432

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. REFUNDABLE DEPOSITS FROM STUDENTS

Description	2021-2022	2020-2021
	Kshs	Kshs
Caution money at the beginning of the year	687,065	564,065
Caution money received during the year	110,600	69,500
Caution money accrued during the year	92,400	53,500
Total refundable deposits at the end year	890,065	687,065

28. PAYMENT RECEIVED IN ADVANCE.

Description	2020-2021	2019-2020
	Kshs.	Kshs.
Student fee prepayments	14,535,690	9,269,813
Total Payment Received In Advance.	14,535,690	9,269,813

29. CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Gratuity Provision	Provision for Audit Fee	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning Of The Year	-	-	-	750,000	750,000
Additional Provisions	-	-	-	150,000	150,000
Provision Utilised	-	-	-	-	-
Change Due to Discount and Time Value For Money	-	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-	-
Total Provisions	-	-	-	900,000	900,000

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Bushiangala technical Training Institute also contribute to the National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and currently range from Kshs. 894 - 2160 per employee per month.

30. CASH GENERATED FROM OPERATIONS

Description	2021-2022	2020-2021
	Kshs	Kshs
Surplus for the year before tax	(8,494,891)	
Adjusted for:		
Depreciation	7,586,586	
Non-Cash grants received	7,586,586.00	
Contributed assets		
Impairment		
Gains and Losses on Disposal of Assets		
Contribution to provisions		
Contribution to impairment allowance		
Finance Income		
Finance Cost	164,634	
Working Capital Adjustments		
decrease in Inventory	1,402,613	
Increase in Receivables	(10,543,543)	
Decrease in Non -Exchange Receivables	35,000	
Increase in refundable deposits		
Increase in Payables	5,260,830	
Increase in Payments received in advance		
Net Cash Flow from Operating Activities	(4,753,405)	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

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

32. Financial Risk Management (Continued)

(i) Credit risk (continued)

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

The entity has significant concentration of credit risk on amounts due from xxxx

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(ii) Liquidity risk management

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

i) Capital Risk Management

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Revaluation Reserve	000	000
Retained Earnings	52,683,352	62,363,078
Capital Reserve	157,546,837	157,542,572
Development Fund(Reserve)	44,339,467	34,039,467
Total Funds	254,569,656	253,945,117
Total Borrowings	000	000
Less: Cash and Bank Balances	(19,245,340)	(34,378,502)
Net Debt/(Excess Cash and Cash Equivalent)	(19,245,340)	(34,378,502)

33. RELATED PARTY BALANCES

Nature of related party relationships

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

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Government of Kenya

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

- i) The National Government;
- ii) The Ministry of Education;
- iii) Key management;
- iv) Board of Governors;

34. CAPITAL COMMITMENTS

Capital Commitments	2021-2022	2020-2021
	Kshs	Kshs
Authorised for		
Authorised and Contracted for	37,583,547	
Total	37,583,547	

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)

Events After the Reporting Period

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

35. ULTIMATE AND HOLDING ENTITY

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

36. CURRENCY

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

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

APPENDICES

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Budgetary control and performance	The underfunding and underperformance of the institute budget is affected by both internal and external factors beyond the institute control. The institute is committed to review its budget in future	In progress	N/A
2	Failure to adhere to one-third rule on salary deductions	We agree with your observation that there was failure to adhere to a third rule threshold on basic salary. We have instructed our Human Resource Officer to ensure that we comply with the legal requirements of the law.	In progress	30 th June 2024

Janet Waswa Otuya.....

Date: *09th June, 2023*.....

Janet Waswa Otuya
Accounting Officer (Principal/Secretary BOG)

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

Appendix II: Projects Implemented by Bushiangala 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)
1. Construction of Textile and Electrical Workshop	001	MOE	3 Years	27,682,089	No	Yes
2. Construction of Perimeter Wall	002	STUDENTS' FEE	PHASES	N/A	N/A	Yes
3. Construction of dormitory	003	MOE	40 WEEKS	37,583,547	NO	Has been awarded but no invoice has been raised.

**BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

Status of Projects completion

s/no	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Construction of Textile and Electrical Workshop	27,682,089	27,682,089	100%	17,673,296	14,118,337	MOE
2	Construction of Perimeter Wall	8,468,893	3,328,359	40%	3,200,000	166,418	SELF
3	Construction of Dormitory	37,583,547	Just Awarded	N/A	0	0	MOE

BUSHIANGALA TECHNICAL TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

Appendix IV

SURPLUS FROM PAYE

CAFETERIA	Ksh	Ksh
SALES		
Cafe Sales Invoices		2334,000
college cafe Cash sales		1,081,145
TOTAL SALES		3,415,145
LESS COST OF SALES		
college cafe expense	290,990	
college cafe foodstuff expense	3,634,244	3,925,233
Surplus/loss		(510,089)