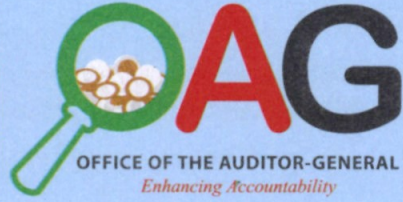
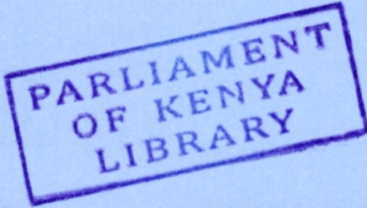


REPUBLIC OF KENYA



REPORT

OF




THE AUDITOR-GENERAL

ON

BUTULA TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 12 MAR 2026	
DAY: THUR	
TABLED BY:	Opp leader of the majority Hon. OKEN BAKAMP
CLERK-AT-THE-TABLE:	MERCY CHUMO



BUTULA TECHNICAL AND VOCATIONAL COLLEGE

REVISED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30TH JUNE, 2025

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

Butula Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
BUTTVOG	Butula Technical and Vocational College
BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IGU	Income Generating Unit
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College
PSC	Public Service Commission
KNEC	Kenya National Examination Council
NITA	National Industrial Training Authority
CDACC	Curriculum Development, Assessment and Certification Council
KASNEB	Kenya Accountants and Secretaries National Examination Board
PS	Principal Secretary
TVET	Technical and Vocational Education and Training
OS	Occupational Standards

B Definition of Key Terms

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

Comparative Year- the prior period.

The Board – a group of professionals managing the institution

Quality Management System (QMS) - A structured system of processes and procedures that institute uses to ensure consistent delivery of products or services that meet customer and regulatory requirements, based on standards like ISO 9001:2015

Stakeholders - Individuals or groups with an interest in the institution's operations and outcomes including students, staff, and the community.

Fiduciary Responsibility - The obligation of individuals in positions of trust (like the Principal and Board members) to act in the best interest of the institution and its stakeholder

Linkages in Training and Industry - Collaborations between educational institutions and industry partners to enhance training relevance and job placement opportunities

Market-Driven Skills - Skills developed based on the current demands and needs of the job market.

Self-Reliance - The ability of individuals to support themselves financially and socially through acquired skills and knowledge

Sustainable Development: Development that meets present needs without compromising the ability of future generations to meet their own needs, often emphasizing environmental, economic, and social sustainability

2. Key Information and Management

a) Background information

Butula Technical and Vocational College (BTLTVC) is a newly established public TVET institution registered under the Ministry of Education, state department of Technical, Vocational Education and Training (**REG NO: TVETA/PUBLIC/TVC/0026/2023**).

The institute is situated in Bujumba Village, Bujumba Location, Marachi West ward, Butula Sub-county in Busia County. The institute sits on the (10) ten-acre college land registration No Marachi/Bujumba/2695 was purchased by NG-CDF Butula Constituency.

The one storey building that was constructed by GOK- Ministry of Education is yet-to-be furnished with workshops for automotive workshop, 8 furnished classrooms, staff-lounge, furnished computer laboratory, yet-to-be stocked library space, 5 offices and two sets of water closets. The objective of the formation is to prepare youths for self-reliance and employment.

The college opened its doors for trainees for the first intake in January 2023 and the first Principal was posted in May, 2023. Prior to this, Mr. Robert Kimakwa, the Registrar Academics on secondment from the mentor institution, Kisiwa TTI was the acting Principal. He was deputized by Mr. Peter Francis Otieno, substantively deployed by the PSC as the deputy Principal.

The College is a centre of excellence in Automotive Engineering. First admission for Technical and Vocational courses was done in January 2023. The institution started with an enrolment population of 285 trainees and the number is increasing steadily. This growth reflects BTLTVC's commitment to providing quality education and responding to the demand for Technical and Vocational skills in Kenya's evolving educational landscape. Currently, the Institution has 16 PSC Trainers, 25 B.O.G Trainers and 13 members of non-teaching staff. The student enrolment as per now stands at 908 trainees.

The institute runs eight (8) academic departments comprising of automotive and Mechanical, Electrical, Hospitality and Institutional Management, Fashion Design and Cosmetology, Liberal

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Studies, Agriculture and Environmental Studies, Business, Computing and Informatics, Building and Civil Engineering, Non-academic departments include; Students Welfare, Registry, Office of Career Services, Finance, Procurement, and Human Resource.

Courses are offered at different levels including Diploma, Certificate and Artisan Programmes which are examined by KNEC, CDACC and NITA.

Butula TVC is managed by a Board of Governors appointed by the Cabinet Secretary, Ministry of Education. It comprises of the Chairperson, Secretary, PS Representative and other six professionals.

b. Principal Activities

The Principal activity/mission/ mandate of the is to;

- i. Implement TVET curriculum and other approved Programmes.
- ii. Nurture Research, Innovation and Creativity.
- iii. Establish linkages in training and industry.
- iv. Offer professional guidance and counselling.
- v. Promote income generation through income generation activity and optimum utilization of resources.
- vi. Formulate, review and coordinate institutional policies and strategies.

Our Vision

To be Centre of choice in nurturing innovations, research and development

Our Mission

To produce proficient and all-round manpower by providing quality and innovative technical and vocational education and training

Our Core Values

- Transparency and Accountability
- Innovativeness
- Impartiality
- Professionalism
- Sustainability
- Teamwork
- Integrity

c. Key Management

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

- Board of Governors
- Accounting officer/ Principal
- Top Management
- Senior Management

d. Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Ms. Carolyne Kwedho
2.	Deputy Principal Administration	Ms. Pamela Wafula
3	Deputy Principal Academics	Mr. Collins Liyala Nathaniel
4	Registrar	Mr. Kennedy Chenane
5	Dean of students	Ms. Wilbroda Nanjinia
6	Head of Finance	Mr. Simon Ochieng
7	Procurement Officer	Ms. Winney Yara

e. Fiduciary Oversight Arrangements

The Board conducts its oversight functions through the following committees;

I. Audit and risk committee activities

The committee performs oversight function by undertaking the following;

- i. Reviewing the institution's internal controls to ensure they are effective and adequate.
- ii. Overseeing the institution's risk management processes and policies.
- iii. Monitoring the institution's compliance with relevant laws, regulations, and policies.
- iv. Evaluating the findings of internal and external audits.
- v. Recommending improvements to the institution's risk management, internal controls, and compliance practices.

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This committee plays a crucial role in providing independent oversight and assurance to the institution's leadership and stakeholders regarding the effectiveness of the institution's risk management, internal controls, and compliance practices.

II. Finance and infrastructure committee activities

- i. The committee is responsible for reviewing and recommending for approval the institution's annual budget proposal. They ensure that the budget aligns with the institution's strategic priorities and can adequately support its educational programs and operational needs.
- ii. The committee closely monitors the institution's financial performance, analyzing revenue streams, expenditures, and overall fiscal health.
- iii. The committee oversees the procurement processes and contract management practices of the institution. They ensure that all purchases and contractual agreements are made in a transparent, cost-effective, and compliant manner, maximizing the institution's resources.
- iv. The committee is responsible for overseeing the maintenance, improvement, and development of the institution's physical infrastructure, including buildings, facilities, and equipment.
- v. The committee regularly reviews the institution's financial and infrastructure-related policies, procedures, and practices.

By fulfilling these critical responsibilities, the Finance and Infrastructure Committee plays a pivotal role in supporting the institution's ability to deliver high-quality educational programs and services to its students and stakeholders

III. Human Resource and training committee activities

- i. Developing and reviewing the institution's human resource policies and procedures.
- ii. Overseeing the recruitment and onboarding of new employees.
- iii. Managing employee development, including performance management, career planning, and succession planning.
- iv. Evaluating the training needs of the institution's staff
- v. Designing and delivering training programs to address the identified needs.
- vi. Monitoring the effectiveness of the training programs and making improvements as needed

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This committee plays a crucial role in ensuring that the institution has the right talent and capabilities to support its educational programs and achieve its strategic objectives.

f. Butula Technical and Vocational College Headquarters

P.O. Box 44-50404
College Building
Off Bumala-Butula Road
Busia, (KENYA)

g. Butula Technical and Vocational College Contacts

Telephone: +254723937873
E-mail: butulatechnical@gmail.com.
Website: www.butulatechnical@gmail.com

h. Butula Technical and Vocational College Banker

i) Equity bank (2 bank accounts)
P.O Box 553-50400
Busia (Kenya)

ii) Kenya Commercial Bank
P.O. Box 116-50400
Busia Kenya

i. Independent Auditors

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

j. Principal Legal Adviser

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

3.The Board of Governors

 <p>NAME: PROF. JOHN O. SHIUNDU BOG Chairperson</p>	<p>Date of Birth: July 1, 1948 Key Qualifications: Prof. Shiundu holds Post-Doctoral Studies degree in Evaluation 1996 Summer School, Organization for of Social Science Research from Eastern and Southern Africa (OSSREA) Addis Ababa University, Ethiopia; Ph.D from Kenyatta University, Ph. D Course Work 1983-1984 from McGill University, Canada; Master of Education (M.Ed.) 1981 from University of Nairobi, Kenya; Graduate Certificate in Curriculum 1980 Njala University College, Sierra Leone; Evaluation & Research 1978 from Kenya Institute of Education; Bachelor of Education (2nd Class Upper Division) 1976 from University of Nairobi, Kenya; Certificate of Teacher Education (S1) 1972 Ministry of Education, Kenya; Higher School Certificate (&#39;A&#39; Level) 1972 Private Candidate, Kenya; Certificate of Teacher Education (P1) 1970from Kisii College, Kenya</p> <p>Work Experience in the University: Prof. Shiundu is currently Professor of Education, (Curriculum and Instruction), Masinde Muliro University of Science and Technology, (MMUST) and Director Institute of Indigenous Knowledge and Culture Studies from 2020. From 2007- 2013 he was Deputy Vice Chancellor, Planning, Research and Extension; 2004 – 2007 he was Director, Institute of Graduate Studies, Research and Extension, (MMUST 1999 - 2003 he was Professor of Education, Curriculum and Teaching, Maseno University, Kenya.</p>
 <p>Name: Ms MARGARET KEMUNTO NYAORA BOG Member</p>	<p>Date of Birth: 24/10/1977 Key qualification: She holds a Bachelor’s Degree in Business Management - Purchasing & Supply Chain option from Masinde Muliro University of Science & Technology. Work experience: She worked for Vestergaard Africa as a Subcounty coordinator for 9 years. She also worked for Compassion Kenya for 3 years as a part time trainer. Currently working for Somo Africa as a part time trainer. She is the chairperson Finance planning and development committee</p>


