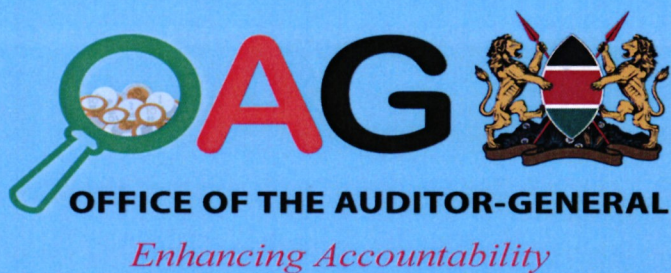


REPUBLIC OF KENYA



REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

BARINGO TECHNICAL COLLEGE

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

	
THE NATIONAL ASSEMBLY	
P/	D
DATE: 05 JUL 2023	DAY: Wednesday
TABLED BY:	Hon. Kimani Ichungu (Leader of the Majority Party)
CLERK AT THE TABLE:	Modo



MINISTRY OF EDUCATION

STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL
TRAINING

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



BARINGO TECHNICAL COLLEGE

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

**BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

Table of Contents

i.	Key Entity information and Management	ii
ii.	The Board of Governors	v
iii.	Management Team	ix
iv.	Chairman's Statement.....	xii
v.	Report of the Chief Principal.....	xv
vi.	Statement of performance against predetermined objectives	xx
vii.	Corporate Governance Statement.....	xxv
viii.	Management Discussion and Analysis	xxviii
viii.	Environmental and Sustainability Reporting.....	xxxii
viii.	Corporate Social Responsibility / Community Engagements.....	xxxiii
ix.	Report of the Board of Governors	xxxiv
x.	Statement of Board of Governors responsibilities.....	xxxv
xi.	Report of the Auditor General on Baringo Technical College.....	xxxvi
xii.	Statement of Financial Performance for the year ended 30 June 2022	1
xiv.	Statement of Financial Positionas at 30 June 2022	2
xiv.	Statement of Changes in Net Asset for the year ended 30 June 2022	3
xiv.	Statement of Cash Flows for the year ended 30 June 2022.....	4
xv.	Statement of comparison of Budget and Actual amounts for the year ended 30 June 2022	5
xvi.	Notes to the Financial Statements	6
	Appendix 1: Progress on follow up of Auditor recommendations	27
	Appendix II: Projects implemented by the Entity.....	29
	Appendix III: Inter-Entity Transfers	30
	Appendix VI: Recording of transfers from other Government Entities.....	32

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Principal Activities

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

Vision

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

Mission

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

Core Values

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

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

Guided by our vision and mission we shall uphold the following core values at all times;

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

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

(c) Key Management

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

1. Board of Governors
2. Principal
3. Management team

(d) Fiduciary Management

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

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

(e) Fiduciary Oversight Arrangements

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

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

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

(g) Entity Contacts

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

(h) Entity Bankers

Kenya Commercial Bank
Kabarnet branch
P.O Box 175-30400
Kabarnet
Bank Account Numbers;
1137331836 -Operation Account
1175704199 -Fees collection Account
1167847253 -Development Account

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

BARINGO TECHNICAL COLLEGE

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

II. THE BOARD OF GOVERNORS

Member's Name	Brief Description
 Designation: Board Chairperson Name: Ezekiel K. Kimosop Profession: Insurance	Mr. Ezekiel K Kimosop was born on 30 November 1966. He is currently the Chairperson of the Board of Governors of Baringo Technical College. He is a holder of MBA (Moi University), M.Div., (International Leadership University), BCom (University of Nairobi). He is currently a PhD candidate at African International University, Karen. He is an Associate Member of the Insurance Institute of Kenya with 32 years of experience in Insurance practice.
 Designation: Member Name: Grace Chelagat Profession: HR expert	Mrs. Grace J. Chelagat born on 30 June 1966. Currently she is a member of the Board of Governors of Baringo Technical College. She holds honorary doctorate in Leadership, MBA (Management), Bachelor of Business Administration, Post Graduate Diploma in Human Resource. She has vast experience in the Banking sector & Public service (30 years).
 Designation: Member Name: Dennis Kiprono Komen Profession: Civil Engineer	Mr. Denis Kiprono Komen born on 5 May 1994. Currently a member of the Board of Governors of Baringo Technical College. He holds a Bachelor of Science in Civil Engineering from The University of Nairobi and is a registered graduate engineer with the Engineers Board of Kenya. He is currently part of the project staff for Eldoret By pass supervision.

BARINGO TECHNICAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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

BARINGO TECHNICAL COLLEGE

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

 Designation: Member Name: Margaret Mwangi Murugi Profession: ICT expert	Ms Margaret Mwangi Murugi was born on 5 February 1993. She is currently a member of the Board of Governors of Baringo Technical College. She is a holder of a Bachelor's degree in Computer Science. She has five years experience having worked at ITEC S systems Ltd for the last two years. She currently practices as a business development consultant. She is a graduate in computer science from University of Eldoret (2015).
 Designation: Member Name: Ivan Kelunyo Profession: Architect	Architect Ivan Kelunyo was born on 13 August 1974. He is currently the member of the Board of Governors of Baringo Technical College. He is a holder of Bachelor of Architecture degree (University of Nairobi) and is a registered architect with the AAK. He has over 20 years experience having worked in public service since March 2005. He currently works with the County Government of Baringo
 Designation: Chief Principal Name: Josphat Kipkemboi	Chief Principal Personal Number 1990177430 Mr. Josphat Kipkemboi holds Bachelor of Arts Degree in Education (Business & Economics) from Kenyatta University and Master of Agricultural Economics and Resource Management from Moi University. He has 32 years' experience in Technical, Vocational Education and Training (TVET) sector.

BOARD OF GOVERNORS COMMITTEES

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

BARINGO TECHNICAL COLLEGE

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

III. MANAGEMENT TEAM

Key Senior Management

Name of the Employee	Brief Description
 Designation: Chief Principal Name: Josphat Kipkemboi	Chief Principal Personal number 1990177430 Mr. Josphat Kipkemboi holds Bachelor of arts Degree in Education (Business & Economics) from Kenyatta University and Master of Agricultural Economics and Resource Management from Moi University. He has 32years' experience in Technical, Vocational Education and Training (TVET) sector.
 Designation: Deputy Principal Administration Name: Robert Chesire	Deputy Principal(Administration) Personal Number 2002078071 Mr Robert Chesire holds Bachelor of Arts Degree in Education (Accounting & Mathematics) from UON and Dip in HRM from Kenya Institute of Management and over 20 years of teaching experience.
 Designation: Deputy Principal Academics Name: Eunice Jepkemoi Kerich	Deputy Principal (Academics) Personal Number 19970015966 Ms. Eunice Jepkemoi Kerich holds a Master's degree in Curriculum and Instruction from University of Eastern Africa, Baraton. She has 22 years' experience in Technical, Vocational Education and Training (TVET) sector

 Name: Hillary Kemboi Designation: Registrar	Registrar Personal Number 2011230183 Mr. Hillary Kipruto Kemboi is the Registrar on an acting capacity. He is currently pursuing a Master's Degree in Education (Curriculum Development) at Masinde Muliro University of Science & Technology. He also holds a Diploma in Technical Education from Kenya Technical Trainers' College (KTTC) and Diploma in Civil Engineering from MMUST and western college of arts and applied science (WECO). He has 9 years' experience in Technical, Vocational Education and Training (TVET) sector.
 Designation: Dean of students Name: Rufus Muriuki	Dean of Students Personal Number 1998045873 Mr. Rufus Muriuki is the Dean of Students on appointment in an acting capacity. He holds a Diploma in Technical Education accounting option. He has 15 years' experience in Technical, Vocational Education and Training (TVET) sector
 Designation: Finance Officer Name: CPA Rebecca Chelanga	Finance Officer Personal Number: BTC2013004 Rebecca Chelanga is a CPA (K) holder and a member of ICPAK, Institute of Internal Auditors of Kenya (IIAK) and the Association of Women Accountants of Kenya (AWAK). She holds a Bachelor of Commerce Degree (Finance Option) from Egerton University. She is currently pursuing an MBA degree programme at Kabarak University. She has over 9years' experience in Accounting and Finance field.
 Designation: Procurement Officer Name: Robert Kiprop Chirchir	Procurement Officer Personal Number: BTC2015007 Mr Robert Kiprop Chirchir is a member of KISM; He holds a Bachelor's Degree in Business Management (Procurement Option). He has 6years' experience in procurement practice.

