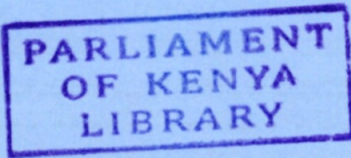


REPUBLIC OF KENYA



# REPORT




OF

## THE AUDITOR-GENERAL

ON

## BUTERE TECHNICAL AND VOCATIONAL COLLEGE

### FOR THE YEAR ENDED 30 JUNE, 2020

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2026	DAY: WED
TABLED BY:	DEPUTY MAJORITY PARTY WHIP
CLERK-AT THE-TABLE:	OBIERO



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**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2020**

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

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## **I. KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

Butere Technical and Vocational College is situated in Butere Sub-County near Kakamega County / Siaya County border. The College was established in 2015 by the Ministry of Education to provide Technical and Vocational Educational Training, (TVET) at Certificate and Diploma level. In addition, the College is mandated to conduct research.

TVET is broadly defined as “Education which is mainly to lead participants to acquire practical skills, know-how and understanding. Such practical skills or knowhow can be provided in a wide range of settings by multiple providers both in the public and private sector. The first batch of students were admitted to the college in January, 2017.

The College offers practical training skills to the youth through Certificate and Diploma level courses. It has also a platform for transformation of traditional practices into modern, efficient, market-oriented and profit-making enterprises in Kenya.

The overall focus of the College is to prepare TVET graduates effectively for wage and self-employment. In this regard, the College will contribute to reducing poverty by enabling more people to gain employment skills and generate income through jobs or self-employment. This addresses the needs of the underprivileged (children, women, disabled people and those in rural localities) and help to overcome the barriers of inclusion.

### **(b) Principal Activities**

**Mission:** To produce high-end TVET graduates that are capable of effective participating in national development through improvement and enhancement of productivity, value addition and evolving modern technologies.

**Vision:** To be a centre of excellence in TVET in Kenya and beyond.

### **CORE VALUES:**

#### **Professionalism**

The College has a highly skilled technical resource base. These skills will be harnessed for effective service delivery. Performance management as a service delivery culture will be integrated in all aspects of the college operations.

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020

**Integrity/accountability**

The College will endeavour to be accountable and transparent to its clients and uphold high integrity in the provision of its services.

**Innovations**

The College will encourage and support innovative and creative ideas in order to keep abreast with emerging scientific and technological developments in its environment and leadership

The *institution* was incorporated/ established under the TVET Act in 2016. The entity is domiciled in Kenya. The institute is under the Ministry of Education.

**(c) Key Management**

Butere technical and vocational college day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Deputy principal
- Dean of students
- Head of finance
- Head of procurement
- Head of departments

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	<b>-Benedict Masinde</b>
2	Deputy principal	<b>-Barrack Muharo</b>
3	Registrar	<b>-Peter Francis Otieno</b>
4	Dean of Students	<b>-Charles Kakai</b>
5	Head of Finance	<b>-Simon Kavunga</b>
6	Head of Procurement	<b>-Coldilda Wakukha</b>

**(e) Fiduciary Oversight Arrangements**

**(i) Full Board of Governors Committee**

The Board of Governors does oversight role through the use of Board committees in various areas.

**(ii) Finance, Infrastructure and Resource Mobilization Committee**

- Oversee the development and administration of policies, procedures and strategies that will promote prudent financial management, high quality infrastructural development and acceptable resource mobilization practices including recruitment, reward, retention, motivation and development of Butere Technical and Vocational College staff.
- Oversee the Institute's compliance with legal, statutory and regulatory requirements relating to finance, infrastructure and resource mobilization matters as well as compliance with ethical and quality standards adopted by the institution.
- Receive and consider proposals and reports on matters relating to finance, development projects and resource mobilization in the institution.
- Oversee the development of policies and procedures to enhance effective and efficient utilization of all the resources of Butere Technical and Vocational College

**(iii) Education, Research, Training and Human Resource Committee**

- Review, evaluate, and recommend academic programs and curricula to ensure relevance, quality, and alignment with national education and training standards.
  - Monitor the implementation of teaching, learning, and assessment policies and procedures.
  - Ensure adherence to the requirements and standards of the Technical and Vocational Education and Training Authority (TVETA) and other regulatory bodies.
  - Promote quality assurance mechanisms in all academic departments.
  - Promote a culture of research, innovation, and knowledge creation among staff and students.
  - Oversee formulation and implementation of institutional research and innovation policies.
  - Identify and recommend research partnerships, collaborations, and funding opportunities.
  - Support dissemination and application of research findings for institutional and community development.
  - Oversee implementation of industrial attachments, internships, and competency-based training programs.
  - Recommend staff development and training initiatives to enhance professional competence.
  - Facilitate linkages and collaborations with industries and other training institutions.
  - Monitor and evaluate the effectiveness of training programs for both staff and students.
- 
- Advise the Board on recruitment, appointment, promotion, and deployment of staff in accordance with government and institutional policies.
  - Oversee implementation of performance management systems and staff appraisal processes.
  - Review and recommend staff development, motivation, and welfare programs.
  - Address staff disciplinary issues in line with established procedures and regulations.
  - Participate in the formulation, review, and implementation of human resource policies and succession planning strategies.