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 <p>Name: Ms DAISY NABALAYO WAKOLI BOG member</p>	<p>Date of Birth: 2nd April 1984</p> <p>Key Qualifications: Ms Wakoli holds a Master’s degree in Law (LLM) from University of Nairobi; Post Graduate Diploma from Kenya School of Law and Bachelor’s degree in Law from University of Nairobi Professionally she has a Certificate in Professional Mediation from Mediation Training Institute International 2016.</p> <p>Work Experience: Ms Wakoli is current Chairlady L.S.K Bungoma Chapter from 2022 having also served as Chapter Vice Chair from 2016-2019 and Bungoma Chapter welfare officer from 2013-2016, and 2019-2022. In the TVET sector she is the current chairperson of the Research, Training and Human Resource Committee of the Board, Webuye West Technical Training College. A member of Audit and Risk Management committee</p>
 <p>Name: MR. DAVID MURAYA SHABAN BOG member</p>	<p>Date of Birth: 1st June 1981</p> <p>Key Qualifications: Mr Muraya holds a Bachelor of Education Arts degree from Moi University and a Master of Arts in Economics-Masinde Muliro University</p> <p>Work Experience: He taught as a High school teacher at Mawe High school from 2006 to 2007; Worked as a Sales and marketing officer for Barclays bank of Kenya from year 2007 to 2014 and Customer Service Advisor for Absa bank Kenya plc from 2014 to 2023. He is currently the Compliance officer at Absa bank Kenya plc from 2024. He has 14 years’ work experience as an Operational officer at ABSA Bank Kakamega. He is the Chairperson Audit and Risk Management committee.</p>

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 <p>Name: MR. WILLIAM O. MWANZA</p>	<p>Date of Birth: 25 December 1962; Key Qualification: Bachelor of Philosophy in Mechanical Engineering from the Technical University of Kenya. Strategic Leadership training from the Kenya School of Government.</p> <p>Work Experience: Worked at the Ministry of Works as Superintendent Mechanical, Later joined NYS at the NYS Engineering Institute as a lecturer. Joined the Ministry at the National Industrial Training Authority (NITA) where he worked as the National Coordinator for Industrial Attachment Project, worked as principal NITA Athi River before becoming the Manager Industrial Training at the Authority where he rose to Director Industrial Training. He is the Chairperson Education Human Resource and Education committee</p>
 <p>Name: MR. GEORGE OTIENO OLEWE BOG Member</p>	<p>Date of Birth: 30th April, 1960 Key Qualifications: Mr. Olewe holds an Executive Masters in Business Administration from JKUAT, Diploma in Technical Education from Kenya Technical Teachers College, Higher Diploma in Construction (Structures) from Mombasa Polytechnic, Ordinary Diploma in water Engineering, Certificate in water Technology from Kenya Water Institute. He also has a certificate in Competence based education and training in oil and Gas, ESAMI- Kampala Project Planning and management, Kenya School of Government, Strategic Leadership Development from Kenya School of Government.</p> <p>Work Experience: He is a retired public servant. He worked as a Deputy Director 2018 to 2020 Ministry of Education State Department for Vocational and Training; Assistant Director Ministry of Education State Department for Vocational and Training 2005 to 2018; Principal – Centre for Research and Training / National Industrial Vocational Training Centre 2003-2005; Senior Inspector Technical Education/Principal, 1999-2003; Technical Training Officer Ministry Technical and Applied Technology, 1994-1999; Assistant Lecturer Western College of Arts and</p>

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	<p>Applied Sciences (WECO), 1988-1994; Engineering Assistant Ministry of Water Development, 1982-1988 He is a member of the Education Human Resource and Training Committee. He is also a member of the Finance planning and development committee</p>
 <p>Name: MR. SYLVESTER OGOLA KADIKINY BOG member</p>	<p>Date of Birth: 13th April 1985 Key Qualifications: Eng. Kadikiny holds a Bachelor of Technology in Civil and Structural Engineering degree from Masinde Muliro University of Science and Technology.</p> <p>Work Experience: Eng. Kadikiny has held several professional responsibilities in design, project and contract management, materials testing and quality controls, resident and design engineer, site agent, team leader, and as a training and capacity building engineer as from October 2010. He was the Deputy Resident Engineer with Interconsult Engineers Ltd in JV with Tripple Systems Consultants Ltd in JV with Ecosite Development Consultants Ltd during the Construction of Lamu Garissa (A10) Road & Associated Spur Roads. May 2021 to July 2023; Project Manager/Site Agent with Bridgestone Construction Company Ltd. Involved in the routine Maintenance of 31km Lodwar Kalokol Road Project, B72, May 2019 to May 2021, Project Manager/Site Agent with HAYER BISHAN SINGH & SONS LTD Construction Company which is a leading roads and civil/structural construction firm in East Africa. Involved in the construction of 40km MASENO-KOMBEWA- KALANDINI ROAD to Bitumen Standards with a contract value of Kshs. 1.7 Billion, July 2016 to April 2019; Deputy Resident Engineer with MOTI CONSULTANTS LTD during the Construction to Bitumen Standards of the EJINJA-BUMALA ROAD (C30) with a contract value of Kshs 2.09 Billion, December 2011 to July 2016; Assistant Engineer in the RESIDENT ENGINEER'S Office, during the construction of ENA-ISHIARA-CHIAKARIGA ROAD (C92), April 2010 - November 2011; Tender Evaluation; Tender and preparation of Bids</p>

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	<p>for projects; involving, projects evaluations, costs analysis, qualifications and negotiations and awarding of tenders for Masinde Muliro University of Science and Technology, May 2009 to June 2009 and also Worked with the Gauff-Louis Berger-Runji Engineering Consultants, company during the rehabilitation of Maai-Mahiu-Narok road project, May 2008 - September 2008 He is a member of the Finance planning and development committee</p>
<div style="text-align: center;">  </div> <p>Name: MR. DAVID LIDBURY ERULU AWILLIE. BOG member</p>	<p>Date of Birth: 17th October 1956. Key Qualifications: Mr. Awillie has a various certificates in production and management. He has a Diploma in County Governance from Jaramogi Oginga Odinga University of Science and Technology, Bondo. Work Experience: He taught at Nanderema Sec School from 1976-1978. From 1979 to 1985 he worked as Assistant Production Manager in Simbarite Factory Ltd Mombasa, rising from management trainee to assistant Factory Manager. At Kenya Tea Development Agency, Mr. Erulu served from 1985 to 2002 starting as an Assistant Factory manager to fully fledged factory manager in charge of operations in the factory. He was Delegate to the Constitution Review Commission from 2002 -2004 during the drafting of the new constitution where he was a member Media Advisory committee handling all aspects of the media of the Constitution of Kenya Review Commission. Representing Busia County, Fisheries Department. He is currently Youth Affairs & Sports, currently in the County Government of Busia in the Governor's office. He is the Member Human Resource management committee. He is the Governors representative.</p>

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 <p>Name: MS. MARTHA NEKESA WEKESA</p>	<p>She is the Regional director for Bungoma and Busia counties.</p> <p>Work Experience and Key Qualifications: 3/6/1966, MSc FST, BSc FST, PGDE,SLDP, SMC. TSC 13years, 14 years under PSC of which 10years as a CDTVET</p>
 <p>BOG Secretary/Principal Name: MS. CAROLYNE AOR KWEDHO</p>	<p>Date of Birth: 13th May 1971 Key Qualifications: She holds a Masters of Education Degree in (Educational Administration), a Bachelor's degree in Education (Home Economics) a certificate in senior Management Senior Course from Kenya School of Management. Working Experience: Ms Carolyne Kwedho has 29 years' work experience as follows: 1995 – 1999: Munzatsi Secondary School; 2001 – 2006: Busiada Girls' Secondary School; 2009 – 2015 Bumbe Technical Training Institute; 2015- March 2018: Chief Officer in the County Government of Busia; Apr 2018 to March 2023: and Deputy Principal at Okame Technical and Vocational College. She joined Butula TVC as Principal and Secretary BOG from 10th March 2023 to date</p>

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4. Key Management Team

1.	 Name: Ms. Carolyne Kwedho	Responsibility: Principal and Secretary to the Board Qualification: She holds a Master's Degree in Education Administration and a Bachelor of Education Degree in Home Economics
2.	 Name: Ms. Pamela Wafula	Responsibility: D/P Administration Qualification: She holds A Bachelor of Education Arts
3.	 Name: Mr. Collins Liyala Nathaniel	Responsibility: D/P Academics Qualification : He holds a Bachelor of Computer Science

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<p>4.</p>	 <p>Name: Mr. Kennedy Chenane</p>	<p>Responsibility: Registrar Qualification: He holds a Bachelor of Education in Building and construction</p>
<p>5.</p>	 <p>Name: Ms. Wilbroda Nanjinia</p>	<p>Responsibility: Dean of Students Qualification: She holds a Diploma in Agriculture Education and Extension.</p>
<p>6.</p>	 <p>Name: Mr. Simon Ochieng Otieno</p>	<p>Responsibility: Accountant Qualification: He holds Degree in Business Management (accounting option) CPA-Intermediate level</p>

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7.	 <p>Name: Ms. Winnie Anyango Yara</p>	<p>Responsibility: Procurement Officer on interim.</p> <p>She holds a Bachelor's Degree Bachelor of Commerce (Purchasing and Supplies Option).</p> <p>Diploma in Personnel Management</p> <p>Registered member of Kenya Institute of Supplies Management</p>
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5. Chairman's Statement

Following the appointment of the Board of Butula Technical and Vocational College (BTVC) in 5th May 2023 and official inauguration on 24th May 2023, I am pleased to state that the board has been discharging its functions as mandated in the TVET Act. In November 2023, board members attended the orientation/induction training in Kisumu town, a forum from which they learnt immensely on Governance of the institution.