BARINGO TECHNICAL COLLEGE

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

 CPA Elijah Koech Internal Auditor	Internal Auditor Personal Number: BTC2021044 CPA Elijah Koech is a member of Institute of Internal Auditors (IIAK) and a member of ICPAK. He has 12 years' experience in accounting and audit practice. He holds a Bachelor's Degree in Business Administration (Finance Option) from Jomo Kenyatta University of science and Technology. He is also a Certified Credit Professional (CCP).
 Fridah Yator Human Resource Officer	Human Resource Officer Personal Number: BTC2021045 Fridah Yator is a member of Institute of Human Resource Management (IHRM) and a Certified Human Resource Practitioner (CHRP). She holds a Higher National Diploma in Human Resource Management and is a trained and registered Technical and Vocational Education trainer in Human Resource Management with a vast experience in Administration and Human Resource functions. She is currently pursuing Bachelor of Commerce degree in Human Resource Management at University of Eldoret.

IV. CHAIRMAN'S STATEMENT FOR THE PERIOD ENDED 30 JUNE 2022



Opening Statement

On behalf of the Board of Governors, I am pleased to present the College Annual Financial Statements and Report for the year ended 30 June, 2022. I wish to appreciate the impressive performance characterized by remarkable improvements in financial and operational performance as well as expansion of the College enrolment, facilities and infrastructure.

We attribute this tremendous growth to the Government financial support and the centralized admission through Kenya Universities and Colleges Central Placement Service (KUCCPS) and the contribution of the local community. Currently, the institution has increased enrolment from 2641 in 2020-2021 to 3126 in the financial year 2021-2022. This is an increment of 485 students. This has compelled management to undertake interventions such as construction of temporary structures to supplement the existing infrastructural facilities including classrooms and workshops.

The institution has recruited additional employees in order to respond to the increased enrolment. The College recruited an ICT officer, a Nursing officer and an Assistant Cateress in the financial year 2021-2022 with the aim of enhancing ICT administration, student medication and cafeteria services, respectively.

We are proud to report that during the Financial Year 2021-2022, the College was able to hold its inaugural graduation ceremony which was graced by the Principal Secretary, state department of Vocational and Technical Training, Dr Margaret M. Mwakima, PhD., D.D., CBS. Where 975 students graduated from various courses offered by the College.

Our mentorship of the construction and completion of Twin workshop, classrooms, and offices block (2-storey) for the proposed Baringo North Technical and Vocational College in Baringo North Constituency continues.

The works currently stand at 90% completion as at 30 June, 2022.

In the Financial Year 2021-2022 the College completed the construction of the Sanatorium. The supply, installation and maintenance of an Enterprise Resource Planning (ERP) system stands at 70% completion rate while the Tuition Block complex is at 90% completion rate. The Food and Beverage Restaurant stands at 95% completion. The Board is committed to completing the projects by the end of the first Quarter of the Financial Year 2022-2023.

It is our hope that our development partners will assist the institution in putting up new infrastructure facilities to accommodate the rise in student population. The College experienced a number of challenges

BARINGO TECHNICAL COLLEGE

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

during the period under review. We have been utilizing internally generated funds to finance capital projects. The institution requires additional workshops, laboratories and Tuition rooms in order to accommodate growing student population. Our students are compelled to take lectures under trees and in open spaces due to insufficient lecture rooms as shown below.





We have been able to compensate land owners who surrendered land to the institution but the challenge now lies in securing the section of the land which was illegally converted into conservancy by some activists. This land belongs to the institution.

In addition, the College has not benefited from the provision of training equipment and provision of funding for construction of additional Tuition rooms and administration blocks since its inception in the year 2013. We wish to appeal to the Government, area Member of National Assembly, development partners and all well-wishers to assist us in funding these critical projects. We wish to appreciate the support of the Area MP in facilitating the tarmacking of the Kamgoi access road that passes the College gate. We also wish to register our appreciation to the County Government of Baringo for facilitating the drilling of a borehole that has supplemented our water supply.

Lastly, I wish to convey my sincere gratitude to my fellow members of the Board of Governors, the Chief Principal, Management team, Staff and Students, for their steadfast support and contribution towards the institution's success in the Financial Year 2021-2022.

A handwritten signature in blue ink, which appears to read 'Ezekiel Kimosop', is written over a dotted line.

Ezekiel Kimosop

Chairperson of the Board

8 May, 2023

BARINGO TECHNICAL COLLEGE

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

V. REPORT OF THE CHIEF PRINCIPAL



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

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

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

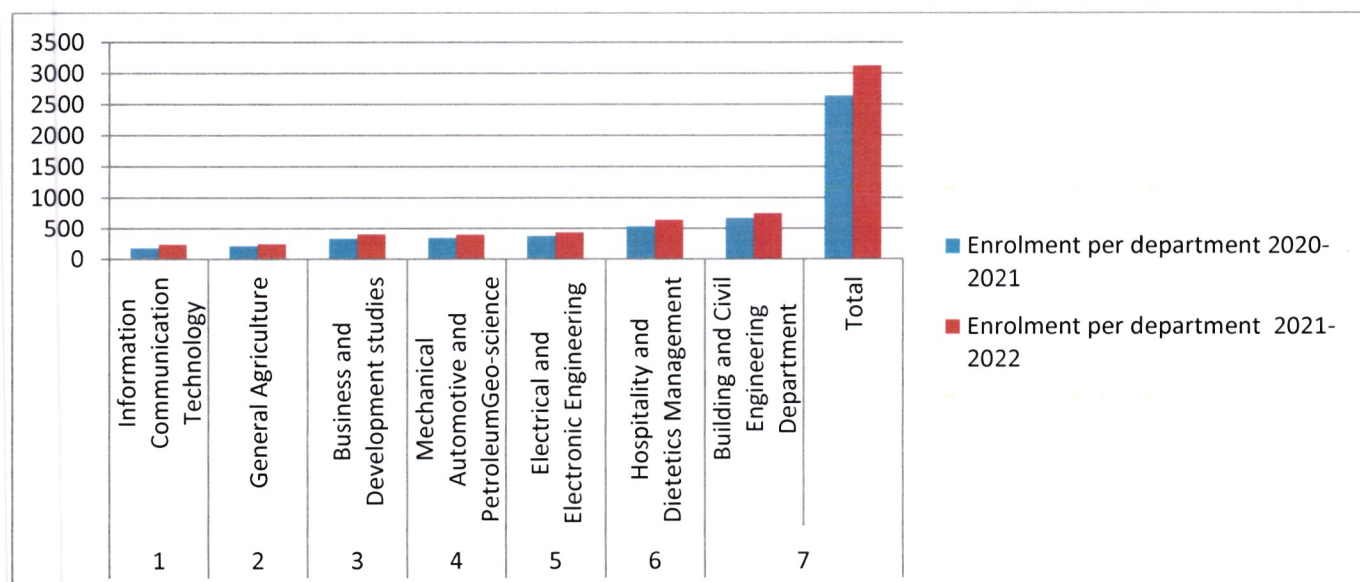
The report also details the College’s financial performance during the year, which shows a financial state of good health. The good performance of the College is attributed to the commitment and dedication of staff who worked tirelessly to support management in achieving College objectives. Within the year a lot of support was received from the government, sponsors, and other stakeholders.

As we move into the financial year 2022-2023, we strive to better our performance. Below is a description of our activities in the financial year 2021-2022:

I. Administration

The College in the financial year ended 30 June 2022 had seven functional departments with a total enrolment of **3,126** students. The key functions of the department(s) can broadly be described as creating a conducive environment in which learners in the College can have their concerns addressed in a timely, effective and efficient manner and in the fulfilment of our core mandate.

Serial Number	Department	Enrolment per Department 2020-2021	Enrolment per Department 2021-2022
1	Information Communication Technology	175	240
2	General Agriculture	212	245
3	Business and Development studies	334	407
4	Mechanical Automotive and Petroleum Geo-science	343	396
5	Electrical and Electronic Engineering	376	438
6	Hospitality and Dietetics Management	528	644
7	Building and Civil Engineering Department	673	756
	Total	2641	3126