**(i) Audit and Risk Management committee**

- Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
  - Oversee the implementation of developed policies, procedures and strategies that will promote effective and efficient management systems within the institution;
  - Provide an independent review of the institutions's reporting functions to ensure the integrity of the financial reports.
  - Ensure the institution effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.
  - Provide oversight of the implementation of accepted audit recommendations and consider reports on matters relating to audit.
  - Provide strong and effective oversight of the institute's internal audit function.
  - Report to the Board regularly regarding matters considered in each of the committee's meetings.
  - Oversee the development and administration of policies, procedures and strategies that will promote prudent financial management, high quality infrastructural development and acceptable resource mobilization practices including recruitment, reward, retention, motivation and development of the institute's staff.
  - Oversee the Institute's compliance with legal, statutory and regulatory requirements relating to finance, infrastructure and resource mobilization matters as well as compliance with ethical and quality standards adopted by the institute.
  - Receive and consider proposals and reports on matters relating to finance, development projects and resource mobilization in the Institute
  - Oversee the development of policies and procedures to enhance effective and efficient utilization of all the resources of Butere Technical and Vocational College
-

**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(a) Entity Headquarters**

BUTERE TECHNICAL AND VOCATIONAL COLLEGE

Along Mumias Bunyala Road

**(b) Entity Contacts**

Telephone 0735079708

P.O BOX 90-50101, BUTERE

E-mail: [buteretti@gmail.com](mailto:buteretti@gmail.com)

Website: [www.buteretti.ac.ke](http://www.buteretti.ac.ke)

**(c) Entity Banker**

KCB BANK KENYA LIMITED

MUMIAS BRANCH

PO BOX 193-50102

MUMIAS

**(d) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084-00100

Nairobi, Kenya

**(e) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112-00200

City Square

Nairobi, Kenya

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**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

**THE BOARD OF GOVERNORS**

<p><b>1.GEORGE.S. WANGULU</b> <b>(Chairman BOG)</b></p>	<p>-Date of Birth:1959            -H.N. D in Human Resource Management. Senior strategy and planning officer in Nzoia Sugar Company. Over 30 years' experience in management            -A member of BOG Executive committee</p>
<p><b>2.MOSES WABUKOYA</b> <b>(Member BOG)</b></p>	<p>-Date of Birth:12<sup>th</sup> Dec 1979            -B. A in Business Administration            -Barclays Enterprise Banker. Over 10 years' experience in banking.            -Executive Member of the BOG</p>
<p><b>3.PATROPA KIPTOO</b> <b>(Member, BOG)</b></p>	<p>-Date of Birth:1<sup>ST</sup> Feb 1989            -B. A Business Management, MSC Corporate Finance and CPAK.            -over 5 years working experience with USAID            -A member of the executive BOG</p>
<p><b>4. MARY MWIKALI</b> <b>(Member BOG)</b></p>	<p>-Date of Birth 27<sup>th</sup> Feb 1987            -Diploma in food production and processing            -Experience of over 5 years in catering            -A member of the executive BOG</p>

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020

<b>5. STELLA CHEPKURUI</b> <b>(Member, BOG)</b>	-Date of birth: 1 <sup>ST</sup> Jan1967 - MSC Hospitality Industry Entrepreneur -Member of BOG
<b>6. MILKA SAKWA</b> <b>(Member, BOG)</b>	-Date of Birth 1989 -Bachelor in Information Technology -Working in Dairy Industry -Member of BOG
<b>7.KENNETH MUDULIA</b> <b>(Member, BOG)</b>	-Date of Birth 1963 -Bachelor of Science Civil Engineering -Civil Engineering and Building Construction Contractor -Over 10 years working experience in Civil Engineering -Member of BOG
<b>8.BENEDICT MASINDE</b> <b>(Principal, Secretary BOG)</b>	-Date of Birth 1960 -Principal Butere TVC from July 2016 -Bachelor of Education in G & C -Over 28 years of experience in Technical Training
<b>9. JOSEPH SUNGUTI</b> <b>(A member, BOG)</b>	-Born in 1963 -He is the TVET regional Director, Kakamega -Masters in Education -Experience of over 10years in TVET -Executive Member of BOG

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**MANAGEMENT TEAM**

BENEDICT MASINDE	-The principal -Bachelor of Education
BARRACK MUHARO	-Deputy Principal -Master's in Education
PETER FRANCIS OTIENO	-Registrar -Mastersin Education
SIMON S KAVUNGA	-Finance officer -CPAK, ICPAK member -BCOM, Finance option
CHARLES KAKAI	-Dean of students -Bachelor of Education
EPHRAIM AMEKHALA	-Head of procurement. -Bachelor of purchasing and supplies management

## **II. CHAIRMAN'S STATEMENT**

Butere Technical and Vocational College has continued to discharge its mandate by working closely with the National Government through The State Department of Vocational Training under the Ministry of Education in the implementation of its mandate which is quality training. The chairman in the office during the year was Mr. George Wangulu.

The institution mainly produces middle level human resources that are well equipped with technical and business skills required in industry, informal sector and service sectors. Our graduates include technicians and technologists who are expected to play a major role towards the attainment of the Kenya's Vision 2030.

On corporate governance, we are fully compliant with the Mwongozo code of governance. But in addition to this, the board and its committees oversaw and provided significant input into a number of important developments during the year relating to infrastructure and policies. These initiatives have been implemented to ensure that we continue to focus on the issues that will shape the future of the institution.

As a board, we are aware of the recent focus on corporate governance in the area around stakeholder engagement and the appropriate representation of stakeholder views in the Boardroom. As a learning institution, our main product is the curriculum that we deliver, this makes us naturally very sensitive to the views and interests of our stakeholders.

Among our major achievements are:

- Evaluation of training programs making them market driven courses.
- Purchase of a few workshops equipment.
- Established more local and linkages.
- Enhanced service delivery to our stakeholders.

We have experienced several challenges which include:

- Non receipt of GoK development funds which affected our plans to have increased infrastructure.
  - Huge fee arrears expected from students.
-

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
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**Future Outlook**

As an institution we still have a lot to accomplish, and our dream is to be an international recognised centre of excellence.

Prof. Robert Otuya

**BOG Chairman**

Sign.....*Robert Otuya*.....Date.....*21/1/20*.....

**III.REPORT OF THE PRINCIPAL**

It's my pleasure to present the Annual Report and Accounts of Butere Technical And Vocational College which uses Government's fiscal year as its financial year. The period under review is from 1<sup>st</sup> July, 2019 to 30<sup>th</sup> June, 2020. During the financial year, Mr. Benedict Masinde was the sitting principal.