With these preparations and orientations, our young board has discharged several critical and expected activities. Board and committee meetings have taken place as per Government regulations. Within the first meeting of the board two important committees – the Finance, Planning and Development Committee (FPDC) and the Human Resources and Training Committee (HRTC) – were formed. The board thereafter went ahead to consider and approve the interim policies and guidelines (on financial procedures and HR guidelines respectively) developed by these two committees.

As the Board of Butula TVC, our primary goal is to ensure the institution not only meets but consistently exceeds its mandate. We are committed to supporting initiatives that enhance our achievements while addressing challenges arising from significant growth. Butula TVC has been growing gradually in enrolment and by the close of the financial year 30th June 2025 the college enrolment was at 908. This growth reflects the quality of training we provide and the increasing demand for our programs. However, rapid expansion brings challenges, particularly in maintaining high training standards. One pressing issue is staffing. The increase in student numbers necessitates more trainers and support staff. To address this, the Board has supported the recruitment of 25 B.O.G Trainers and 13 support Staff, aiming to improve the trainee-to-trainer ratio.

On behalf of the Board, I appreciate the Government for the financial support informs of the Capitation, Scholarships, Development and Recurrent Grants and HELB funds that has enabled the College to take off.

Challenges

The college has faced several constraints; they include:

- i. From policy and strategic point of view, increasing student enrolment and retention has been an issue especially due to inadequate equipment and by extension practical.
- ii. Reliance on part-time trainers with limited funds has been a great challenge for us.
- iii. With increasing students' enrolment, we have really faced challenge of lecture halls.
- iv. Our trainees have challenges of where to stay since around the college only few people have put up rental houses.

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- v. Government underfunding on Capitation have impacted negatively on our revenue collections leading to budget deficit.

Way forward

With the prevailing goodwill and opportunities from many institutions within Busia County and beyond, the future outlook for the college can only be bright. The board will prioritize the development and finalization of a strategic plan as early as possible in the New Financial Year 2024/2025. A concise marketing strategy to attract more students to at least 1200, and retain those already studying in the college will be developed and implemented. A resource mobilization strategy to attract funding for identified priority projects will be developed and put in action. We encourage people neighbouring the institution to construct rental houses for the trainees.

Acknowledgements

The board is aware that it could not possibly achieve what it has done nor go into the future alone. For this reason, I am sincerely grateful to board members for quickly bonding and providing a mature and national outlook when transacting board business.

With the support of the NG-CDF, the college has undertaken various projects namely: Connection of electricity, water connectivity, 35 computers, computer chairs and Computer tables. The CDF also constructed a 3-door pit latrine and a urinal for the male students and 2-door pit latrine and a bathroom for the females. Completion of the Perimeter wall with pre-cast concrete poles is in progress. The Board also thanks the Principal, Deputy-Principals, and staff for their dedication, commitment and collaboration.

We also have a tuition block project under construction courtesy of the SDTVET.

The Regional TVET office has been consistent in its support and for this we say thank you. Finally, the leadership of the department of TVET at the national level are gratefully acknowledged for their policy and operational support and guidance.

Signature.....

John O Shiundu

BOG Chairman

Date: 3rd December 2025

6. Report of the Senior Principal

It is with great pleasure that I present the Annual Report and Financial Statements for Butula TVC for the Financial Year ended 30th June 2025. This is a newly established public TVET institution Reg. No.TVETA/PUBLIC/TVC/0026/2023 situated in Bujumba Village, Bujumba Location, Marachi West ward, Butula Sub-county in Busia County. The college was mentored by Kisiwa Technical Training Institute (KTTI). The ten-acre college land registration No. Marachi/Bujumba/2695 was purchased by NG-CDF Butula Constituency. The one storey building that was constructed by GOK houses two yet-to-be furnished workshops for Automotive/Mechanical workshop, 8 furnished classrooms, staffroom, furnished computer laboratory, yet-to-be stocked library space, 5 offices and two sets of water closets. The college gate and the two ablution blocks were done by the NG-CDF Butula Constituency. The college opened its doors for students for the first intake in September 2022.

Our primary mission is to provide high-quality technical training that not only meets the quantitative needs of industry but also ensures that our graduates possess the qualitative skills required to excel in their careers. In the year under review, we have seen a notable increase in student enrollment, which has risen from 285 to 908. This impressive growth reflects the rising recognition of the value of our programs and the growing demand for technical training. It is a clear indication that more students are seeking to acquire practical skills that are essential for their future professional success.

The college has since been registered by the requisite bodies including KATTI, HELB, KUCCPS, TVETA, TVET/CDACC and KNEC.

To achieve our vision of becoming a center of choice in nurturing innovations, research and development, Butula TVC offers various programs across nine Departments in Electrical & Electronics, Hospitality and Institutional Management, Fashion Design and Cosmetology, Building and Civil Engineering, Business Studies, Automotive & Mechanical, Computing & Informatics, Liberal Studies and Agriculture and Environmental studies. The programs are spread from level 3, 4, 5 and 6. From September 2023, following the Ministry Directive, the college began the enrollment of CBET courses and the first cohort are waiting for July / August 2024 assessments, courtesy of the support from TVET/CDACC.

In line with the Ministry initiative on Dual Training the college is in the process of getting on boarded in the GIZ dual TVET training. Several industries have been mapped by the college and training done by GIZ staff in preparation for September 2025 in-take. The college also collaborates with the local industries in Bumala market centre especially in Automotive. The college is grateful to Aja Auto garage, Butunyi VTC, Western Ambience Hotel and Wema Hotel, to mention but a few, for their support in practicals.

The college is managed by a Board of Governors inaugurated in May 2023 led by Prof. John O. Shiundu. The Board underwent induction training in November 2023 at Kisumu Hotel that took them through governance in TVET institutions. As at 30th June 2025 there were 41 trainers in the college, 16 deployed by the Ministry through Public Service Commission and twenty 25 on Board employment. The college has two Deputy Principals and a substantive Registrar. The college led by the BOG interviewed 7 trainers who may be joining the college once the recruitment process is

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over. The college has 13 board employees for support services. The college Security is outsourced and maintained by Matrix Security Services limited Company.

With the support of the NG-CDF, the college has undertaken various projects namely: Connection of electricity, water connectivity, 35 computers, computer chairs and Computer tables. The CDF also constructed a 3-door pit latrine and a urinal for the male students and 2-door pit latrines and a bathroom for the females. Completion of the Perimeter wall with pre-cast concrete poles is in progress. Masonry shade was also constructed to facilitate Building Department practical.

The Ministry of Education, State Department of TVET has been very gracious to Butula TVC. The one storey building in the college was put up by GOK funds. The SDTVET with the support of our PS Dr. Esther Thaara Muoria has blessed us and continues to bless us with trainers and administrative staff. We also have a tuition block project under construction courtesy of the SDTVET which is at 58%.

Butula Technical and Vocational College received a total revenue amounting to Kshs. 24,350,772.00, comprising of Kshs. 12,082,278 as collection from trainees/sponsors/parents as college fees and Kshs. 11,546,744 as government grants comprising of capitation, scholarship, and recurrent grants. The resources spent amounted to Kshs. 29,787,113 as per the statement of financial performance and a total of 7,676,604.00 spent on development.

As per enrolment, we expected to receive Kshs. 60,216,025 disclosed in the revenue budget leading to student debtors of 36,200,063.00. Fee collections from the self-sponsored students is also a challenge since most of our students come from a poor background and mostly rely on HELB loans and other bursaries. This has impacted negatively on the College budget.

The college is keen on co-curricular activities, having teams ready to participate in the Western Regional TVET fair Skills competitions, Western Region Drama Festivals and Western Region Soccer when scheduled.

Thank you for your continued support.

Signature



Date: 3rd December 2025

Carolyn Kwedho

BOG Secretary/Principal

7. Statement of Performance against Predetermined Objectives

Butula TVC has 5 strategic pillars and objectives within the current strategic plan for the FY 2023-2028. These strategic pillars are as follows:

- i) Quality Training, learning, Research and Innovation
- ii) Finance and Funding.
- iii) Enhance Institutional Capacity.
- iv) Promote Customer Satisfaction
- v) Co-operate Governance. And accountability

Butula TVC has develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan will be done on a quarterly basis.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Quality Training, learning, Research and Innovation	To hire, skill and reskill trainers	<ul style="list-style-type: none"> • Appointment letters/Signed contracts, • Training reports 	<ul style="list-style-type: none"> ➤ Recruitment of non-training staff, ➤ Recruitment of trainers ➤ Training on digital literacy 	<ul style="list-style-type: none"> ➤ 21 recruited technicians. ➤ 25 recruited trainers. ➤ Staff trained.
	To Strengthen Research and Innovation.	<ul style="list-style-type: none"> • Research and innovation week report, • Rewards report, Benchmarking report • Signed memorandums 	<ul style="list-style-type: none"> ➤ Research rewards for innovation ➤ Staff trained ➤ Capacity building in research publication and writing. ➤ Collaboration and partnership with at least three industry 	<ul style="list-style-type: none"> ➤ Trainers motivated to innovate. ➤ Implementation of best practices. ➤ Empowered researchers ➤ Increased innovations
	To revamp infrastructure for curricular and co-curricular activities	<ul style="list-style-type: none"> • Certificate of completion 	<ul style="list-style-type: none"> ➤ Construction of a new hospitality complex (15 M) 	<ul style="list-style-type: none"> ➤ Construction of hospitality complex on-going at 58% of completion by the end of FY 2023/2024)
	To improve on quality of	<ul style="list-style-type: none"> • Approved academic policy, 	<ul style="list-style-type: none"> ➤ Training of KNEC curriculum 	<ul style="list-style-type: none"> ➤ KNEC trainees trained