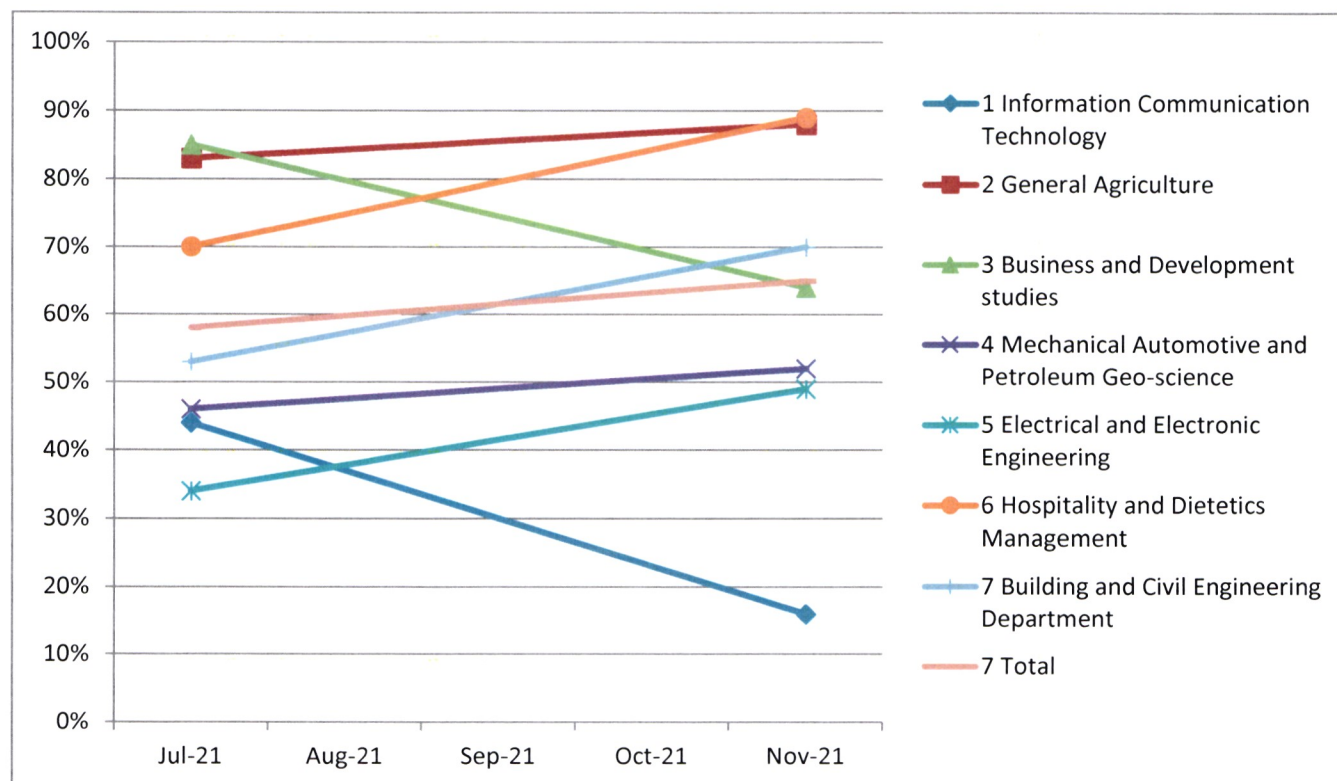
II. Examination Performance

The data below shows that on overall, the performance in Kenya National Examinations Council (KNEC) in the financial year 2021-2022 on percentage pass rate improved from 58% in July 2021 series to 65% in November 2021 series.

Serial Number	Departments	July 2021	November 2021
1	Information Communication Technology	44%	16%
2	General Agriculture	83%	88%
3	Business and Development studies	85%	64%
4	Mechanical Automotive and Petroleum Geo-science	46%	52%
5	Electrical and Electronic Engineering	34%	49%
6	Hospitality and Dietetics Management	70%	89%
7	Building and Civil Engineering Department	53%	70%
	Total	58%	65%

BARINGO TECHNICAL COLLEGE

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



III. Graduation Ceremony

During the financial year under review, the college was able to hold its inaugural graduation ceremony that foresaw 975 trainees graduate in various levels; the table below, shows performance trends for July 2021 and November 2021 series

Department	Artisan level	Certificate level 5	Certificate level	Diploma level	Grand total
General Agriculture	-	-	81	95	176
Building and civil engineering	143	-	38	41	222
Business and Development studies	2	-	63	129	194
Electrical and Electronics engineering	73	8	12	2	95
Hospitality and dietetics management	74	-	113	20	207
Information and communication Technology	-	3	7	2	12
Mechanical, automotive and petroleum	23	-	19	27	69
Total	315	11	333	316	975

IV. Staff Establishment

In adherence to the college Human Resource Manual, the college in the financial year under review was able to offer two (2) sponsorship positions to her BOG staff to undertake a Bachelor's degree program and Diploma course at the University of Eldoret and at our college respectively by paying tuition fee to a maximum of Kshs 100, 000 and Kshs 26,420 annually, respectively.

Currently the College has a staff establishment of 176 of which 61 are trainers employed by the Public Service Commission, 58 are Board of Governors trainers while 57 are essential staff employed by the Board of Governors as tabulated below;

Serial Number	Classification of the staff	Total Number of staff
1	Public Service Commission staff	61
2	Board of Governors trainers	58
3	Board of Governors Essential staff	57
	Total	176

V. Suppliers Sensitization

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

VI. Revenue Collection

During the financial year 2021-2022, the college had targeted to collect Kshs 212,286,820. We managed to collect Kshs 186,893,959. These amounts to a shortfall of Kshs 25,392,861, of this amount Kshs 21,427,500 is capitation grant arrears for fourth Quarter.

VII. Expenditure Analysis.

In the financial year 2021-2022, the college did not meet all its objectives owing to insufficient funding. The highest expenditure being use of goods which comprise of training materials for students.

VIII. Exhibitions/Marketing of Courses

In the FY 2021/2022, the College participated in the TVET Robotics fair where our participation was to see and learn the requirements and standards required for both trainers and trainees to be able to assemble and participate in a competitive robotic competition.

We carried out marketing in towns and Centres around our location and in other counties from there we were able to recruit new trainees for various courses with many more anticipated to enrol in the coming admissions.

XII. Office of The Dean Of Students

The Office of the Dean of Students is concerned with student affairs to help address the holistic growth, development and well-being of students in support of the College's vision, mission, and objectives.

In the just ended financial year, the Office encouraged students' positive involvement in internal and external events and partnered with students in programmes planning and facilitation, in order to enhance professional and personal well-being and nurture the right values, strong social responsibility and responsible citizenship.

In this effort, the Office facilitated ongoing programmes that developed student leadership skills, gave students an awareness of topical issues such as sports participation, HIV/AIDS, career guidance and counselling and often supporting student participation in projects that encouraged innovativeness, creativity, a positive interaction with the community and the environment.

The Office also addressed issues pertaining to students with special needs and disseminated up-to-date information to the concerned College offices and officers.

BARINGO TECHNICAL COLLEGE

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

- **Student Activities**

The Office related well with the Student Leadership, facilitating them where necessary sometimes under very difficult circumstances.

The students' association carried out activities with some students showing more integrity and maturity than others. The college performed well in co-curricular activities both at regional and national levels.

- **Counselling Services**

We continued to offer counselling services through the offices of the Guidance and Counselling Officer and career counselling through office of career services.

- **College prayer days**

The college through office of the Dean of Students organized prayer days on opening and end of every term. This is geared to enhance spiritual matters amongst the college fraternity.

- **Placement Services**

Recruitment and career fairs were held throughout the year. The registry working strongly with KUCCPS has been reaching out to prospective students all year round. The Industrial Liaison office continually assists students to get attachments and internships in various organizations and students were requested to send their credentials to the office of industrial liaison office for ease of facilitation whenever opportunities arise.

Conclusion

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

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



.....
Josphat Kipkemboi
Chief Principal/Secretary to the Board
8 May, 2023



VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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

Baringo Technical College had three strategic pillars and objectives within the current Strategic Plan for the Financial Year 2021- 2022. These strategic pillars are as follows:

Pillar 1: Implementation of TVET programmes

Pillar 2: Modernize institutional facilities

Pillar 3: Infrastructure development

The college develops her annual work plans based on the above three pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College partially achieved its performance targets set for the Financial Year 2021-2022 period for its three strategic pillars, as indicated in the diagram below:

Strategic Issue	Objective	Key Performance Indicators	Activities	Achievements
Strategy 1.1.1 Intensification of outreach campaigns to catchment areas.	Conduct outreach campaigns Establish career guidance outreach to secondary schools	1000 trainees annually admitted	Number of trainees admitted	489 New students enrolled
Strategy 3.1.2 Completion of tuition complex	Modernize institutional facilities	Tuition complex completed	Tuition complex handed over	95% complete
Strategy 3.1.7 Construction of Food and Beverage workshop	Modernize institutional facilities	Designed plan Food and Beverage workshop constructed	Design done Food and Beverage workshop	95% complete
Strategy 3.1.8 Construction and equipping of sanatorium	Modernize institutional facilities	Architectural plan Sanatorium constructed	Design done Sanatorium handed over	100% complete
Strategy 3.1.9 Enhance ICT infrastructure	Infrastructure Development	Procure and install ERP system	ERP system installed and commissioned	70% complete

BARINGO TECHNICAL COLLEGE

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

VII. CORPORATE GOVERNANCE STATEMENT

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

The Board of Governors have been forging a united front in confronting challenges facing the institution since inception in 2013 and then grew consistently.