The institution continues to review its strategy as detailed in the Strategic Plan to better match service delivery to clientele. Butere Technical and Vocational College will work towards capturing growth opportunities in the market, despite the current global economic depression.

**Operational Results**

Our mechanism of fee collection was enhanced during the year. Asset value went down due to depreciation cost however there is a work in progress for construction of workshop shed which once complete will boost our asset base.

Employee costs went up because of additional staff being employed by the board both trainers and non-teaching staff. This was due to the increased student enrolment and requirement for efficient and effective service delivery.

Butere Technical and Vocational College lacks adequate lecture halls, laboratories, workshops, computers and other equipment for teaching and learning purposes to accommodate the increasing student population. Low trainee numbers mean lower government capitation and fee collection. In addition, there was slow disbursement of funds from the national government compounded by low capacity by the parents/guardians to pay fees.

I would like to express my deepest gratitude to our staff and all stakeholders for their unwavering support and trust in our organization. Our accomplishments would not have been possible without your dedication and partnership

Mrs. Violet Mwale

**Principal /Board secretary**

Thank you

Sign *[Signature]* Date *07/11/20*



**IV. CORPORATE GOVERNANCE STATEMENT**

**1. Audit and Risk Management committee**

**Membership:**

NO.	NAME	TITLE
1	MOSES WABUKOYA	Member
2	PATROPA KIPTOO	Member
3	MARY MWIKALI	Member
4	BENEDICT MASINDE	Principal/Secretary to BOG

**Mandate**

- Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
- Oversee the implementation of developed policies, procedures and strategies that will promote effective and efficient management systems within the institution;
- Provide an independent review of the institution's reporting functions to ensure the integrity of the financial reports.

**2. Finance, Infrastructure and Resource Mobilization Committee**

**Membership:**

NO.	NAME	TITLE
1.	Ms. Patropa J. Kiptoo	Chairperson
2.	Mr. Moses Wabukoya	Member
4.	Mr. Benedict Masinde	Principal/Secretary BOG

**Mandate**

- Oversee the development and administration of policies, procedures and strategies that will promote prudent financial management, high quality infrastructural development and acceptable resource mobilization practices including recruitment, reward, retention, motivation and development of the Butere Technical and Vocation College staff.

- Oversee the Institute's compliance with legal, statutory and regulatory requirements relating to finance, infrastructure and resource mobilization matters as well as compliance with ethical and quality standards adopted by the institution.

### 3. Education, Research, Training and Human Resource Committee

#### Membership:

NO.	NAME	TITLE
1.	Mrs. Stella Chepkurui	Chairperson
2.	Ms. Mary Mwikali	Member
4.	Mr. Benedict Masinde	Principal/Secretary BOG

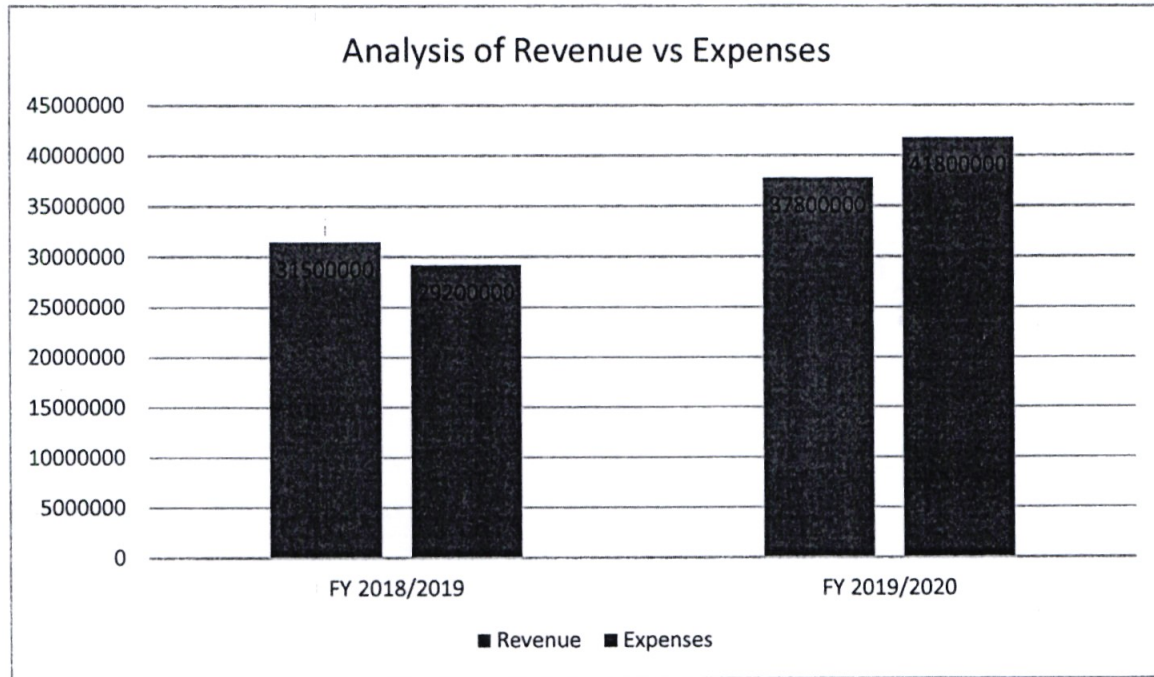
#### Mandate

- Review, evaluate, and recommend academic programs and curricula to ensure relevance, quality, and alignment with national education and training standards.
- Monitor the implementation of teaching, learning, and assessment policies and procedures.
- Ensure adherence to the requirements and standards of the Technical and Vocational Education and Training Authority (TVETA) and other regulatory bodies.
- Promote quality assurance mechanisms in all academic departments.
- During the year under review, there was no conflict of interest for all the Board Members.
- The Board is remunerated within the law as per Salaries and Remuneration guidelines which is done through Head of Public Service.
- The Board is appointed by the Cabinet Secretary of Education and its composition is as per the TVET Act 2013 and Mwongozo.
- During the period under review, the institution did not have most of the requirements, Board requirements (Board Charter, member performance and trainings) were not carried out.