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<ul style="list-style-type: none"> ➤ CBT- trained academic staff ➤ Training of non-academic staff 	<ul style="list-style-type: none"> ➤ Training of CBT- curriculum of academic staff ➤ Training of non-academic staff 	<ul style="list-style-type: none"> ➤ Purchase of training materials and learning materials per department like fridge for institutional management 	<ul style="list-style-type: none"> ➤ Develop marketing strategy policy ➤ Review marketing strategy to apply for government funding and participate and co-organize co-curricular activities carried out 	<ul style="list-style-type: none"> ➤ Marketing policy developed ➤ Reviewed marketing strategy ➤ Trainees enrolled and mentored. ➤ All trainees apply for the funding ➤ Co-curricular activities carried out 	<ul style="list-style-type: none"> ➤ Fee raised and Marketing strategy developed ➤ Implement the developed marketing strategy ➤ Promote CDACC courses ➤ Increase revenue collection 	<ul style="list-style-type: none"> ➤ Review and analyse the marketing strategy ➤ Implement the developed marketing strategy ➤ Promote CDACC courses ➤ Increase revenue collection 	<ul style="list-style-type: none"> ➤ Approved marketing policy, reviewed and approved marketing policy, Number of enrolled and recruited trainees of Certificates of participation 	<ul style="list-style-type: none"> ➤ Approved marketing policy, reviewed marketing strategy, Amount of fee raised ➤ Production 	<ul style="list-style-type: none"> ➤ To improve on trainee enrolment and completion rates 	<ul style="list-style-type: none"> ➤ Finance and Funding 	<ul style="list-style-type: none"> ➤ To improve revenue collection 	<ul style="list-style-type: none"> ➤ Approved marketing strategy, Amount of fee raised ➤ Production 	<ul style="list-style-type: none"> ➤ To improve revenue collection 	<ul style="list-style-type: none"> ➤ To improve Customer Satisfaction and community engagement 	<ul style="list-style-type: none"> ➤ To improve Reputation and Image 	<ul style="list-style-type: none"> ➤ Promote Customer Satisfaction and community engagement
<ul style="list-style-type: none"> ➤ CBT- trained academic staff ➤ Training of non-academic staff 	<ul style="list-style-type: none"> ➤ Training of CBT- curriculum of academic staff ➤ Training of non-academic staff 	<ul style="list-style-type: none"> ➤ Purchase of training materials and learning materials per department like fridge for institutional management 	<ul style="list-style-type: none"> ➤ Develop marketing strategy ➤ Review marketing strategy to apply for government funding and participate and co-organize co-curricular activities carried out 	<ul style="list-style-type: none"> ➤ Marketing policy developed ➤ Reviewed marketing strategy ➤ Trainees enrolled and mentored. ➤ All trainees apply for the funding ➤ Co-curricular activities carried out 	<ul style="list-style-type: none"> ➤ Fee raised and Marketing strategy developed ➤ Implement the developed marketing strategy ➤ Promote CDACC courses ➤ Increase revenue collection 	<ul style="list-style-type: none"> ➤ Review and analyse the marketing strategy ➤ Implement the developed marketing strategy ➤ Promote CDACC courses ➤ Increase revenue collection 	<ul style="list-style-type: none"> ➤ Approved marketing policy, reviewed marketing strategy, Amount of fee raised ➤ Production 	<ul style="list-style-type: none"> ➤ To improve on trainee enrolment and completion rates 	<ul style="list-style-type: none"> ➤ To improve revenue collection 	<ul style="list-style-type: none"> ➤ Finance and Funding 	<ul style="list-style-type: none"> ➤ To improve revenue collection 	<ul style="list-style-type: none"> ➤ Approved marketing strategy, Amount of fee raised ➤ Production 	<ul style="list-style-type: none"> ➤ To improve revenue collection 	<ul style="list-style-type: none"> ➤ To improve Customer Satisfaction and community engagement 	<ul style="list-style-type: none"> ➤ To improve Reputation and Image 	<ul style="list-style-type: none"> ➤ Promote Customer Satisfaction and community engagement

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Enhance Institutional Capacity	To attract, develop and retain human capital.	<ul style="list-style-type: none"> i) Attain and sustain optimal staffing levels ii) Enhance development and training initiatives 	<ul style="list-style-type: none"> ➤ Recruitments ➤ Training activities 	Continuous recruitment of staffs Staffs continuous capacity building
	To enhance employee engagement and motivation	<ul style="list-style-type: none"> • Enhance awareness on college events. • Enhance employee welfare 	<ul style="list-style-type: none"> ➤ Notice boards and memos ➤ Welfare activities 	Timely payment of salaries to employees
	To streamline and enhance college efficiency	<ul style="list-style-type: none"> • Leveraging on ICT in college operations • Enhance ICT Security • Enhance Wi-Fi access points within the college • Procure a power backup solution • Purchase of college bus <p>i. Purchase of double cabin pck-up</p>	<ul style="list-style-type: none"> ➤ WIFI installations ➤ Generator, double cabs and College bus purchase 	Grilling of the ICT lab windows and doors WIFI Installations in the College
Co-operate Governance. And accountability	To Strengthen College Leadership and Governance	<ul style="list-style-type: none"> • Enrich Board oversight Role • Enhance Institutional long- term Sustainability • Improve Institutional Performance 	<ul style="list-style-type: none"> ➤ Board activities ➤ Internal controls ➤ Government directives ➤ Student council 	Board meetings Compliance to government directives Student council activities

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		<ul style="list-style-type: none">• Promote Ethical Leadership• Mainstream Government policies on Cross-cutting issues.• Establish trainees council		
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Butula Technical and Vocational College
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8. Corporate Governance Statement

The corporate governance statement outlines the governance framework and practices adopted by Butula TVC. Our commitment to transparency, accountability and ethical conduct guides our operations and decision making process.

Board of governors

BTVC is governed by the board of governors responsible for strategic oversight, policy formulation and ensuring the institution's mission aligns with national education standards.

Board members list and their Meetings and Attendance

NO.	NAME	1 st	2 nd Quarter	3 rd quarter	4 th
1.	Prof. John O. Shiundu	✓	✓	✓	✓
2.	Mr George Olewe,	✓	✓	✓	✓
3.	Ms Daisy Wakoli,	✓	✓	✓	✓
4.	Mr. David Shaaban,	✓	✓	✓	✓
5.	Eng. Sylvester Kadikiny,	✓	✓	✓	✓
6.	Mr. William Mwanza,	✓	✓	✓	✓
7.	Joseph Sunguti	✓	✓		
8.	Martha Nekesa Wekesa			✓	✓
9.	Ms Margaret Nyaora	✓	✓	✓	✓
10.	David Willie Erulu	✓	✓	✓	✓

The Principal, Ms Carolyne Kwedho who is the Secretary to the Board.

Board of Governors

Committees

Board Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Board.

In the financial year 2023/2024 the Board approved the following committees;

**I. RESEARCH TRAINING AND HUMAN RESOURCE
COMMITTEE**

Membership and meeting attendance was as

shown below:

NO.	NAME	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter

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1.	William Mwanza	✓	✓	-	✓	✓
2.	George Olewe	✓	✓	-	✓	✓

Duties

- i. Oversee of the implementation of academic programs and standards.
- ii. Approve training programs.
- iii. Monitor, evaluate, and report on quality of training programs.
- iv. Ensuring the relevance of training to industry requirements.
- v. Evaluating the cost effectiveness of different training programs.
- vi. Determine the enrolment of training programs.
- vii. Evaluation of examination criteria, procedure and results.

II. FINANCE, ADMINISTRATION AND INFRASTRUCTURE COMMITTEE.

Membership and meeting attendance was as below:

NO.	NAME	1 st quarter	2 nd quarte	3 rd quarter	4 th quarter
1.	Kadikinyi Sylvester	✓	✓	✓	✓
2.	Margret Kemunto	✓	✓	✓	✓
3.	George Olewe	✓	✓	✓	✓

Mandate

- a. Oversight of annual operating plan and budget development including recommendation to the management for Board s approval.
- b. Oversight of the structure with assistance of staff to develop the fee structure.
- c. To ensure the solvency of the Institute – finance mobilization.
- d. To safeguard the Institute assets.
- e. To ensure the effective and efficient use of resources.
- f. To ensure that financial control systems are in place and are working effectively.

III. RISK AND AUDIT COMMITTEE

Membership and meeting attendance was as follows:

NO.	NAME	1 st	2 nd	3 rd	4 th
1.	David Muraya	-	✓	-	✓
2.	Daisy Wakoli	-	✓	-	✓
3.	Felix Okinyi		✓		✓
4.	David erulu		✓		✓

Duties

To ensure.

- Compliance with labour laws and regulations,
- Compliance with Government of Kenya (GoK) Policy.
- Compliance with Board of Governors Policy.
- Compliance with established professional standards.
- Compliance with ISO guidelines and standards.

ii. To evaluate.

- Achievement of targets and as set in the strategic and work plan.
- The application of ethical standards and core values in the pursuit of vision goals.
- Overall efficiency and effectiveness.

Board Charter

Butula TVC governance is directed by its board charter that was developed in regards to Mwongozo government policy document. It clearly outlines best governance principles guiding Board operations like size of the Board, appointments, duties, resignation, and procedure for meetings, communication, liability of members and conflict of interest.

Succession Plan

The Board is composed of 9 members. Each member is entitled to a 3-year term renewable up to a maximum of 2 terms. No Board at any particular time will be composed of all new members as a way of ensuring smooth transition.

Process of Appointment and Removal of Board Members

The second schedule of the TVET Act allows the Cabinet Secretary to appoint members of the Board of Governors consisting of not less than seven and not more than nine members; on basis of nominees proposed by various stakeholders. Mwongozo policy document acts as a guide in regards to the Removal of a Board Member which include but not limited to: failure of a member to attend 3 consecutive meetings without notice, member resignation through notice and incapacitation of a member. Members of the Board were appointed by the CS education on 18th May 2023 and inaugurated 24th May 2023.