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

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

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

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

THE BOARD CHARTER

1. Purpose

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

It provides a concise overview of:

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

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

2. Role of The Board

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

- f) The Board is responsible for ensuring that management actively cultivates a culture of ethical conduct and sets the values to which the institution will adhere.
- g) The Board is responsible for ensuring that the strategies adopted promote the sustainability of the College.
- h) The Board is responsible for establishing policies and procedures for effective operations of the College.
- i) The Board shall establish appropriate staffing and remuneration policies for all employees as required.
- j) The Board shall ensure the College's compliance with all applicable laws, regulations, governance codes, guidelines and regulations and establish systems to effectively monitor and control compliance across the College.

3. Matters Reserved for The Board

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

4. Delegation of Authority

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

5. Composition of The Board

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

5.1. Appointment and Remuneration of Board members

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

BARINGO TECHNICAL COLLEGE

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

6. Board Independence

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

7. Access to Information And Independent Advice.

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

8. Board Training

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

9. Board Evaluation

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

10. Role of The Chair And Secretary

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

The Role of the Chair shall be to:

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

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

The role of the Secretary shall be to:

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

BARINGO TECHNICAL COLLEGE

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

11. Duties of Board Members

Each Board member shall have the fiduciary duty to—

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

12. The Secretary

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

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

13. Board Committees

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

f) The Board may be required to establish other committees from time to time.

A) Audit and Risk Management committee

Their roles include:

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

The committee is composed of the following members.

Sno	Name	Post Held
1	CPA Lucy Chepkwony	Chairperson
2	Ivan Kelunyo	Member
3	Grace Chelagat	Member
4	CPA Elijah Koech	Secretary

B) Academic, Human Resource and welfare committee

Their roles include:

- i). Receive reports from the Principal, and management on implementation of curriculum in the college and handles any issues and challenges hindering curriculum implementation.
- ii). Authorizes expenditure on acquisition of training materials and resources for Smooth curriculum implementation.
- iii). Reports to the main board on all issues discussed and steps taken by the committee.

The committee is composed of the following members.

Sno	Name	Post Held
1	Margaret Mwangi	Chairperson
2	Dennis Kiprono	Member
3	Grace Chelagat	Member
4	Josphat Kipkemboi	Secretary

C) Finance and Infrastructure Committee

Their roles include.

- i). Receive reports from the Principal, and management on implementation of capital projects.
- ii). Authorizes expenditure on acquisition of training materials and resources.
- iii). Scrutinize annual budget prior to presentation to the full Board.

The committee is composed of the following members;

Sno	Name	Post Held
1	Wilfred Kiplagat	Chairperson
2	Margaret Mwangi	Member
3	Dennis Kiprono	Member
4	Josphat Kipkemboi	Secretary

14. Conflicts of Interest and Related Party Transactions

a) All Board members are required to:

- i) Declare any interests that may give rise to potential or perceived conflict e.g., business relationships or other circumstances that could interfere with exercise of objective judgment;
- ii) Declare as soon as they become aware that a subject to be discussed at a Board or committee meeting may give rise to a conflict of interest at the outset of the applicable meeting. The conflicted Board member shall not participate further in the discussion of that subject, nor vote on

BARINGO TECHNICAL COLLEGE

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

it. This is subject at all times to the provisions of the guiding laws, rules & regulations of the College.

- b) The Board shall evaluate all potential or perceived conflict of interest as declared and shall approve such transactions with the College as may be appropriate.
- c) A register of declared Conflicts of Interest shall be maintained by the Secretary.

15. Code of Conduct

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

16. Relations with Stakeholders

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

17. Terms of Reference

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

Board meetings held and the attendance to those meetings by members,

In the financial year 2021/2022 the Board held a total of ten BOG meetings which were convened by the BOG Secretary in consultation with the Chairperson as follows:

Serial Number	Nature of meeting	Number of meetings
1	Audit and Risk Management Committee	2
2	Academic, Human Resource & Welfare Committee	2
3	Finance and Infrastructure Committee	1
4	Full Board	4
5	Special full board	1
	Total meetings	10

III. MANAGEMENT DISCUSSION AND ANALYSIS**The college operational and financial performance**

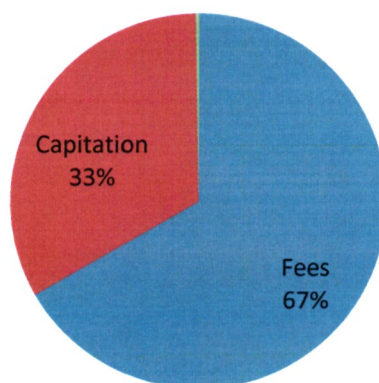
The operational and financial performance of Baringo Technical College is as shown below;

I. Revenue analysis Revenue Collection

During the financial year 2021-2022, the college had targeted to collect Kshs 212,286,820. We managed to collect Kshs 186,893,959. These amounts to a shortfall of Kshs 25,392,861, of this amount Kshs 21,427,500 is capitation grant arrears for fourth Quarter. Our collections across our budget lines were as follows:

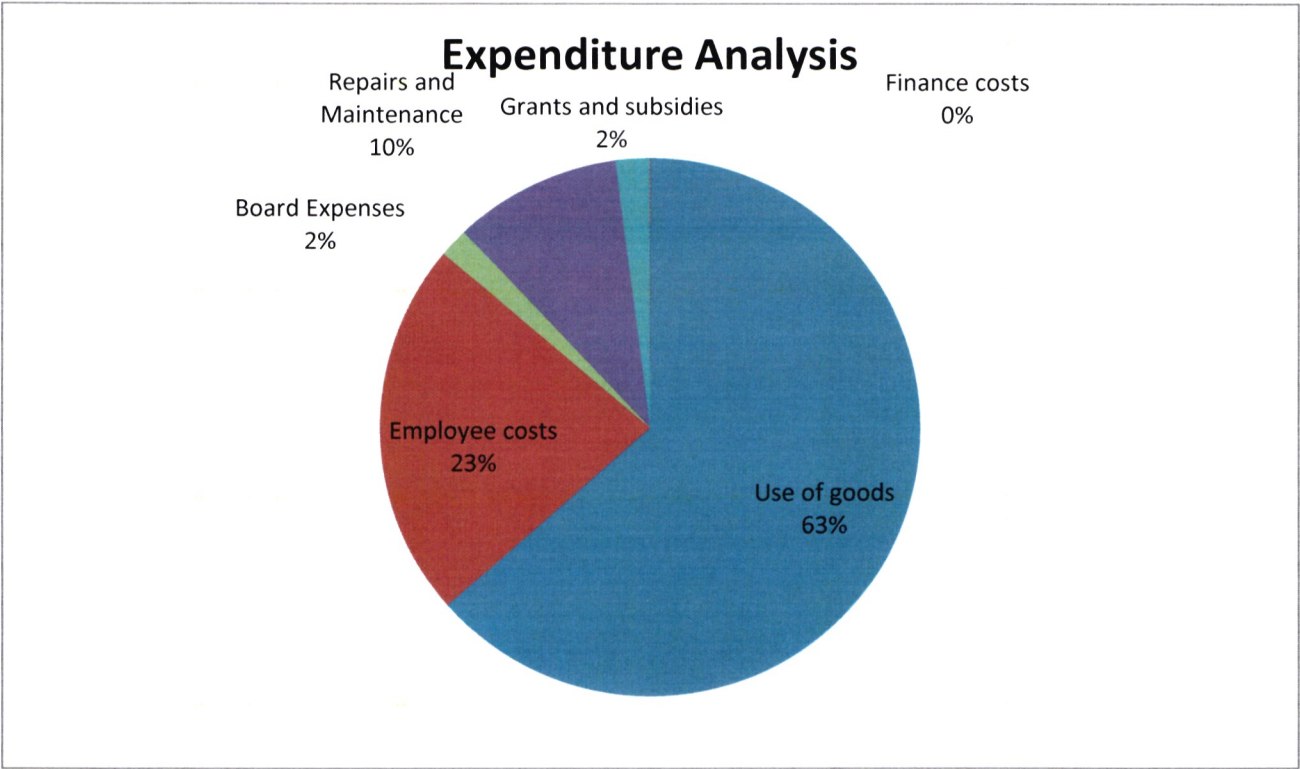
Serial Number	Revenue description	Budgeted	Actual
1	Fees	143,076,820	124,690,959
2	Capitation	69,000,000	61,710,000
3	Other income	210,000	493,000
	Total Kshs	212,286,820	186,893,959

Other income
0%

Revenue analysis**II. Expenditure Analysis.**

In the financial year 2021-2022, the college did not meet all its objectives owing to insufficient funding. The highest expenditure being use of goods which comprise of training materials for students. The table below shows utilization rate per vote head.

Serial Number	Vote heads	Budgeted	Actual
1	Use of goods	119,917,052	92,188,963
2	Employee costs	32,832,000	32,910,981
3	Board Expenses	3,168,000	2,513,430
4	Repairs and Maintenance	13,143,200	14,589,660
5	Development expenses	43,226,568	-
6	Grants and subsidies	-	2,978,507
7	Finance costs	-	40,750
8	Depreciation expense	-	6,662,433
	Total expenses	212,286,820	151,884,724



College compliance with statutory requirement

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

Total exposure

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

Major risks facing the college.