Below is the board attendance schedule.

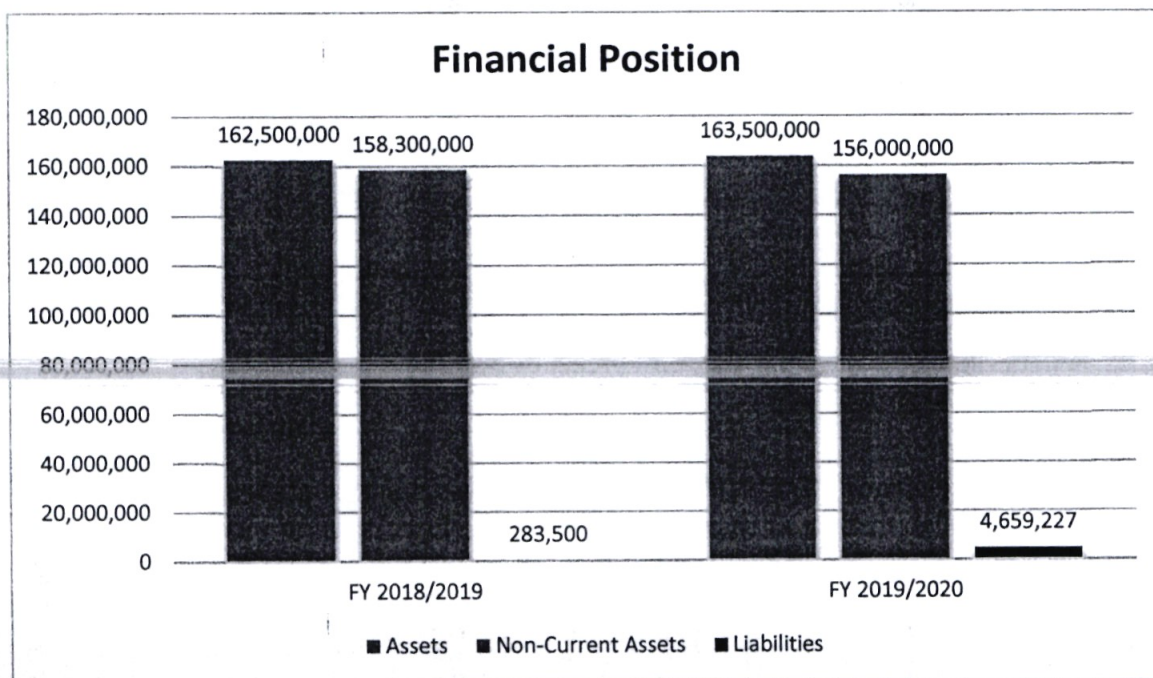
S/N	Date of meeting	Nature of Board meeting	Attendance
1	28/10/2019	Full Board	6
2	23/03/2020	Full Board	7
3	26/5/2020	Executive	4
4	12/6/2020	Executive	5

**V.MANAGEMENT DISCUSSION AND ANALYSIS**



**2.1 Financial Position**

Total assets of the institution increased by Kes.8% in 2019/2020 from Kes 162.5M 2018/2019 to Kes 163.5 M in the year under review largely as a result of increase in student debtors and improved cash and cash equivalents. Non-Current Assets reduced from 158.3M to Kes.156. M this was as result of depreciation of Plant, Property and Equipment. Total Current Liabilities rose from Kes 283,500 to Kes.4,659,227. This was due to more Covid-19 mitigating activities.



**VI. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

Butere technical and vocational college is majored in training by producing high skilled labourers whom at the end of the training sessions can be attractive to the market.

Apart from producing highly skilled labourers, the college has collaborated with the community by giving out free water for their own consumption since the borehole at hand its cubic per metre is sustainable.

**VII.REPORT OF THE BOARD OF GOVERNORS**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2020 which show Butere Technical and Vocational College state of affairs.

**Principal activities**

The principal activities of the entity are ;

- provide directly, or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional, scientific education
- contribute to industrial and technological development of Kenya in collaboration with industry and other organisations through transfer of technology
- participate in technological innovation as well as in the discovery, transmission and enhancement of knowledge and to stimulate the intellectual life in the economic, social cultural, scientific, and technological development.
- foster the general welfare of all staff and students.

**Results**

The results of the entity for the year ended June 30, 2020 are set out on page 1-32

**BOARD OF GOVERNORS**

The members of the Board who served during the year are shown on page vii

**Auditors**

The Auditor General is responsible for the statutory audit of Butere Technical And Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of Butere Technical and Vocational College for the year ended June 30, 2020

By Order of the Board

Violet Mwale

.....

**Principal/Board Secretary**

Sign *[Signature]* ..... Date *07/11/2025* .....



**VIII.STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act,2013*) require the board members to prepare financial statements in respect of Butere Technical And Vocational College , which give a true and fair view of the state of affairs of Butere Technical And Vocational College at the end of the financial 2019/2020 and the operating results of Butere Technical And Vocational College for the year 2019/2020. The board members are also required to ensure that Butere Technical And Vocational College keeps proper accounting records which disclose with reasonable accuracy the financial position of Butere Technical And Vocational College. The board members are also responsible for safeguarding the assets of Butere Technical And Vocational College.

The board members are responsible for the preparation and presentation of Butere Technical And Vocational College financial statements, which give a true and fair view of the state of affairs of Butere Technical and Vocational College for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Butere Technical And Vocational College ; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for Butere Technical and Vocational 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. The board members are of the opinion that the Butere Technical and Vocational College financial statements give a true and fair view of the state of Butere Technical and Vocational College transactions during the financial year ended June 30, 2020 and of the Butere Technical and Vocational College financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the Butere Technical and Vocational College, which have been relied upon in the preparation of the Butere Technical and Vocational College financial statements as well as the adequacy of the systems of internal financial control.