The functions of the board of Governors as set out under section 28 (1) of TVET Act shall include: -

- (a) Overseeing the conduct of education and training in the institution
- (b) Promoting and maintaining standards, quality and relevance in education
- (c) Administering and managing the property of the institutions;
- (d) Developing and implementing the institutions' strategic plan
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) Mobilizing resources for the institutions;

Induction and Training of Board Members

In line with recommendation of Mwongozo, Butula TVC undertakes induction programs aimed at empowering members to enable them to be effective in discharge of their duties. Gap analysis is what informs the nature of the training. Induction of the new board was conducted in November 2023.

Conflict of Interest

The Board is acquainted about the conflict of interest on effectiveness of discharging its duties. Members observed each specific conduct contained in statues governing ethical behavior and the required professional ethics where applicable. In accordance, in every meeting, members sign in the declaration of interest prior to the discussion of the agenda item(s). During the financial year 2023/2024 there was no member who had a conflict of interest on any of the agenda item(s).

Board Remuneration

The Board are remunerated as a form of facilitation. The remuneration is in the form of sitting allowance and transport. Pay as you earn is deducted at the rate of 30% of sitting allowance and remitted accordingly.

Ethics and Governance as well as Governance Audit

The board abided by the code of conduct and ethics for State Corporation that emphasizes on ethical conduct and integrity at the workplace. The Boards operations were guided by the stipulated values; respect for people, integrity, transparency and accountability.

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The operation on governance audit covers the parameters defined under the Mwongozo as part of statutory requirements. Periodic audit is done by Audit and Risk Management Committee as a way of ensuring conformity to various audit parameters.

Board Members Performance

The board's commitment to excellence, financial management, and infrastructure development has been remarkable here are some of the performances for the FY 2024/2025.

In matters excellence the institution actualized on drafting of the strategic plan; developed a college master plan, recruitment of support staff and trainers, recruitment of 16 PSC trainers to enhance efficient quality training.

In terms of infrastructure development, the board has made significant progress in erecting a perimeter wall in the front side of the college which provides security and beautification of the institution. Another significant achievement was construction of building and civil engineering workshop shade that facilitates training in the necessary department.

In conclusion, the board's performance in the just-ended financial year has been per the standard. With continued support from all our stakeholders we will soar to greater heights in future. Thank you for your continued support.

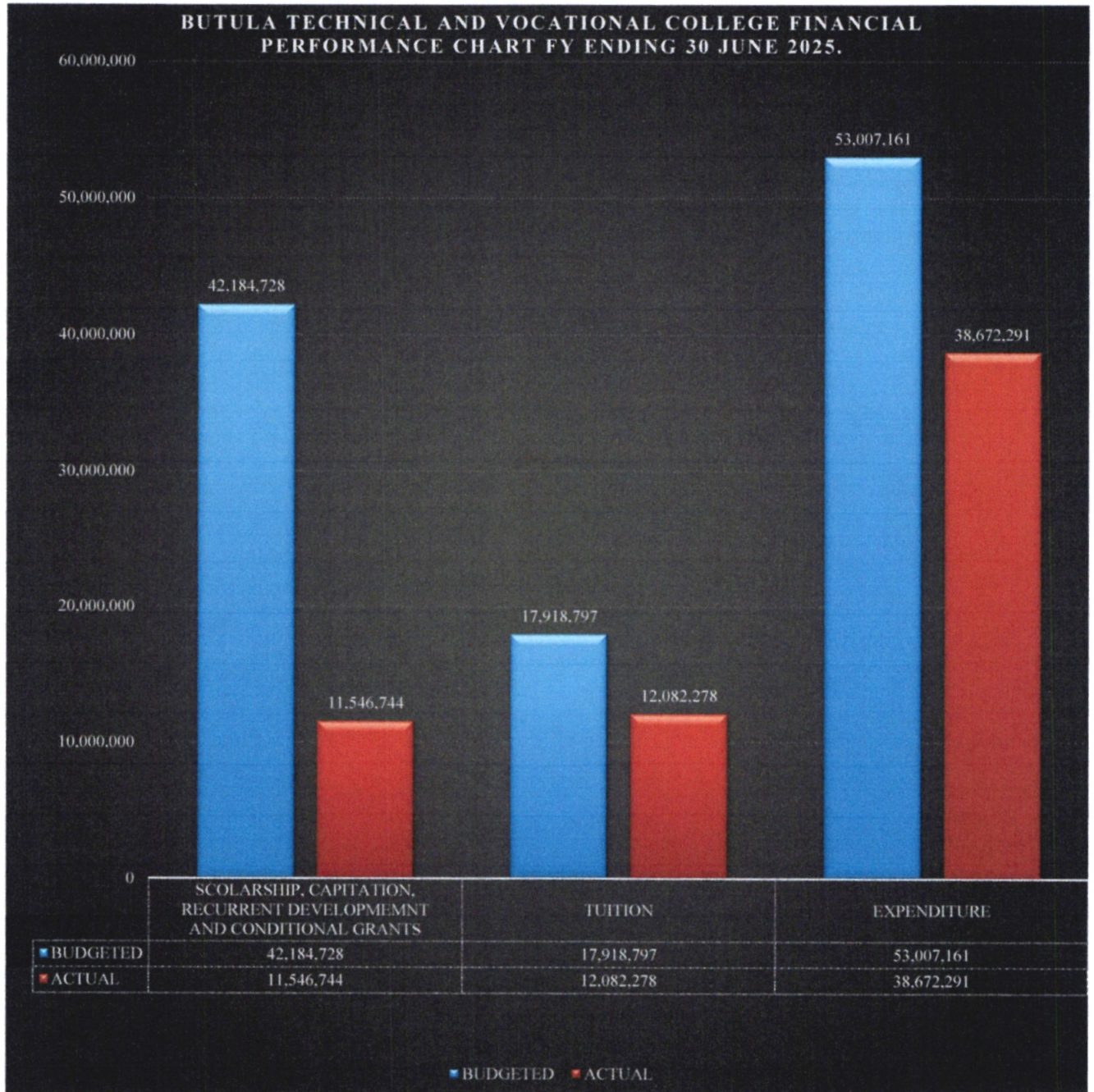
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9. Management Discussion and Analysis

Butula Technical and Vocational College received total revenue amounting to Kshs. 24,350,772.00 as actual receipts and 36,200,063 being receivable for the period recognized in the statement of financial performance. This comprises of Kshs. 12,082,278.00 as collection from trainees/sponsors/parents as college fees as per the cash flows statement and Kshs. 11,546,744.00 government grants comprising of capitation, scholarship, and recurrent grants. Further, no development grants were received during the period.

The resources spent amounted to Kshs. 29,787,113.00 as per the financial performance statement leading to an accrued surplus of Kshs. 27,424,884.00

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The College has always complied with statutory requirements by submitting financial reports on time, following the PFM Act, recruiting staff in a competitive way as per the Human Resource guidelines, prudent utilization of funds, following the presidential directives, among others. Some of the risks during the year included;

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a) **High Rate of Dropout of Trainees Due to Fees Issues:** Many trainees are unable to continue with their education uninterrupted due to financial constraints. Tuition fees and examination fees has in most instances forced students to prioritize immediate financial needs over their long-term educational goals.

b) **High Turnover of Trainers:** The training institution is experiencing a significant turnover rate among its trainers, which disrupts continuity in education and mentorship. Factors contributing to this turnover may include inadequate compensation, lack of professional development opportunities, and a challenging work environment in terms of workload. This instability results in a loss of institutional knowledge and negatively impacts the quality of training provided.

c) **Under-Funding Leading to Unmet Planned Activities:** Insufficient funding has resulted in the inability to execute many of the planned activities essential for a comprehensive training program. This includes workshops, training materials and equipment and necessary outreach initiatives. The lack of resources not only limits the scope of the training but also affects the overall morale of both trainers and trainees, who feel that they are not receiving a complete educational experience.

d) **Security Risks Due to Incomplete and Porous Fence:** The current state of the college's security is compromised by an incomplete and porous fence, which poses risks to the safety of trainees, staff and property. There have been instances of unauthorized access and theft.

e) **Inadequate Physical Facilities:** The training institution is facing challenges due to inadequate physical facilities, which do not meet the needs of the trainees. Insufficient classrooms, insufficient study spaces, and lack of specialized training areas hinder the learning experience. Improving the physical environment is essential for creating a conducive atmosphere for effective education and skill development.

f) **Inadequate Machinery:** The lack of sufficient and modern machinery limits the hands-on training opportunities for trainees, which are crucial for skill acquisition in practical fields. Outdated or insufficient equipment hinders the learning process, leaving trainees unprepared for real-world applications in their respective industries. Heavy investments in modern machinery are necessary to ensure that trainees gain relevant and applicable skills.

10. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

Butula TVC is dedicated to managing natural resources responsibly to meet current needs without putting at risk the ability of future generations to thrive. We have integrated sustainability principles as per the curriculum requirement, covering topics such as renewable energy, sustainable materials, and environmental impact assessments, alongside macroeconomic concepts that illustrate the link between economic practices and sustainability.

To enhance our operations, the college has implemented effective waste management strategies and is actively working to establish recycling and composting programs. We also promote research and innovation by encouraging student-led projects that address local sustainability challenges, fostering a culture of creativity and problem-solving. Additionally, the college is seeking funding for research initiatives focused on sustainability and economic development. Engaging with the community and stakeholders, we support the adoption of sustainable practices, including tree planting initiatives.

Environmental performance

In the past year, Butula TVC achieved several significant environmental milestones:

- i. We planted over 3,000 trees within the college compound and the surrounding community.
- ii. We placed dustbins in strategic locations to encourage proper waste disposal.
- iii. We donated 1,000 tree seedlings to neighbouring institutions to promote a broader commitment to greening efforts.
- iv. We clearly demarcated footpaths to protect green areas from constant disturbance.
- v. We constructed a perimeter wall at the front of the college to safeguard the environment from external influences.

Employee welfare

Butula TVC acknowledges the importance of employee welfare. In the past year, the gender ratio was well-balanced, reflecting our commitment to diversity. Currently, we are developing a Human Resource Policy and employee career progression guidelines. Additionally, training needs assessments are conducted periodically by the Internal Quality Assurance (IQA) Committee to ensure staff development aligns with organizational goals.