Major risks to the college are:

- i. Low student numbers: We are conducting several college marketing initiatives and are hopeful they will boost the student enrolment numbers come the next financial year and, in the years, to follow.
- ii. Inability to maintain and enhance growth in courses, particularly in Baringo County which is our main catchment area, or if events occur such as riots and strikes that damage our reputation, our ability to expand and attract new students and partners may be impaired.
- iii. The success of our college is dependent upon our ability to attract and retain key personnel, including trainers and technicians.
- iv. It may not be possible to claim or collect from the government capitation arrears for past financial period even when our returns were in order. It is also difficult to collect grant promises which are factored into our budgets.

- v. Project proposal negotiation and funding from the Ministry of Education is outside our control and the proposal terms may change in the future.
- vi. Capitation grants cannot be relied upon as a source of income.
- vii. Our college depends to a large extent on the government and the uncertainties that come with its disbursement priorities. Our experience has been that disbursements are mostly received late. Case in point is quarter 3 capitation grants was received towards the end of quarter 4, while quarter 4 capitation grants was not received in the financial year. The amounts received were way below the expectation of the college by a huge margin. This hampers operations greatly.
- viii. We are exposed to credit related losses in the event of non-performance by Ministry of Education, trainees and other paying stakeholders.
- ix. College fee revenue from our trainees is a significant portion of overall revenue. There is need to diversify our revenue sources away from student led revenue streams to enhance sustainability. To this end, we endeavour to encourage departments to initiate income generating activities (IGAs)
- x. Competition for trainees is highly competitive in Kenya; we have to make sure that the calibre of our training programs is of high standard so that our trainees will be our No. 1 marketers. This increased competition could cause our Revenue to decline.
- xi. A cyber-attack on or disruption to our IT systems or other systems utilized in our operations could compromise our operations, adversely impact our reputation and subject us to liability.
- xii. Inability to take up insurance policies could expose us to significant losses.
- xiii. We are subject to government regulation and other legal obligations related to privacy, data protection, data security and safeguarding. Our actual or perceived failure to comply with such obligations could harm our college.
- xiv. Session interruptions due to pandemics, natural disasters, terrorist incidents and other events could adversely affect us.
- xv. If we fail to properly manage our anticipated growth, our college could fall into disrepute and suffer.
- xvi. An economic downturn and adverse economic conditions may harm our business.

BARINGO TECHNICAL COLLEGE

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

Reporting framework

The college adopted the International Public Sector Accounting Standards (IPSAS)-Accrual in the financial year 2013-2014.

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

Material arrears in financial obligations

The pending bills at the close of the financial year stood at **KES 32,003,255**. All this incurred to make the college more hospitable for learners as we pursue our mandate.

The college financial probity and serious governance issues

During the financial year 2021-2022 there was no major financial improprieties reported by agencies on oversight that came to the knowledge of management. In addition, the college does not have serious governance issues among the board and the top management including conflict of interest. Being the first point of oversight, the Board in its calendar has scheduled quarterly meetings of the Audit & Risk Management Committee to strengthen the oversight on the execution of the budget.

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT

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

Sustainability strategy and profile

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

Environmental performance

In our strategic plan, one of our aims is to come up with policies that guide our operations. We are in the process of developing the policies that will guide how the College is to maintain the physical environment we operate in. Currently we are utilising targets we set in our performance contract to guide our actions. We set and surpassed our target of planting and maintaining 500 tree seedlings within the college compound annually. The college fraternity on an annual basis has been taking part in environmental clean-up exercise at Kapsoo centre.

Employee welfare

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

To improve skills and manage careers, the college in the financial year under review was able to offer two scholarship positions for BOG staff in degree and Diploma programmes to a tune of Kshs 100,000 and Kshs 26,420 respectively.

Market place practices-

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

a) **Supplier prequalification**

We are guided by the PPRA 2015 and its regulations of 2020 which gives guidelines on how to identify suppliers. This is an open and public process that invites all interested parties and has protections built within the process to curve out opportunities for youth, women and people with disabilities.

b) **With our prequalified suppliers, we endeavour to meet our obligations on time so that we may be able to sustain relations for future partnerships.**

c) **Being a national Government entity, the college makes a nationwide advert through newspaper and use of the local administration notice boards, social media and our website to market opportunities in the College.**

d) **To enhance our presence, we organize on sensitization meetings with the service provider, the PPOA regulations for the Procuring entities and suppliers, the procurement cycle, forms of business and the specific documentation required when doing business with the College.**

BARINGO TECHNICAL COLLEGE

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

CORPORATE SOCIAL RESPONSIBILITY / COMMUNITY ENGAGEMENTS

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

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

During the financial year ended 30 June 2022, as a target in performance contract for the Financial Year, the College did engage in corporate social responsibility by visiting Kabarnet School for the deaf and blind and distributing sanitary towels for Girl child at Kapsogo Day Secondary School and Timboywo Day Secondary School.

Further, the college is committed in implementing community engagements in the next financial year.

X. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended 30 June 2022 which show the state of the College's affairs.

Principle activities

The principal activity of Baringo Technical College is Training.

Results

The results of the entity for the year ended 30 June 2022 are set out on pages 1 to 26

Board of Governors

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

Auditors

The Auditor General is empowered to audit Baringo Technical College for the year ended June 30, 2022 and may appoint an auditor to audit on his or her behalf in accordance with section 23 of the Public Audit Act,

By Order of the Board



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



BARINGO TECHNICAL COLLEGE

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

XI. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

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

The Board are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2022. This responsibility includes:

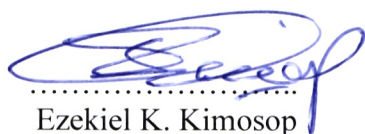
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity.
- (iii) Designing, implementing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

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

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

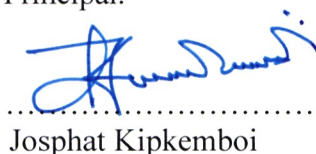
Approval of the financial statements

Baringo Technical College financial statements were approved by the Board on July 9, 2022 and signed on its behalf by the Chairperson of the Board and the Chief Principal.



Ezekiel K. Kimosop

Chairperson of the Board



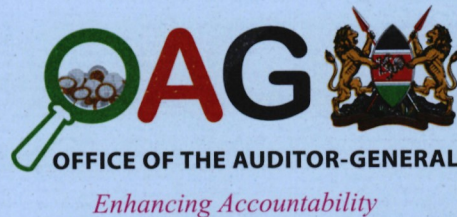
Josphat Kipkemboi

Chief Principal/Secretary to the Board



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 BARINGO TECHNICAL COLLEGE 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 Baringo Technical College set out on pages 1 to 28, 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 statement of comparison of budget and actual

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Baringo Technical College as at 30 June, 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 Technical and Vocational Education and Training Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Statement of Cash Flows

The statement of cash flows for the year ended 30 June, 2022 reflects net increase in cash and cash equivalents negative amount of Kshs.47,765,314. However, recalculation of the cash and cash equivalents increase/(decrease) at beginning and at end of the year balances of Kshs.22,784,524 and Kshs.43,739,505, respectively reflects movement amounting to Kshs.20,954,981 resulting to an unexplained variance of Kshs.68,720,295. Further, the statement of financial position reflects capital work in progress and intangible assets balances of Kshs.20,533,742 and Kshs.18,290,920, respectively which have been omitted in the statement of cash flows.

In the circumstances, the accuracy and completeness of the statement of cash flows for the year ended 30 June, 2022 could not be confirmed.

2. Inaccuracies in Transfers to Other Government Entities

The statement of financial performance reflects transfers to other Government entities amount of Kshs.2,978,507 as disclosed in Note 12 to the financial statements which includes transfers to two (2) mentored newly established Institutions. However, the transfers differed with the State Department for Technical and Vocational Training amount of Kshs.5,993,507 resulting to an unexplained variance of Kshs.3,015,000.

In the circumstances, the accuracy and completeness of the transfers to other Government entities amounting to Kshs.2,978,507 could not be confirmed.

3. Unconfirmed Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.63,941,413 as disclosed in Note 16 to the financial statements which includes a balance of Kshs.59,280,353 in respect of student debtors. However, detailed movement schedule indicating opening balances, fees for the year, payments made and outstanding balance was not provided for audit. Further, included in the balance of Kshs.63,941,413 is an amount of Kshs.2,978,507 due from grants and subsidies whose detailed schedule showing amount of grant receivable, received and the balance was not provided for audit.

In the circumstances, the accuracy and completeness of grants and subsidies receivable balance of Kshs.59,280,353 could not be confirmed.