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
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Nothing has come to the attention of the board members to indicate that the Butere Technical and Vocational 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 Butere Technical and Vocational College financial statements were approved by the Board on 26<sup>th</sup> September, 2020 and signed on its behalf by:

Prof. Robert Otuya

Violet Mwale

.....

.....

**Chairperson of the Board**

**Principal/Board Secretary**

Sign.....*RO*.....Date.....*26/9/20*

Sign.....*[Signature]*.....Date.....*04/11/2025*



# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON BUTERE TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2020**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Butere Technical and Vocational College set out on pages 1 to 30, which comprise of the statement of financial position as

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*Report of the Auditor-General on Butere Technical and Vocational College for the year ended 30 June, 2020*

at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Butere Technical and Vocational College as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs.156,295,366 as disclosed in Note 18 to the financial statements. However, the following anomalies and inconsistencies were noted;

##### **1.1 Unconfirmed Land Ownership and Acreage**

The statement of financial position reflects property, plant and equipment balance of Kshs.156,295,366 which includes land cost balance of Kshs.14,000,000 as disclosed in Note 18 to the financial statements relating two (2) parcels of leasehold land measuring 1.42 HA and freehold measuring 15.3 acres respectively both registered in favour of Butere Technical and Vocational College. However, approximately six (6) acres of the freehold land is occupied by the seller's relatives who claim the land belongs to them and had been sold without their knowledge back in 2011. In addition, the land remains open without a fence and identifiable beacons or boundary marks.

Further, it was not possible to conduct physical verification of the leasehold land of unknown value, approximately 1.42 HA leased for a period of ninety-nine ( 99) years with effect from 26 October, 2011. Management indicated that they did not have knowledge of the land's location, status, usage, size and no visit had been made by Management since it was acquired.

##### **1.2 Non-Disclosure of Depreciation Policy and Rates**

Note 18 to the financial statements reflects depreciation charge for the year of Kshs.4,021,130. However, supporting Asset Management Policy or Finance Policy defining the depreciation method and rates was not provided for audit review.

In the circumstances, the existence, accuracy and completeness of property, plant and equipment balance of Kshs.156,295,366 could not be confirmed.

## **2. Unexplained Variance in the Statement of Cash Flows**

The statement of cash flows reflects increase/decrease in assets comparative balance of Kshs.5,889,582. However, the balance differs with the 2018-2019 reported balance of Kshs. 5,630,082 resulting to unexplained variance of Kshs.259,500.

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

## **3. Unexplained Variances in Revenue from Exchange Transactions**

The statement of financial performance reflects rendering of services – fees from students amount of Kshs.19,008,624. However, supporting documents reflects an amount of Kshs.17,653,040 resulting to an unexplained variance of Kshs.1,355,584. Further, review of the student fees ledger against the fee structure revealed that five hundred and thirty-three (533) students were invoiced Kshs.11,773,871 for the three (3) terms instead of Kshs.14,081,860 in accordance with the approved fee structure, resulting to an under-invoiced balance of Kshs.2,307,989.

In the circumstances, the accuracy and completeness of rendering of services - fees from students balance of Kshs.19,008,624 could not be confirmed.

## **4. Misclassification of Expenditure**

The statement of financial performance reflects employee costs of Kshs.7,631,239 as disclosed in Note 10 to the financial statements. However, review of ledgers and payment vouchers revealed that payments totalling Kshs.1,787,850 related to security and cleaning services erroneously charged under employee costs.

In the circumstances, the accuracy and completeness of the employee costs of Kshs.7,631,239 could not be confirmed.

## **5. Unsupported Student Debtors**

The statement of financial position reflects receivables from exchange transactions balance of Kshs.3,138,825 relating to student debtors. However, the student debtor's ledgers and ageing analysis were not provided for review. Further, Management did not have Debt Management Policy detailing debt recovery measures.

In the circumstances, the accuracy, completeness and recoverability of receivables from exchange transactions balance of Kshs.3,138,825 could not be confirmed.

## **6. Expensing of Capital Expenditure**

The statement of financial performance reflects repairs and maintenance amount of Kshs.4,694,873 as disclosed in Note 13 to the financial statements. However, review of payment records provided revealed that items of capital nature which included pit latrines, fencing, construction of pavements and wood work benches amounting to Kshs.1,855,143 were misclassified as repairs and maintenance and expensed.

In the circumstances, the accuracy and completeness repairs and maintenance amount of Kshs. 4,694,873 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects approved revenue budget and actual on comparable basis totalling to Kshs.58,336,000 and Kshs.37,823,049 respectively, resulting to under-funding of Kshs.20,512,951 or 35% of the budget.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Information**

Management is responsible for the Other Information set out on page i to xviii which comprise of Key Entity Information and Management, the Board of Governors, Management Team, Report of the Chairperson, Report of the Principal, Statement of Corporate Governance, Management Discussion and Analysis, Statement of Corporate Social Responsibility/Sustainability Reporting, Report of the Board of Governors and

Statement of the Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Late Submission of Financial Statements**

The financial statements for the year under review were submitted on 20 September, 2023 long after statutory timeline for submission on 30 September, 2020. This was contrary to Section 68(2)(k) of the Public Finance Management Act, 2012 which states that the Accounting Officer of a National Government entity should prepare annual financial statements for each financial year within three (3) months after the end of the financial year, and submit them to the Controller of Budget and the Auditor-General for audit, and in the case of a National Government entity, forward a copy to the National Treasury.

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

#### **2. Failure to Maintain Assets Register**

The statement of financial position reflects property, plant and equipment balance of Kshs.156,295,366 as disclosed in Note18 to the financial statements. However, Management did not maintain an updated asset register during the year under review. This was contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be

responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

### **3. Irregular Procurement of Goods and Services**

The statement of financial performance reflects repairs and maintenance expenses of Kshs.4,694,873 as disclosed in Note 13 to the financial statements. However, review of the supporting documents including payment vouchers and invoices provided during audit revealed that items costing Kshs.1,781,187 were procured through low value procurement method despite the items value exceeding low value procurement threshold. This was contrary to Section 107 of the Public Procurement and Asset Disposal Act, 2015 and the threshold matrix provided under the second schedule of the Public Procurement and Asset Disposal Regulations, 2020.