Butula Technical and Vocational College
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Market place practices-

- a) At Butula Technical and Vocational College, all activities are conducted in strict adherence to the rule of law, free from undue political influence and characterized by transparency. The college aligns its operations with the Constitution of Kenya 2010 and the Ministry of Education's policy guidelines, ensuring compliance with evolving regulations. The public service code of conduct provides direction for service delivery within the institution.
- b) In engaging with the political class, the college prioritizes relationships that add value, such as collaborating with MCAs, MPs, the county senator, and the County Women Representative to secure bursary funds for trainees in need of financial assistance.
- c) Procurement processes are handled meticulously, with user departments submitting requisitions that undergo multiple approval stages before resources are allocated for program or project implementation. In line with public procurement and asset disposal regulations, all relevant rules are followed from the invitation for tender bids to the award of contracts, ensuring compliance with affirmative action requirements that promote equal opportunities for marginalized groups, including youth, women, and persons with disabilities.
- d) To attract prospective clients, Butula TVC employs a range of marketing strategies, including strategically placed signposts, school and church visits, marketplace meetings, email outreach, and active engagement on social media.

Corporate Social Responsibility / Community Engagements

Butula Technical and Vocational College is committed to supporting the goals of Kenya Vision 2030 Medium Plan Two (MTPII) by strengthening its corporate social responsibility initiatives focused on benefiting the community. To this end, the college organized a tree planting campaign, distributing seedlings to neighbouring schools and local residents as part of its greening efforts. The college's board and management are dedicated to continuously developing practices that ensure quality services are provided to the community while equipping individuals with essential skills for environmental conservation.

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Area MP, Hon. Joseph Oyula issuing a bursary to students



A section of Butula TVC and Equity bank staff planting trees in the school farm



County TVET director, Mr. Sunguti During a tree planting session

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30th, 2025, which show the state of the Butula Technical and Vocational College affairs.

Principal activities

- i. To collect, manage and account for funds obtained from the ministry.
- ii. To recruit, remunerate, discipline motivate and retain qualified teaching and non – teaching staff.
- iii. To advance transmit and enhance technical and entrepreneurial skills and knowledge for self- employment and the national production system.
- iv. Embrace gender balance and equity in staff recruitment, promotion and student enrolment.
- v. Expand ICT facilities to enhance our technological capacity to remain relevant and competitive.
- vi. To implement the curriculum and supervise examinations on behalf of approved examination bodies.
- vii. Expand academic opportunities for qualified Kenyans to access TVET programs.
- viii. To promote innovations, research and income generating projects.
- ix. To develop and improve infrastructural facilities and Programs
- x. To train and develop middle level manpower for national development.
- xi. To spearhead relevant exposure and linkages to both students and staff.
- xii. To promote corporate social responsibility. For competitiveness and Institute’s image, the Institute shall promote CSR through extension services to the surrounding community, create a strong positive image in the minds of past, current and potential trainees as well.

Results

The results of the college for the year ended June 30 2025 are set out on page 1-5

Board of Governors

The members of the Board who served during the year are shown on pages’ ix, x, xi, xii, xiii. During the period 1st July 2024 to 30th June 2025 there was no Board of Governor who retired or resigned.

Auditors

The Auditor General is responsible for the statutory audit of the Butula Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Secretary of the Board

Nairobi

Date: 3rd December 2025

12. Statement of the Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013- require the Board of Governors of Butula Technical and vocational college to prepare financial Statements which give a true and fair view of the state of affairs of Butula TVC at the end of the financial year and the operating results for that year. The Board members are also required to ensure that it keeps proper accounting records which disclose with reasonable accuracy the financial position of Butula TVC. The Board members are also responsible for safeguarding the assets of the college.

The Board members are responsible for the preparation and presentation of financial statements, which give a true and fair view of the state of affairs of Butula TVC for and as at the end of the financial period 1 July 2024 to 30 June 2025.

This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the ; (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 college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

Approval of the financial statements

The Butula Technical and Vocational College financial statements were approved by the Board on 18th July 2025 and signed on its behalf by:



Name: Prof. John O. Shiundu
Chairman of the Board



Name: Ms. Carolyn Kwedho
Accounting Officer/Principal



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 BUTULA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Butula Technical and Vocational College set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net

Report of the Auditor-General on Butula Technical and Vocational College for the year ended 30 June, 2025

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 Butula Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unconfirmed Net Assets Balance

The statement of changes in net assets reflects net assets balance of Kshs.131,221,344 which comprises accumulated surplus balance of Kshs.39,924,399 and capital fund balance of Kshs.91,296,945. The accumulated surplus balance of Kshs.39,924,399 differs with statement of financial position balance of Kshs.27,424,884 resulting to an unexplained variance of Kshs.12,499,515. Further, the opening balance of net assets of Kshs.103,796,460 differs with the balance reported in the audited previous financial year financial statements for the year ended 30 June, 2024 balance of Kshs.95,863,815 resulting in an unreconciled variance of Kshs.7,932,645.

In the circumstances, the accuracy and completeness of net assets balance of Kshs.131,221,344 could not be confirmed.

2. Unconfirmed Rendering of Services-Fees from Students Income

The statement of financial performance reflects rendering of services - fees from students' income amounting to Kshs.48,281,861. The supporting disclosure Note 7 to the financial statements includes accrued revenue for the current year of Kshs.36,200,063. However, the accrued revenue balance of Kshs.36,200,063 which relates to outstanding receivables from exchange transactions was not supported by student receivables ledger and invoices. Further, the supporting schedules provided for audit did not contain the invoice number, date of invoice, nature and amount of accrued income. The schedule only shows the student's name, admission number and outstanding balances as at the year end.

In addition, the Note 15(b) to the financial statements in respect to ageing analysis of receivables from exchange transactions indicates that current portion of receivables from exchange transactions balance of Kshs.36,200,063 includes receivables amounting to Kshs.18,447,195 which had been outstanding for a period more than one year, and therefore should not be recognized in the current year as income.

In the circumstances, the accuracy and completeness rendering of services - fees from students' income of Kshs.48,281,861 could not be confirmed.

3. Accuracy of Cash Generated from Operations

Note 21 to the financial statements on cash generated from operations indicates net cash outflow from operating activities of Kshs.3,660,296. However, the Note includes decrease in trade payables of Kshs.2,275,908 which differs with statement of financial position increase in trade payables of Kshs.3,432,935 resulting to an unreconciled variance of Kshs.5,708,843.

In the circumstances, the accuracy and completeness of net cash outflow from operating activities of Kshs.3,660,296 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.60,216,025 and Kshs.24,350,772 respectively, resulting to an under-funding of Kshs.35,865,253 or 60% of the budget. However, the budget statement erroneously indicates a performance difference of Kshs.28,656,389. Similarly, the College expended Kshs.29,787,116 against an expenditure budget of Kshs.53,007,161 resulting to an under-expenditure of Kshs.22,011,474 or 44% of budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the previous year's audit, several issues were raised under Report on the Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance as detailed in **Appendix I**. As a result, the Management has indicated under Appendix 1 to the financial statements in respect to implementation status of Auditor-General's recommendations that nine issues were resolved, three were not resolved and two were omitted in the disclosure. However, the supporting documents were not provided for audit to support the resolutions, and explanations were not provided for not resolving the unresolved issues.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.36,200,063 in respect to student debtors, and as disclosed

in Note 15(b) to the financial statements. The disclosure indicates that receivables amounting to Kshs.8,200,400 had been outstanding for a period more than one year. This is a clear indication that the College has not been collecting debts promptly as required by Regulation 83(2)(g) of the Public Finance Management (National Government) Regulation, 2015 which states that for purposes of this regulation sound cash management includes pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by government are collected and banked promptly.

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

2 Lack of Properly Maintained Fixed Asset Register

During the year under review, the College did not maintain a proper fixed asset register with details of date of acquisition, name of supplier, tag number, amount, depreciation for the year, accumulated depreciation and net book value. This was contrary to Regulation 139 (1) (b) of the Public Finance Management (National Government) Regulations, 2015 which states that accounting Officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets and that movement and conditions of assets can be tracked.

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

3 Proposed Erection and Completion of Classroom/Tuition Block Phase 1 Project

The College awarded a contract for an erection and completion of classroom/tuition block commencing on 13 June, 2024 with an expected completion date of 18 December, 2024. However, an audit inspection done on 24 October, 2025 revealed that the construction had stalled at 58% completion due to lack of funding, after total payments totaling to Kshs.8,529,560 were made to contractor. The construction was temporarily stopped and contractor who was still on site, made a request to take a break until funds were available as indicated in site minutes.

In the circumstances, value for money was not been achieved on the stalled project.

4 Long Outstanding Trade and other Pending Payables

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.3,640,045 and as disclosed in Note 19 to the financial statements. However, the ageing analysis revealed that debts amounting to Kshs.1,000,000 had been outstanding for a period of more than one year, and no reason was given for failure to pay debts when they fall due. This was contrary to Regulation 150(1) of the Public Procurement and Assets Disposal Regulations, 2020 which states that subject to availability of funds and certification of goods, works or services payments are made within 60 days from date of receipt of invoice.

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

5. Non-compliance with Law on Staff Ethnic Composition

Review of employees' records revealed that the College had a total of 56 employees out of which 26 or approximately 46% were from the dominant ethnic community contrary to

Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 that states that, all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of 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 governance were not effective.

Basis for Conclusion

Understaffing of Butula Technical and Vocational College

Review of the College's staff establishment indicate fifty-six (56) staff in-post against an expected staff number of one hundred and thirty-six (136) resulting to a shortage of eighty (80) staff.

In the circumstances, the College may not achieve the planned objectives due to shortage of staff.