4. Inaccuracies in the Receivables from Non-Exchange Transactions

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.21,427,500 as reflected in Note 17 to the financial statements. Management explained that these balances were in respect of outstanding capitation grants from the State Department for Technical and Vocational Training. However, the undisbursed balance has been recognized as current asset contrary to the Government Accounting Policy on transfers from other Government entities which requires revenue from non-exchange transactions with other Government entities to be recognized on obtaining control of the asset.

Further, the statement of comparison of budget and actual amounts reflects transfers from other Government entities final budget receipt and actual on comparable basis amount of Kshs.69,000,000 and Kshs.61,710,000, respectively resulting to undisbursed balance of Kshs.7,290,000 which differed with the reported balance of Kshs.21,427,500 resulting to unexplained variance of Kshs.14,137,500.

In the circumstances, the accuracy, completeness, presentation and disclosure of receivables from non-exchange transactions balance of Kshs.21,427,500 could not be confirmed.

5. Property, Plant and Equipment

5.1 Undisclosed Assets Received from Ministry of Education and German Institute

The statement of financial position reflects property, plant and equipment balance of Kshs.56,865,673 as reflected in Note 19 to the financial statements. However, the balance excludes assorted equipment donated by the Ministry of Education through China bilateral contract agreement dated 19 March, 2018. Physical verification done in the month of March, 2023 confirmed that Baringo Technical College received six hundred and three (603) assorted equipment including welding machinery, Information Communication Technology equipment and office furniture and fittings whose value could not be determined as no cost had been indicated in the asset register. Further, one hundred and forty-eight (148) electronics and electrical equipment of unknown value previously received from German Institute were not disclosed in the asset register. Although the equipment was delivered without any proof of ownership, registration or delivery documents, no reason was given to confirm delayed registration and valuation of the equipment.

5.2 Dispute on Land Ownership

Records provided for audit revealed that a section of the College's land measuring approximately 1.6 hectares has been encroached and irregularly converted into a conservancy by private developers and activists. Audit inspection carried in the month of April, 2023 revealed encroachment within the College land in the form of temporary structures. Although Management indicated that the process of securing the title was at an advanced stage, no documentary evidence was provided to confirm the status.

In the circumstances, the accuracy, completeness, existence, presentation and disclosure of the property, plant and equipment balance of Kshs.56,865,673 could not be confirmed.

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

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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.212,286,820 and Kshs.186,893,959, respectively resulting in an under-funding of Kshs.25,392,861 or 12% of the budget. Similarly, the College spent Kshs.153,083,072 against an approved expenditure budget of Kshs.212,286,820 resulting in an under-expenditure of Kshs.59,203,748 or 28% of the budget.

In the circumstances, the underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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, except for the matter 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 overall governance were not effective.

Basis for Conclusion

Weak Information Technology (IT) Internal Control

In the year under audit, the College had not established an IT Strategic Plan as well as IT Security Policy to provide governance on information technology matters including policies on IT continuity plan. Subsequently the critical data or information may not be recovered in case a disaster occurs. Further, the College enhanced its information technology systems by implementing an Enterprise Resource Planning (ERP) system with the main objective of bringing in efficiency in operations within the entity. However, there were no documented change management procedures including change management forms, review and approval of changes, testing of changes, implementing changes, periodic reporting of changes and post-implementation review of changes done to critical systems during the transition process.

In the circumstances, the adequacy and effectiveness of the IT risk management strategies and controls and processes put in place could not be established and the implemented changes in the systems may not meet the business requirements of the Institution.

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

Responsibilities of Management and the Board of Management

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

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

The Board of Management 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

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 controls 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 controls would not necessarily disclose all matters in the internal controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College 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 College and 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 controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

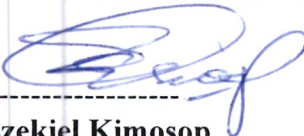
16 June, 2023

BARINGO TECHNICAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022****XII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government	5	61,710,000	59,707,500
Total Revenue from non-exchange transactions		61,710,000	59,707,500
Revenue from exchange transactions			
Rendering of services- Fees from students	6	124,690,959	103,663,420
Other income	7	493,000	391,000
Revenue from exchange transactions		125,183,959	104,054,420
Total revenue		186,893,959	163,761,920
Expenses			
Use of goods	8	94,347,603	82,530,947
Employee costs	9	31,991,439	21,125,520
Board expenses	10	2,513,430	3,917,587
Repairs and maintenance	11	14,589,660	12,198,122
Transfers to other Government entity	12	2,978,507	10,510,193
Depreciation expense	13	6,662,433	4,841,636
Covid-19 expenses	14	-	502,185
Total expenses		153,083,072	135,626,190
Net surplus/deficit for the year		33,810,887	28,135,730

The notes set out on pages 6 to 26 form an integral part of the Annual Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed by:



Ezekiel Kimosop
Chairperson Board of Governors

Date: 8.5.23



Rebecca Chelanga
Finance Officer

ICPAK NO.20590



Josphat Kipkemboi
Chief Principal/Secretary to the Board

Date:



BARINGO TECHNICAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022****XIII. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022**

	Notes	2021-2022	2020-2021
		Kshs	Kshs
ASSETS			
Current assets			
Cash and cash equivalents	15	43,739,505	22,784,524
Receivables from exchange transactions	16	63,941,413	73,317,774
Receivables from non-exchange Transactions	17	21,427,500	-
Inventories	18	3,144,969	4,028,339
Total Current Assets		132,253,387	100,130,637
Non-current assets			
Property, Plant and Equipment	19	56,865,673	53,820,667
Capital working progress	20	20,533,742	-
Intangible assets	21	18,290,920	-
Total Non-current Assets		95,690,335	53,820,667
Total assets		227,943,722	153,951,304
Current liabilities			
Trade and other payables from exchange transactions	22	47,902,933	8,912,699
Payables from Non exchange transactions	23	1,191,297	-
Total Current Liabilities		49,094,230	8,912,699
Capital and liabilities			
Development fund	24	510,987	510,987
Development Grant	25	15,174,176	15,174,176
Accumulated surplus	26	163,164,329	129,353,442
Total Capital and Reserves		178,849,492	145,038,605
Total Liabilities and capital and Reserves		227,943,722	153,951,304

The Financial Statements set out on pages 1 to 26 were signed by:



Ezekiel Kimosop
Chairperson Board of Governors
Date: 8/5/23



Rebecca Chelanga
Finance Officer
ICPAK NO.20590



Josphat Kipkemboi
Chief Principal/Secretary to the Board
Date:



BARINGO TECHNICAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022****XIV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022**

	Accumulated Fund	Fees Development Fund	Development Grants	Total
	Kshs	Kshs		Kshs
As at 1 July 2020	101,217,712	510,987	11,816,742	113,545,441
Transfers from national Government/Development grants received during the year			3,357,434	3,357,434
Surplus for the year	28,135,730			28,135,730
As at 30 June 2021	129,353,442	510,987	15,174,176	145,038,605
As at 1 July 2021	129,353,442	510,987	15,174,176	145,038,605
Surplus for the year	33,810,887			33,810,887
As at 30 June 2022	163,164,329	510,987	15,174,176	178,849,492

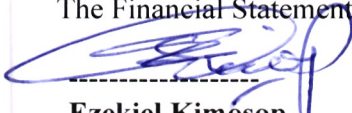
BARINGO TECHNICAL COLLEGE

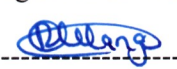
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

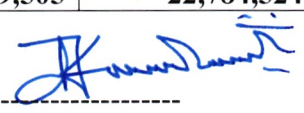
XV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

		2021-2022	2020-2021
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the National Government	5	61,710,000	59,707,500
Rendering of services- Fees from students	6	124,690,959	103,663,420
Other income	7	493,000	391,000
Total receipts		186,893,959	163,761,920
Payments			
Use of goods	8	94,347,603	82,530,947
Employee costs	9	31,991,439	21,125,520
Board expenses	10	2,513,430	3,917,587
Repairs and maintenance	11	14,589,660	12,198,122
Transfers to other Government entity	12	2,978,507	10,510,193
Depreciation expense	13	6,662,433	4,841,636
Covid-19 expenses	14	-	502,185
Total expenses		153,083,072	135,626,190
Net surplus/deficit for the year		33,810,887	28,135,730
Movement in working capital			
Decrease/(increase) in receivables from exchange transactions	16	9,376,361	-28,410,380
Decrease/(increase) in receivables from non-exchange transactions	17	21,427,500	
Decrease/(increase) in inventory	18	883,370	1,824,497
(Decrease)/increase in trade payables from exchange transactions	22	38,057,875	-2,748,229
(Decrease)/increase in Payables from non exchange transaction	23	1,191,297	-
Net cash flows from operating activities		71,868,762	-29,334,112
cash flow from investing activities		- 38,057,878	-1,198,382
Property, plant and equipment	19	9,707,439	-23,650,884
Net cash flow from investing activities		9,707,439	-23,650,884
Cash flow from financing activities			
Development funds	24	-	-510,987
Net cash flows used in financing activities		-47,765,314	-24,338,279
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 July 2021	15	22,784,524	47,122,803
Cash and cash equivalents at 30 June 2022	15	43,739,505	22,784,524