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

### **4. Failure to Insure College's Assets**

The statement of financial position reflects property, plant and equipment balance of Kshs.156,295,366 which includes buildings, furniture and fittings, equipment, generator and computers of net book value balance of Kshs.139,208,652. However, review of documents provided for audit revealed that Management had not insured the assets. This was contrary to Paragraph 91(1) of The National Treasury Guidelines on Asset and Liability Management in the Public Sector, March, 2020 which requires the Accounting Officer to arrange for timely acquisition of insurance cover and renewal of all insurance policies to ensure that they are budgeted for and that the public sector entity's assets are adequately protected.

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

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Lack of Human Resource Plan and Established Human Resource Department**

During the year under review, the College lacked a Human Resource Plan and an Approved Scheme of Service for Employees. Further, review of the internal structure arrangement and staff establishment, revealed that the Human Resource Department did not have technical staff to operationalize the Department. No explanation was provided for failure to establish the Human Resource Department.

In the circumstances, the effectiveness of the internal controls in management of human capital could not be confirmed.

### **2. Lack of Internal Audit Function**

The College did not have in place an Internal Audit Function during the year under review. This was contrary to Section 73(1) of the Public Finance Management Act, 2012 which requires every public entity to have arrangements in place for internal audit function for the purpose of carrying out in depth reviews of Management operations and internal controls.

In the circumstances, the effectiveness of the College's internal controls could not be confirmed.

### **3. Lack of Risk Management policy**

Review of risk management and control measures revealed that Management did not have an approved Risk Management Policy to guide its operations. This was contrary to Regulation 165(1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015. Therefore, it has not been possible to define the Entity's risk appetite and set the risk tolerance levels by identifying boundaries against unacceptable risk exposures.

In the circumstances, the effectiveness of the College's internal controls and risk management could not be confirmed.

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

## **Responsibilities of Management and the Board of Governors**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**02 December, 2025**

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

**X.STATEMENT OF FINANCIAL PERFORMANC FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	19-20	18-19
			kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants/ gifts in kind	6	17,895,000	14,368,350
		<b>17,895,000</b>	<b>14,368,350</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	19,008,624	15,110,172
Other income	8	919,425	2,061,138
<b>Revenue from exchange transactions</b>		<b>19,928,049</b>	<b>17,171,310</b>
<b>Total revenue</b>		<b>37,823,049</b>	<b>31,539,660</b>
<b>Expenses</b>			
Use of goods and services	9	21,740,208	14,113,965
Employee costs	10	7,631,239	4,831,824
Board Expenses	11	157,146	270,103
Depreciation and amortization expense	12	4,021,130	3,780,369
Repairs and maintenance	13	4,694,873	1,171,558
General expenses	14	3,581,911	5,068,724
<b>Total expenses</b>		<b>41,826,507</b>	<b>29,236,543</b>
<b>Net Surplus/Deficit for the year</b>		<b>(4,003,458)</b>	<b>2,303,116</b>

The Financial Statements set out on pages 1 to 32 were signed on behalf of Board of Governors by:

Prof. Robert Otuya  
**Chairman of Board of Governors**

Sign..... Date.....

Simon Kavunga  
**Finance Officer**  
 ICPAK No

Sign..... Date.....

Violet Mwale  
**Principal**

Sign..... Date.....

PRINCIPAL  
 BUTERE TECHNICAL AND VOCATIONAL COLLEGE  
 P. O. BOX 99 - BUTERE  
 BUTERE

**XI.STATEMENT OF FINANCIAL POSITION AS AT 30<sup>th</sup> June 2020**

	Notes	19-20 Kshs	2018-2019 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	15	3,949,105.5	1,595,128.9
Receivables from exchange transactions	16	3,138,825	5,397,428
Inventories	17	5,213,875.5	915,850.1
<b>Total current Assets</b>		<b>12,301,806</b>	<b>7,908,407</b>
<b>Non-current assets</b>			
Property, plant and equipment	18	156,295,366	158,304,511
<b>Total assets</b>		<b>168,597,172</b>	<b>166,212,918</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	19	4,635,227	259,500
<b>Total Liabilities</b>		<b>4,635,227</b>	<b>259,500</b>
<b>Net Asset (Total Asset-Current Liabilities)</b>		<b>163,961,945</b>	<b>165,953,418</b>
<b>Financed by:</b>			
Retained earnings		(7,614,712)	(3,611,254)
Capital fund		171,576,657	169,564,672
<b>Total changes in Net Asset</b>		<b>163,961,945</b>	<b>165,953,418</b>

The Financial Statements set out on pages 1 to 32 were signed on behalf of the Institute Board of Governors by:

Prof. Robert Otuya

Chairman of Board of Governors

Sign.....*[Signature]*.....Date.....*14/11/20*

Simon Kavunga

Finance Officer

ICPAK No *28667*  
 Sign.....*[Signature]*.....Date.....*14/11/20*

Violet Mwale

Principal

Sign.....*[Signature]*.....Date.....*14/11/2020*



**XII.STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2020**

	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2019	(3,611,254)	169,564,672	165,953,418
Total comprehensive income	(4,003,458)	0	(4,003,458)
Capital/Development grants received during the year	0	2,011,985	2,011,985
<b>At June 30, 2020</b>	<b>(7,614,712)</b>	<b>171,576,657</b>	<b>163,961,945</b>