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

Responsibilities of the Management and Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL
Nairobi

09 December, 2025

Appendix I: Unresolved Prior Year Matters

Reference No. of the Auditor-General's Report	Title of Audit Issue
	Report on the Financial Statements
1	Inaccuracy of the Statement of Financial Position
2	Inaccuracy of the Statement of Financial Performance
3	Inaccuracy of the Statement of Changes in Net Assets
4	Inaccuracy of the Statement of Cash Flows
5	Inaccuracy of the Statement of Comparison of Budget and Actual Amounts
6	Unconfirmed Depreciation and Amortization Expense
7	Anomalies in Accuracy, Presentation and Disclosure of the Annual report and Financial Statements
8	Unsupported Receivables from Exchange Transactions
	Report on Lawfulness and Effectiveness in the Use of Public Resources
1	Non-compliance with Law on Staff Ethnic Diversity
2	Stalled construction of Proposed Tuition Block
3	Non-compliance with Law on Licensing and Registration of Trainers
	Report on Effectiveness of Internal Controls, Risk Management and Governance
1	Understaffing
2	Lack of Risk Management Policy and Risk register

Butula Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

14. Statement of Financial Performance for the Year Ended 30 June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	11,546,744	14,783,445
		11,546,744	14,783,445
Revenue from Exchange transactions			
Rendering of services- fees from students	7	48,281,861	18,266,596
Other income	8	721,750	-
Revenue from Exchange transactions		49,004,091	18,266,596
Total Revenue		60,550,835	33,050,041
Expenses			
Use of goods and services	9	21,669,830	10,985,616
Employee costs	10	5,774,973	4,905,552
Board Members Expenses	11	1,729,413	1,719,253
Depreciation and amortization expense	12	3,338,358	2,797,545
Repairs and maintenance	13	612,897	142,560
Total Expenses		33,125,471	20,550,526
Net surplus/(deficit) for the year		27,424,884	12,499,515

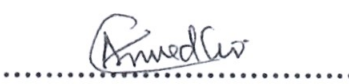
(The notes set out on pages 7 to 34 form an integral part of the Annual Financial Statements).

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



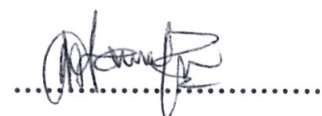
Prof. John O. Shiundu
Chairman Of Board

Date: 03/12/2025



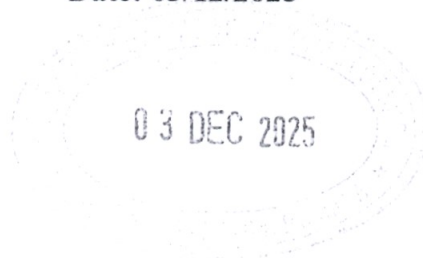
Ms. Carolyne Aor Kwedho
Principal

Date: 03/12/2025



CPA. David Wanjala
Yaola
Finance Officer
ICPAK No: 20265

Date: 03/12/2025



Butula Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	2,110,871	15,408,924
Current portion of receivables from exchange transactions	15	36,200,063	9,993,897
Inventories	16	123,500	78,041
Prepayments	17	16,000	-
Total Current Assets		38,450,434	25,480,862
Non-Current Assets			
Property, plant, and equipment	18	85,098,916	77,657,544
Total Non-Current Assets		85,098,916	77,657,544
Total Assets (A)		123,549,350	103,138,406
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	19	3,640,045	207,110
Payments received in advance	20	1,187,476	7,067,481
Total Current Liabilities		4,827,521	7,274,591
Total Liabilities (B)		4,827,521	7,274,591
Net Assets (A-B)		118,721,829	95,863,815
Represented By:			
Revaluation Reserves		-	-
Accumulated Surplus		27,424,884	12,499,515
Capital Fund		91,296,945	83,364,300
Net Assets		118,721,829	95,863,815

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


.....

Prof. John O. Shiundu
Chairman Of Board

Date: 03/12/2025


.....

Ms. Carolyne Aor Kwedho
Principal

Date: 03/12/2025


.....

CPA. David Wanjala
Yaola
Finance Officer
ICPAK No: 20265

Date: 03/12/2025



16. Statement of Changes in Net Asset for the Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023				
Revaluation gain	-	-	77,077,817	77,077,817
Surplus	-	12,499,515	-	12,499,515
Capital grants during the year	-	-	14,219,128	14,219,128
At June 30, 2024	-	12,499,515	91,296.945	103,796,460
At July 1, 2024	-	12,499,515	91,296.945	103,796,460
Revaluation gain	-	-	-	-
Surplus for the year	-	27,424,884	-	27,424,884
Capital grants during the year	-	-	-	-
At June 30, 2025	-	39,924,399	91,296,945	131,221,344

Note: Ksh.77,077,817 Categorized as Capital Grants refers to the assets that the institution started with. The column for Revaluation reserve has been left blank because the college has not yet done any asset revaluation so far.

Butula Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

17. Statement of Cash Flows for the Year Ended 30 June 2025

Description		2024/2025	2023/2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	11,546,744	14,783,445
Rendering of services- fees from students	7	12,082,278	8,272,699
Other income		721,750	
Total Receipts		24,350,772	23,056,144
Payments			
Use of goods and services	9	19,903,895	10,778,506
Employee costs	10	5,764,863	4,698,442
Board Expenses	11	1,729,413	1,719,253
Repairs and maintenance	13	612,897	142,560
Total Payments		28,011,068	17,338,761
Net Cash Flows from operating activities		(3,660,296)	5,717,383
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(9,637,277)	(6,286,483)
Net cash flows used in investing activities		(9,637,277)	(6,286,483)
Cash flows from financing activities	5	-	13,107,273
Net cash flows used in financing activities		-	13,107,273
Net Increase/(Decrease) in Cash and Cash equivalents		(13,297,573)	12,538,173
Cash and Cash equivalents at 1 July 2024	14	15,408,924	2,870,553
Cash and Cash equivalents at 30 June 2025	14	2,110,871	15,408,924

Butula Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025

Description	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	Performance differences	% of Utilization	Explanation of material variance
	A	B	C=(a+b)	D	E=(c-d)	e=d/c %	
Revenue	Kshs	Kshs	Kshs	Kshs		Kshs	
Recurrent grants , Capitation and scholarship grants	2,000,000	32,975,864	34,975,864	11,546,744	23,429,120	(33.01)	Not all students received capitation
Rendering of services- Fees from students	32,423,525	(14,504,728)	17,918,797	12,082,278	5,836,519	(67.43)	Delays in fee payments
Other income	112,500	-	112,500	721,750	609,250	641.56	Under budgeting and improvements of IGA
Development fund	25,680,000	(18,471,136)	7,208,864				
Total Revenue	60,216,025	-	60,216,025	24,350,772	28,656,389	40.44	
Expenditure							
Use of goods and services	49,816,025	(13,314,256)	36,501,769	21,669,830	13,623,368	59.37	Expenditures were done on funds availability
Employee costs	7,152,000	1,055,392	8,207,392	5,774,973	2,432,419	70.36	Staff paid on funds availability
Remuneration of directors	2,500,000	-	2,500,000	1,729,416	770,584	69.18	Directors paid on availability of funds
Repairs and maintenance	748,000	5,050,000	5,798,000	612,897	5,185,103	10.57	Increase in need for facilities.
Total Expenses	60,216,025	7,208,864	53,007,161	29,787,116	22,011,474	56.19	
Development fund	25,680,000	(18,471,136)	7,208,864	10,779,730	(467,740)	(149.53)	Increase in need
Deficit				16,216,074			

Budget notes

1. a. There was a deficit in the general performance both in revenue collection from the GoK and expenditure by the indicated percentages in comparison to the budget due to underfunding from the National government in form of capitation and operational grants.
 b. Fee collections from the self-sponsored students are also a challenge since most of our students come from a poor background and mostly rely on HELB loans and other bursaries.
2. The changes in the original budget and the final budget are due to reallocations in various vote heads hence the overall budget figure has not been affected.

Budget Reconciliation

	Item	Amount
A	A. Reported budget deficit (Budget basis)	16,216,074
	Adjustments	
1.	Accrued expenses under use of goods	1,765,935
2	Unpaid Employee related Costs	10,110
3	Development / capital costs included in budget but not paid in cash (Capital creditors / accruals)	1,142,453
	Total adjustments (1 + 2 + 3)	2,918,498
B	Net cash decrease (A – Total adjustments)	13,297,573
	Opening cash & cash equivalents (balance at start of period)	15,408,924
C	Closing cash & cash equivalents (Opening – Net decrease)	2,110,871

19. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard.</p> <p>IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>

Butula Technical and Vocational College
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	<i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.

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	<p>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</p> <p>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
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iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

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.

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on 11th January 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of 20,247,136 on the FY 2024-2025 budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cash flows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule xxx of the xxx Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).* 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. The Depreciation rates are derived from the college finance and management policy. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. The annual rates of depreciation used are as follows:

1	Building	2.5%
2	Plant, Machinery and Equipment	20%
3	Office Equipment	12.5%
4	Computer Equipment	33.3%
5	Library books	5%
6	Motor vehicles	25%
7	Furniture and fittings	12.5%
8	Software (intangible asset amortization)	20%

Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, 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.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. 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 Entity 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 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 Entity 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

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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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Biological Assets

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

i) Research and development costs

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

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

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge*

accounting rules have no impact on the Company's financial statements. (amend as appropriate).

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and

foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Inventories

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The *Entity* 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.

q) Foreign currency transactions

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

r) 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.

s) Related parties

The *Entity* regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

Service concession arrangements

The *Entity* 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 *Entity* 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 *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

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

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6. Transfers from other National Government entities

Description	2024/2025	2023/2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	3,330,431	3,356,828
Operational Grant	2,499,251	2,000,000
Scholarship	5,717,062	9,426,617
Development grants	-	13,107,273
Total unconditional Grants	11,546,744	27,890,718
Total Government Grants and Subsidies	11,546,744	27,890,718

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	11,546,744	-	-	11,546,744	27,890,718
Total	11,546,744	-	-	11,546,744	27,890,718

7. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition Fees/administration fee	2,661,505	2,732,583
Activity Fees	620,400	598,569
Industrial Attachment Fees	220,100	335,753
Examination Fees	2,771,440	701,602
Library Fees	25,000	10,000
Personal emoluments	2,200,200	1,850,624
Repairs maintenance and Improvements	710,300	492,165
Local transport and travels	1,420,400	663,148
Students ID	150,000	17,500
EWC	300,241	699,501
Administration and registration fee	826,492	18,000
Students union	140,100	30,500
Insurance	15,320	104,754
TVET Fair	20,300	18,000

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Accrued revenue	36,200,063	9,993,897
Total Revenue from The Rendering of Services	48,281,861	18,266,596

Note: Included are accrued student debtors of Kshs. 36,200,063.00 during the year under review.