The Financial Statements set out on pages 1 to 28 were signed by:


Ezekiel Kimosop
 Chairperson Board of Governors
 Date: 8/5/23


Rebecca Chelanga
 Finance Officer
 ICPAK NO.20590


Josphat Kipkemboi
 Chief Principal/Secretary to the Board
 Date: 08 MAY 2023



BARINGO TECHNICAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022****XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Performance Difference	Utilization Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from Government entities	69,000,000	-	69,000,000	61,710,000	7,290,000	10.5%
Rendering of services- Fees from students	122,978,000	20,098,820	143,076,820	124,690,959	18,385,861	12.8%
Other incomes	210,000	-	210,000	493,000	(283,000)	(134%)
Total income	192,188,000	20,098,820	212,286,820	186,893,959	25,392,861	
Expenses						
Compensation of employees	32,832,000	-	32,832,000	31,991,439	(78,981)	0.02%
Use of Goods and services	119,917,052	-	119,917,052	94,347,603	27,728,089	23%
Repair and Maintenance	3,143,200	8,598,820	11,742,020	14,589,660	-2,847,640	(24%)
Board allowances	3,168,000	-	3,168,000	2,513,430	654,570	21%
Development Projects	31,726,568	11,500,000	43,226,568	-	-	-
Transfers to other Government entity	-	-	-	2,978,507	-40,750	-
Depreciation	-	-	-	6,662,433	6,662,433	-
Total expenditure	192,188,000	20,098,820	212,286,820	153,083,072	20,154,035	-
Surplus/Deficit for the period				33,810,887		-

Notes to the budget statement

- The 10.5% and 12.8% variance was as a result of delay in remittance of capitation grant for quarter 4 by the Government and failure by the sponsors to meet their obligation of fee payment on time.
- The 134% collection rate of other incomes was due to compliance by the tenants to honour their obligation on time.
- The variance of 23% on use of goods was due to delayed funding by various parties.
- The negative variance of 24% on Repairs and maintenance was due to increased repair works on hostel and workshop block that was not anticipated.

BARINGO TECHNICAL COLLEGE

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

XVII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

BARINGO TECHNICAL COLLEGE

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

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

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1 January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. The standard is not relevant to the institution.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. The standard is relevant to the institution
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. The standard is not relevant to the institution

ii. **Early adoption of standards**

The entity 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 College and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

BARINGO TECHNICAL COLLEGE

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for Financial Year 2021-2022 was approved by the Board on 30 June 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the College upon receiving the respective approvals in order to conclude the final budget. Accordingly, the College recorded additional appropriations on 14 May 2022 on the Financial Year 2021-2022 budget following the Board's approval.

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

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

c) Taxes

Current income tax

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

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

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

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

e) Property, plant and equipment

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

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

BARINGO TECHNICAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022****NOTES TO THE FINANCIAL STATEMENTS (Continued)****4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The annual depreciation applied on reducing balance basis are:

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

DISCLOSURE ON ASSETS

In the financial year ended 30 June 2022, the college had the following assets which had not been valued and therefore not included in the financial statements for the year ended 30 June 2022

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

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

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

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

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

g) Intangible assets

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

h) Research and development costs

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

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

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

BARINGO TECHNICAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022****NOTES TO THE FINANCIAL STATEMENTS (Continued)****4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****i) Financial instruments****Financial assets****Initial recognition and measurement**

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

i) Inventories

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

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

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

BARINGO TECHNICAL COLLEGE

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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

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

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

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

n) Foreign currency transactions

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

o) Borrowing costs

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

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

BARINGO TECHNICAL COLLEGE

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

Baringo Technical College regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the College, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Chief Principal and Senior Managers.

q) Service concession arrangements

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

r) Cash and cash equivalents

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

s) Comparative figures

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

t) Subsequent events

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

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

BARINGO TECHNICAL COLLEGE

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)**5. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional grants		
Capitation grants	61,710,000	59,707,500
Total	61,710,000	59,707,500

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2020-2021
			Kshs	Kshs	Kshs
Ministry of Education, State Department of Technical & Vocational Education & Training	61,710,000	-			59,707,500
Total	61,710,000	-			59,707,500

6. RENDERING OF SERVICES

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Fee	57,924,272	58,750,957
Activity Fee	6,411,725.00	4,038,299
Personnel Emoluments	21,991,680	13,839,544
Repairs, Maintenance and Improvements	5,244,379	2,017,488.
Local Transport and Travel	6,061,765	4,143,231
Electricity, Water and Conservation	6,223,340	4,034,413
Medical, Attachment and Insurance	4,727,087	3,464,894.
Examination Fee	10,887,450	1,915,459
Material Fee	2,109,000	-
Student ID	618,700	-
Student Council	742,437	-
Hostel Accommodation	712,500	-
Graduation Fee	12,000	-
TVETA Quality Assurance Fee	462,000	-
Cafeteria fees(PAYE)	562,624	11,459,135
Total	124,690,959	103,663,420

BARINGO TECHNICAL COLLEGE

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)**7. OTHER INCOME**

Description	2021-2022	2020-2021
	Kshs	Kshs
Salary recoveries	185,000	195,000
Rental fees	303,500	146,000
Income from sale of tender	-	50,000
Breakage fee	4,500	-
Total	493,000	391,000

8. USE OF GOODS AND SERVICES

Description	2021-2022	2020-2021
	Kshs	Kshs
Teaching and Learning Materials	15,970,010	39,348,188
Industrial Attachment Costs	587,161	646,644
Electricity	1,749,247	1,107,045
Water	636,160	2,215,291
Tender Expenses	266,069	359,612
Student Activity	4,115,545	842,459
Student Council Expenses	414,060	-
Examination Fee Expenses	20,932,208	2,823,110
Fees Refund	192,953	96,250
Cafeteria Expenses	16,413,747	13,975,742
Travelling and Accommodation	8,703,888	7,903,426
Performance Contracting	1,028,056	-
Administration Costs	14,668,440	11,235,670
Marketing	2,095,642	1,949,788
Graduation Expense	2,879,458	-
Cleaning Materials Expense	934,314	-
Science, Technology and Innovation	254,475	-
Internet Expenses	1,427,222	-
Medical Expenses	344,873	-
Landscaping	181,685	-
Hostel and House Keeping Expenses	417,930	-
Library expenses	93,710	-
Bank charges and commission	40,750	-
Total	94,347,603	82,530,947

BARINGO TECHNICAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022****NOTES TO THE FINANCIAL STATEMENTS (Continued)****9. EMPLOYEE COSTS**

	2021-2022	2020-2021
	Kshs	Kshs
Salaries and Wages	29,888,844	21,125,520
Casual wages	266,880	
NSSF	969,990	-
Staff Capacity Building and Motivation	782,725	-
Staff uniforms and apparels	83,000	-
Total	31,991,439	21,125,520

10. BOARD ALLOWANCES

Description	2021-2022	2020-2021
	Kshs	Kshs
Board allowances	2,513,430	3,917,587
Total	2,513,430	3,917,587

11. REPAIRS AND MAINTENANCE

Description	2021-2022	2020-2021
	Kshs	Kshs
General Repairs	9,845,220	-
Equipment and Machinery	31,300	3,495,642
Motor Vehicles	1,218,670	15,000
Hostel Repairs	3,351,100	1,182,050
Fencing	140,250	-
Workshops Repair	3,120	-
Property	-	7,505,430
Total	14,589,660	12,198,122

12. TRANSFERS TO OTHER GOVERNMENT ENTITY

Description	2021-2022	2020-2021
	Kshs	Kshs
Kravchenko	2,978,507	3,879,900
Mochongoi	-	6,630,293
Total	2,978,507	10,510,193

BARINGO TECHNICAL COLLEGE

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)**13. DEPRECIATION AND AMORTIZATION EXPENSE**

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	6,662,433	4,841,636
Total	6,662,433	4,841,636

14. COVID-19 EXPENSES

Description	2021-2022	2020-2021
	Kshs	Kshs
Covid-19 expenses	-	502,185
Total	-	502,185

15. (a) CASH AND CASH EQUIVALENTS

Description	2021-2022	2020-2021
	Kshs	Kshs
Current account	43,739,505	22,784,524
Total	43,739,505	22,784,524

(b) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
a) Current account			
Kenya Commercial bank	1137331836	3,271,225	15,933,930
Kenya Commercial bank	1175704199	18,930,618	6,264,185
Kenya Commercial bank	1167847253	21,537,660	586,409
Total		43,739,503	22,784,524