**XIII.STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

	Note	19-20	18-19
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from Government	6	17,895,000	14,368,350
Rendering of services- Fees from students	7	19,008,624	15,110,172
Other income	8	919,425	2,061,138
<b>Total Receipts</b>		<b>37,823,049</b>	<b>31,539,660</b>
<b>Payments</b>			
Use of goods and services	9	21,740,208.4	14,113,965
Employee costs	10	7,631,239	4,831,824
Remuneration of directors	11	157,146	270,103
Repairs and maintenance	13	4,694,873	1,171,558
General expenses	14	3,581,911	5,068,724
<b>Total payments</b>		<b>37,805,377.4</b>	<b>25,456,174</b>
<b>Cash flows from investing activities</b>			
Increase/decrease in assets		2,335,906	(5,889,582.1)
Cash and cash equivalents at 30 JUNE 2019		1,595,128.9	1,401,225
Cash and cash equivalents at 30 JUNE 2020		3,948,706.5	1,595,128.9

Direct method has been used for cash flow statement

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020

**XIV.STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Change
	2019-2020	2019-2020	2019-2020	2019-2020		
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>		
Transfers from other Govt entities Govt grants	30,000,000	-	30,000,000	17,895,000	12,105,000	60
Rendering of services- Fees from students	27,376,000	-	27,376,000	19,008,624	8,367,376	69
Other income	960,000	-	960,000	919,425	40,575	96
<b>Total income</b>	<b>58,336,000</b>	<b>-</b>	<b>58,336,000</b>	<b>37,823,049</b>	<b>20,512,951</b>	
<b>Expenses</b>						
Use of goods and services	36,396,000	-	36,396,000	21,740,208	14,655,792	60
Employee costs	11,540,000	-	11,540,000	7,631,239	3,908,761	66
Remuneration of directors	500,000	-	500,000	157,146	342,854	31
Repairs and maintenance	4,900,000	-	4,900,000	4,694,873	205,127	96
General expenses	5,000,000	-	5,000,000	3,581,911	1,418,089	72
<b>Total expenditure</b>	<b>58,336,000</b>	<b>-</b>	<b>58,336,000</b>	<b>37,805,377</b>	<b>20,530,623</b>	
<b>Surplus/deficit for the period balance the budget</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>17,672</b>	<b>(17,672)</b>	

**Budget notes**

Note, delayed funding from the government and low turnout of students as expected affected revenue collection. Non cash transaction has also contributed to variance in surplus between statement of performance and budget comparison statement amounting to ksh.4,021,130

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

**XV. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Butere Technical Vocational College is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is Training.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

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

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

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

**3. ADOPTION OF NEW AND REVISED STANDARDS**

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2019**

Standard	Impact
<b>IPSAS 40:</b> Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2019</b> The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non exchange transactions are covered purely under Public Sector combinations as amalgamations. <i>This will enhance our standard of reporting Butere Technical and Vocational college is in the process of adopting the standard.</i>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>Butere Technical and Vocational college is in the process of adopting the standard which will aid in interpretation of financial statements and hedge management.</i></p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b> The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ul>

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

Standard	Effective date and impact:
	<i>Butere Technical and Vocational college is in the process of adopting the standard which will aid in interpretation of financial statement in relation to social benefit.</i>

**iii. Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2019/2020

**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.

**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.

## **BUTERE TECHNICAL AND VOCATIONAL COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020

### **b) Budget information**

The original budget for FY 2019/2020 was approved by the Board. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

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 VIII of these financial statements.

### **c) Taxes**

#### *Current income tax*

The entity is exempt from paying taxes as per Income Tax Act 2013 amendment of 2016.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**b) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Investment property**

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

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

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

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

**e) Property, plant and equipment**

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

**NOTES TO THE FINANCIAL**

**f) Intangible assets**

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

**g) Research and development costs**

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

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

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

***h) Impairment of financial assets***

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**i) Inventories**

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

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

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

**i) Inventories (Continued)**

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

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

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

**j) 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.

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

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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.

**l) 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

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**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

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.

**m) Comparative figures**

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

**n) 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, 2020.

#### **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

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**6. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

Description	19-20	18-19
<b>Unconditional grants</b>		
Operational grant	17,895,000	12,840,000
	<b>17,895,000</b>	<b>12,840,000</b>
<b>Conditional grants</b>		
Workshop shed	0	1,528,350
<b>Total government grants and subsidies</b>	<b>17,895,000</b>	<b>14,368,350</b>

**7. RENDERING OF SERVICES**

Description	19-20	18-19
Tuition fees	1,483,952	274,400
Activity fees	2,017,343	1,649,670
Administration	0	62,130
LT&T	1,646,275	1,013,053
EW&C	2,125,545	1,157,414
Personal Emolument	4,917,040	6,550,604
Student council	8,700	96,900
RMI	1,056,730	561,169
Medical	1,765,982	2,398,617
Exam	3,675,470	508,475
Catering services	311,587	836,540
Library	0	1,200
<b>Total revenue from the rendering of services</b>	<b>19,008,624</b>	<b>15,110,172</b>

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**8. OTHER INCOME**

Description	19-20	18-19
Tender	10,000	11,000
Hostel fee	909,425	2,050,138
<b>Total other income</b>	<b>919,425</b>	<b>2,061,138</b>

**9. USE OF GOODS AND SERVICES**

Description	19-20	18-19
Tuition	18,618,828.4	12,532,646
Activity	1,613,300	1,100,564
Students Welfare	0	121,200
Exam	1,440,090	300,100
Attachment Expenses	67,990	59,455
<b>Total good and services</b>	<b>21,740,208.4</b>	<b>14,113,965</b>

**10. EMPLOYEE COSTS**

	19-20	18-19
Salaries and wages	7,631,239	4,831,824
<b>Employee costs</b>	<b>7,631,239</b>	<b>4,831,824</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11.REMUNERATION OF DIRECTORS**

Description	19-20	18-19
Directors emoluments	157,146	270,103
<b>Total director emoluments</b>	<b>157,146</b>	<b>270,103</b>

**12.DEPRECIATION AND AMORTIZATION EXPENSE**

Description	19-20	18-19
Property, plant and equipment	4,021,130	3,780,369
<b>Total depreciation and amortization</b>	<b>4,021,130</b>	<b>3,780,369</b>

**13.REPAIRS AND MAINTENANCE**

Description	19-20	18-19
Property	4,694,873	1,171,558
<b>Total repairs and maintenance</b>	<b>4,694,873</b>	<b>1,171,558</b>

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**14.GENERAL EXPENSES**

Description	19-20	18-19
Local Transport and Travel	2,087,570	1,785,070
Administrative Costs	169,575	597,653
Boarding	687,892	1,434,105
Catering services	0	1,071,482
Electricity, Water and Conservancy	636,874	180,414
<b>Total general expenses</b>	<b>3,581,911</b>	<b>5,068,724</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**15. CASH AND CASH EQUIVALENTS**

Description	19-21	18-19
Current account	3,948,706.5	1,274,236.9
Cash in hand	399	320,892
<b>Total cash and cash equivalents</b>	<b>3,949,105.5</b>	<b>1,595,128.9</b>

**15 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS**

Financial institution	Account number	19-20
<b>a) Current account</b>		
Kenya Commercial bank	1200942043	3,948,706.5
<b>Sub- total</b>		<b>3,948,706.5</b>
<b>Others(specify)</b>		
cash in hand		399
<b>b) Sub- total</b>		<b>399</b>
<b>Grand total</b>		<b>3,949,105.5</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**16. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

Description	19-20	18-19
<b>Current receivables</b>		
Student debtors	3,138,825	5,397,428
<b>Total current receivables</b>	<b>3,138,825</b>	<b>5,397,428</b>

**16 (a) Ageing Analysis of Receivables from Exchange transactions**

Description	19-20		18-19	
	Kshs		Kshs	
				% of total
Less than 1 year	638,478	20%	5,203,100	96%
Between 1- 2 years	2,500,347	80%	194,328	4%
Between 2-3 years	0		0	
Over 3 years	0		0	
<b>Total (a+b)</b>	<b>3,138,825</b>	<b>100%</b>	<b>5,397,428.00</b>	<b>100%</b>

**17. Inventory**

Description	19-20	18-19
Stock	5,213,875.5	915,850.1
<b>Total</b>	<b>5,213,875.5</b>	<b>915,850.1</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**18.PROPERTY, PLANT AND EQUIPMENT**

	<b>Land</b>	<b>Buildings 2%</b>	<b>Furniture &amp; fittings 12.5%</b>	<b>Equipment 12.5%</b>	<b>Motor Bike 10%</b>	<b>Generator 10%</b>	<b>Computers 25%</b>	<b>W.I. P</b>	<b>Total</b>
Cost	Shs	Shs	Shs	Shs	-	Shs	Shs		Shs 000
At 1 July 2019 Bal b/d	14,000,000	145,000,000	1,622,958	290,000	0	5,000,000.00	565,000	3,086,714	169,564,672
Additions	-	-	1,898,085	-	99,900	-	14,000	-	2,011,985
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustments									
At 30 June 2020	14,000,000	145,000,000	3,521,043	290,000	99,900	5,000,000	579,000	3,086,714	171,576,657
Depreciation and impairment									
At 1 July 2019 Bal b/d	-	8,700,000	563,911	72,500		1,500,000.00	423,750		11,260,161
Depreciation	0	2,900,000	440,130	36,250		500,000	144,750		4,021,130
Impairment	0	0	0	0		0	0		0
At 30 June 2020	0	11,600,000	1,004,041	108,750		2,000,000.00	568,500		15,281,291
<b>Net book value june 2019</b>	<b>14,000,000</b>	<b>136,300,000</b>	<b>1,059,047</b>	<b>217,500</b>		<b>3,500,000.00</b>	<b>141,250</b>	<b>3,086,714</b>	<b>158,304,511</b>
<b>Net book value june 2020</b>	<b>14,000,000</b>	<b>133,400,000</b>	<b>2,517,002</b>	<b>181,250</b>	<b>99,900</b>	<b>3,000,000</b>	<b>10,500</b>	<b>3,086,714</b>	<b>156,295,366</b>

Reducing balance method is used to depreciate property, plant and equipment

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**19. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

<b>Description</b>	<b>19-20</b>	<b>18-19</b>
Trade payables	4,635,227.00	259,500.00
<b>Total payables</b>	<b>4,635,227.00</b>	<b>259,500.00</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**20.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 directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The 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:

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

**(ii) Liquidity risk management**

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

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**22. FINANCIAL RISK MANAGEMENT (Continued)**

**(iii) Market risk**

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

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

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

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

**a) Foreign currency risk**

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

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**23. FINANCIAL RISK MANAGEMENT (Continued)**

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

**Foreign currency sensitivity analysis**

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

b) Interest rate risk

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

*Management of interest rate risk*

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**24 FINANCIAL RISK MANAGEMENT (Continued)**

(iii) Market risk (Continued)

b) Interest rate risk(continued)

*Sensitivity analysis*

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

iv) **Capital Risk Management**

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**25.RELATED PARTY BALANCES**

**Nature of related party relationships**

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

**Government of Kenya**

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

- i) The National Government;
- ii) The Parent Ministry;

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**26. EVENTS AFTER THE REPORTING PERIOD**

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

**27. ULTIMATE AND HOLDING ENTITY**

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of education state department of technical and vocational training. Its ultimate parent is the Government of Kenya.

**28. Currency**

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

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**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Prof. Robert Otuya  
 Chairman of the Board

Sign.....*Robert Otuya*.....Date.....*4/11/25*.....

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

**Projects**

Projects implemented by the Ministry of education state department of TVET

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

**Status of Projects completion**

*During the financial year, there were no project in progress*

Project	Total project cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

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**APPENDIX III: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	10 <sup>th</sup> July 2019	Recurrent	9,840,000	Statement of Financial Performance					9,840,000
Ministry of Education	18 <sup>th</sup> October 2019	Recurrent	2,977,500	Statement of Financial Performance					2,977,500
Ministry of Education	6 <sup>th</sup> May 2020	Recurrent	5,077,500	Statement of Financial Performance					5,077,500
<b>Total</b>			<b>17,895,000</b>						<b>17,895,000</b>