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Current receivables		-
Student debtors	59,280,353	73,317,774
Staff imprest	1,431,553	-
Sundry debtors	251,000	-
Grants and subsidies	2,978,507	
Total	63,941,413	73,317,774

BARINGO TECHNICAL COLLEGE

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)**17. RECEIVABLES FROM NON EXCHANGE TRANSACTIONS**

Description	2021-2022	2020-2021
	Kshs	Kshs
Capitation	21,427,500	-
Total	21,427,500	-

18. INVENTORIES

Description	2021-2022	2020-2021
	Kshs	Kshs
Catering Stores	178,482.83	777,716
Repairs and Maintenance Stores	582,884	821,090
Stationery	1,041,719	624,541
Electrical Stores	252,040	1,008,355
Cleaning Materials Stores	-	86,706
Food and Beverages Stores	239,268	87,600
Fashion and Design Stores	166,790	151,105
Building Stores	142,980	-
Automotive and Mechanical Stores	143,060	245,571
House Keeping and Accommodation	355,306	-
Agriculture Department Stores	42,440	-
Building and civil engineering stores	-	225,655
Total	3,144,969	4,028,339

BARINGO TECHNICAL COLLEGE

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
19. PROPERTY, PLANT& EQUIPMENT

Asset	Motor Vehicles	Building/W.I.P	Furniture and Fittings	Computers and ict equipment	Books	Plant and Equipme nt's	Totals
	0.25	0	12.5				
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Net Book Value 30 June 2020	-	26,734,382	2,825,087	2,718,292	1,349,874	1,383,802	35,190,953
As at 1st July 2020	-	26,734,382	2,825,087	2,718,274	1,349,874	1,383,802	35,011,419
Additions	7,162,250	5,061,638	1,499,464	3,861,150	55,000	99,870	23,650,884
Book Value 30th June 2021	7,162,250	31,796,017	4,324,551	6,579,424	1,404,874	1,483,672	58,662,303
Depreciation	1,790,563	-	540,569	1,973,827	351,219	185,459	4,841,636
Net book value 30 June 2021	5,371,688	37,707,532	3,783,982	4,605,597	1,053,656	1,298,213	53,820,668
Book value as at 1 st July 2021	5,371,688	37,707,532	3,783,982	4,605,597	1,053,656	1,298,213	53,820,668
Additions		553,785	3,588,752	3,873,150	1,691,752		9,707,439
As at 30 th June 2022	5,371,687	32,349,802	8,862,734	11,210,136	2,745,407	1,298,213	61,837,981
Depreciation	1,342,922		1,107,842	3,363,041	686,352	162,277	6,662,433
Net book value 30 June 2022	4,028,766	38,261,317	6,264,892	5,115,706	2,059,056	1,135,936	56,865,673
Net book value 30 June 2021 prior year audit	5,371,688	37,707,532	3,783,982	4,605,597	1,053,656	1,298,213	53,820,668

BARINGO TECHNICAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022****NOTES TO THE FINANCIAL STATEMENTS (Continued)****Valuation**

Land and buildings have not been valued by independent valuer.

20. CAPITAL WORK IN PROGRESS

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition block	14,865,492	-
Food and beverage restaurant	5,668,250	-
Total	20,533,742	-

21. INTANGIBLE ASSETS

Description	2021-2022	2020-2021
	Kshs	Kshs
Computer software	500,000	-
ERP system	17,790,920	-
Total	18,290,920	-

22. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2021-2022	2020-2021
	Kshs	Kshs
Prepayment	8,242,236	-
Trade Payables	32,003,255	7,977,124
Caution Money	2,092,575	855,575
KUCCPS Placement Fee	1,381,500	-
Bursary funds	80,000	80,000
Helb and other control accounts	4,103,367	-
Total	47,902,933	8,912,699

23. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2021-2022	2020-2021
	Kshs	Kshs
Retention Money	908,819	-
KRA withholding tax	282,478	-
Total	1,191,297	-

BARINGO TECHNICAL COLLEGE

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)**24. DEVELOPMENT FUND**

Description	2021-2022	2020-2021
	Kshs	Kshs
Developments Funds	510,987	510,987
Total	510,987	510,987

25. DEVELOPMENT GRANT

Description	2021-2022	2020-2021
	Kshs	Kshs
Development Grant	15,174,176	15,174,176
Total	15,174,176	15,174,176

26. ACCUMULATED SURPLUS

Description	2021-2022	2020-2021
	Kshs	Kshs
Accumulated Surplus	163,164,329	129,353,442
Total	163,164,329	129,353,442

27. EVENTS AFTER THE REPORTING PERIOD

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

28. ULTIMATE AND HOLDING ENTITY

Baringo Technical College is a Semi- Autonomous Government Agency under the Ministry of Education State Department for Technical, Vocational Education and Training (TVET). Its ultimate parent is the Government of Kenya.

29. CURRENCY

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

BARINGO TECHNICAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022****APPENDICES****APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

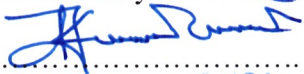
BARINGO TECHNICAL COLLEGE

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

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)
1.2	Development Budget	The management is committed to bring to completion the Tuition complex in the current financial year.	Partially Resolved	30 September 2022
1.3	Expenditure Budget	The management is committed to automate its budgeting process and the entire system to correct such anomalies in the future.	Resolved	30 June 2022
Basis for Conclusion				
1.0	Lack of a Risk Management Policy	The management is committed to develop and operationalize risk management policy	In progress	31 December 2022
2.0	Lack of an Internal Audit Function	The management is committed to operationalize internal audit department by 30th June 2021 in order to evaluate and improve the effectiveness of risk management, control and good governance process in the institution	Resolved	30 June 2021
3.0	Stalled Project	The management is committed to bring to completion the Tuition complex in the next financial year.	Partially resolved	30 September 2022

Josphat Kipkemboi

Chief Principal/Secretary to the Board

 Signature.....

Date.....



BARINGO TECHNICAL COLLEGE

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

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

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

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

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Completion of Tuition complex	16,726,568	6,056,010	95%	16,726,568	-	Internal funds
2	ERP System	20,000,000	5,287,160	70%	17,790,920	-	Internal funds
3	Food and Beverage workshop	6,500,000	4,789,213	95%	5,560,500	-	Internal funds

BARINGO TECHNICAL COLLEGE

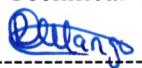
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

APPENDIX III: INTER-ENTITY TRANSFERS

	ENTITY NAME:	BARINGO TECHNICAL COLLEGE		
	Breakdown of Transfers from the State Department for Technical, Vocational Education and Training (TVET)			
	Financial year 2021-2022			
a.	Capitation Grants			
		Bank Statement Date	Amount (Kshs)	Financial year to which the amounts relate
	Baringo Technical College	19.11.2021	18,682,500	2021-2022
	Baringo Technical College	02.03.2022	18,682,500	2021-2022
	Baringo Technical College	03.06.2022	19,957,500	2021-2022
	Baringo North Technical and Vocational College	19.11.2021	1,470,000	2021-2022
	Baringo North Technical and Vocational College	02.03.2022	1,470,000	2021-2022
	Baringo North Technical and Vocational College	03.06.2022	1,455,500	2021-2022
		Total	61,710,000	

Finance Officer
Baringo Technical College

Sign



BARINGO TECHNICAL COLLEGE

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

**APPENDIX IV: INTER-ENTITY TRANSFERS
DISCLOSURE OF MENTOR INSTITUTION****ANALYSIS OF CASH AND CASH EQUIVALENTS**

In the financial year under review, the college was involved in mentoring complexion of Baringo North Technical and Vocational College and Mochongoi Technical and Vocational College in Baringo North and Baringo South, respectively. Mochongoi Technical and Vocational College is now complete and handed over to the Board of Governors

		2021-2022	2020-2021
Financial institution	Account number	Kshs	Kshs
a) Current account			
Transnational bank-Baringo North Technical and Vocational College	142550002	296,847	296,847
Total		296,847	296,847

BARINGO TECHNICAL COLLEGE

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

APPENDIX V: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Ministry of education state department for TVET	Date received	Nature: Recurrent/Develop ment/Others	Total Amount - KES	Where Recorded/recognized				Others - must be specific	Total Transfers during the Period
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables		
Baringo Technical College	19.11.2021	Recurrent		18,682,500			20,152,500		61,710,000
Baringo Technical College	02.03.2022	Recurrent		18,682,500					
Baringo Technical College	03.06.2022	Recurrent		19,957,500					
Baringo North Technical and Vocational College	19.11.2021	Recurrent		1,470,000					
Baringo North Technical and Vocational College	02.03.2022	Recurrent		1,470,000					
Baringo North Technical and Vocational College	03.06.2022	Recurrent		1,455,000					
Total				61,710,000					61,710,000