8. Other Income

Description		
	Kshs	Kshs
Fabrication of lecture chairs and tables	564,103	-
Sale of tender documents	34,000	-
Departmental income generating activities	123,647	-
Total Revenue from Sale of Goods	721,750	-

9. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Teaching and learning materials	7,838,506	2,661,540
Industrial attachment costs	235,295	0
Electricity, water and conservancy	277,751	222,538
Security	864,000	862,200
Audit fee	25,000	20,000
Internet Subscriptions	192,000	0
Advertising	729,373	0
Examination fees	2,971,320	852,540
Activities	568,640	444,090
Airtime facilitation	170,583	0
Administrative costs	1,526,492	3,479,595
Travelling and accommodation	2,353,081	2,199,156
Fuel and oil	3,175	0
Insurance	0	22,189
Landscaping expenses	132,810	0
Production units	102,355	0
Postage	7,725	0
Printing and stationery	1,216,705	0
Students council expenses	233,560	0
Cleaning items	93,325	0
Bank charges expenses	86,908	54,718
Students ID cards	107,500	0
Policy documentations	643,900	0
Training expenses	138,000	0

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Kisiwa TTI Payables	1,151,826	32,240
Total good and services	21,669,830	10,850,806

Note: Included are accrued expenses under use of goods and services amounting to Ksh. 1,765,935.00 for the period under review.

10. Employee Costs

Description		
	Kshs	Kshs
Salaries and wages	4,657,686	4,905,552
Employee related costs - contributions to pensions and medical aids	1,117,287	-
Employee Costs	5,774,973	4,905,552

Note: Included is unpaid employee related costs of Ksh. 10,110.00 being KRA statutory deductions for the month of June 2025

11. Board Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	75,500	-
Directors Emoluments	1,556,713	1,719,253
Board Evaluation Expenses	97,200	-
Total	1,729,413	1,719,253

Note: Included in the director's emoluments are accrued income taxes of 30% on BOG allowances of 300,250.00

12. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	3,338,358	2,797,545
Total depreciation and amortization	3,338,358	2,797,545

13. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, equipment and machinery	612,897	142,560
Total Repairs and Maintenance	612,897	142,560

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14. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	1,926,774	7,298,210
Development account	139,187	8,073,131
Cash in hand	44,910	37,583
Total Cash and Cash Equivalents	2,110,871	15,408,924

14 (a). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1293179086	1,624,792	7,234,605
Equity Bank, Current	0780284400351	301,982	63,605
Equity Bank, Development	0780284400332	139,187	8,073,131
Sub- Total		2,065,961	15,371,341
b) Others(Specify)			
Cash in Hand		44,910	37,583
Sub- Total		44,910	37,583
Grand Total		2,110,871	15,408,924

15. Receivables from Exchange transactions

15 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	36,200,063	9,993,897
Total Current Receivables	36,200,063	9,993,897

15 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	17,752,869	49.04%	9,993,897	100%
Between 1- 2 years	14,493,923.3	40.04%	-	%
Between 2-3 years	3,953,272	10.92%	-	%
Over 3 years	-	%	-	%
Total (a+b)	36,200,063	100%	9,993,897	100%

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16. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores	123,500	78,041
Total Inventories at lower of Cost and Net Realizable Value	123,500	78,041

Detailed disclosure on inventories

	2024-2025	2023-2024
Opening balance	78,041	0
Closing balance	123,500	78,041

17. Prepayments

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Internet subscription for July 2025	16,000	-
Total	16,000	-

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18. Property, Plant and Equipment

Cost	Land	Buildings	Office equipment	Furniture and fittings	Computers	Plant and equipment	Library books	Intangible assets	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate	-	2.5%	12.5%	12.5%	33.3%	20%	5%	-	-	-
At 1 July 2023	10,000,000	61,975,765	875,890	-	2,901,500	213,000	-	-	-	77,077,817
Additions		5,031,837	120,108	517,790	184,500	988,700	3,800	-	-	6,286,483
At 30 th June 2024	10,000,000	67,007,602	995,998	517,790	3,086,000	1,201,700	3,800	-	-	82,812,890
Additions	0	256,041	0	573,680	248,000	225,405	0	1,800,000	7,676,604	10,779,730
At 30 th June 2025	10,000,000	67,263,643	995,998	1,091,470	3,334,000	1,427,105	3,800	1,800,000	7,676,604	93,592,620
Depreciation										
At 1 Jun 2023	-	1,239,515	109,486	-	966,200	42,600	0	-	-	2,357,801
Depreciation	-	1,340,152	124,500	64,724	1,027,639	240,340	190	-	-	2,797,545
At 30 Jun 2024	-	2,579,667	233,986	64,724	1,993,839	282,940	190	-	-	5,155,346
Depreciation	-	1,681,591	124,500	136,434	1,110,222	285,421	190	0	0	3,338,358
At 30 th Jun 2025	-	4,261,258	358,486	201,158	3,104,061	568,361	380	0	0	8,493,704
Net Book Values	10,000,000	63,002,385	637,512	890,312	229,939	858,744	3,420	1,800,000	7,676,604	85,098,916
At 30 th Jun 2024	10,000,000	64,427,935	762,012	453,066	1,092,161	918,760	3,610	-	-	77,657,544
At 30 th Jun 2025	10,000,000	63,002,385	637,512	890,312	229,939	858,744	3,420	1,800,000	7,676,604	85,098,916

Note:

The W.I.P refers to the Construction of Proposed Tuition Block Phase 1 initiated by the State Department TVET which is still ongoing. The Ksh. 10,779,730 for additions is inclusive of Ksh. 1,142,453 that was pending payments at the closure of the period. This comprises of Ksh. 1,000,000 for ERP, Ksh. 133,000 for the Laptop and Ksh. 9,453 for the Printer.

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

18 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	10,000,000	0	10,000,000
Buildings	67,263,643	4,261,258	63,002,385
Office equipment	995,998	358,486	637,512
Library books	3,800	380	3,420
Plant And Machinery	1,427,105	568,361	858,744
Intangible assets	1,800,000	0	1,800,000
Computers and Related Equipment	3,334,000	3,104,061	229,939
Furniture, And Fittings	1,091,470	201,158	890,312
W.I.P	7,676,604	0	7,676,604
Total	93,592,620	8,493,704	85,098,916

19. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	2,629,935		-	
Salary deductions	10,110		207,110	
Kisiwa TTI Payables	1,000,000		-	
Total Trade and Other Payables	3,640,045		207,110	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	2,640,045	72.53%	207,110	100%
1-2 years	1,000,000	27.47%	-	%
Total (to tie to totals above)	3,640,045	100%	207,110	100%

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20. Payments received in advance.

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Students fees received in advance	1,187,476		7,067,481	
Total	1,187,476		7,067,481	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	1,187,476	100%	7,067,481	100%
Total	1,187,476	100%	7,067,481	100%

21. Cash generated from operating activities

Surplus for the year before tax	2024-2025		2023-2024	
	Kshs		Kshs	
Adjusted for:				
Repairs and maintenance	(612,897)		(142,560)	
Employee Cost	(5,764,863)		(4698442)	
Board Expenses	(1,729,413)		(1719253)	
Working Capital Adjustments				
Other income	721,750		-	
Use of goods and services	(19,903,895)		(10,778,506)	
Rendering of services fees from students	12,082,278		8,272,699	
Transfers from other Government agencies-grants	11,546,744		14,783,445	
Net Cash Flow from Operating Activities	(3,660,296)		5,717,383	

Note:

The cash generated from operating activities has been reconciled as follows:

Description	Amount (Kshs)	Running Total (Kshs)
Surplus for the year	27,424,884	27,424,884
Add: Depreciation (non-cash)	+3,338,358	30,763,242
Working-capital adjustments:		
Increase in receivables	(26,206,166)	4,557,076
Increase in inventories	(45,459)	4,511,617
Increase in prepayments	(16,000)	4,495,617
Decrease in advance receipts	(5,880,005)	(1,384,388)
Decrease in trade & other payables	(2,275,908)	(3,660,296)
Net Cash Flow from Operating Activities	(3,660,296)	

22. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	9,993,897			
Bank balances	15,408,924			
Total	25,402,821			
At 30 June 2025				
Receivables from exchange transactions	36,200,063			
Bank balances	2,110,871			
Total	38,310,934			

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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Financial risk management (continued)

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

The entity has significant concentration of credit risk on amounts due

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	207,110	-	-	207,110
Payments received in advance	-	-	7,067,481	7,067,481
Total	-	-	-	7,274,591
At 30 June 2025				
Trade Payables	-	2,640,045	1,000,000	3,640,045
Payments received in advance	-	-	1,187,476	1,187,476
Total	-	2,640,045	2,187,476	4,827,521

(iii) Market risk

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

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

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

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

iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	27,424,884	12,499,515
Capital Reserve	91,296,945	83,364,300
Total Funds	118,721,829	95,863,815
Less: Cash and Bank Balances	2,110,871	15,408,924
Net Debt/(Excess Cash and Cash Equivalents)	4,827,521/118,721,829	7,274,591/95,863,815
Gearing	0.0407	0.076

23. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

There were no transactions and balances with related parties during the year ended June 2025

24. Events After The Reporting Period

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

25. Ultimate And Holding Entity

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

26. Currency

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor on Financial Statement for the year ended 2023/2024.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
REPORT ON THE FINANCIAL STATEMENTS				
1	Inaccuracy of the Statement of Financial Position	<p>Management has taken corrective measures and complied with the necessary adjustments, ensuring that the current year's financial statements reflect a true and fair view. Moving forward, the College will continue to strengthen financial reporting, and all assessments should be based on the current financial statements.</p>		
2	Inaccuracy of the Statement of Financial Performance			
3	Inaccuracy of the Statement of Changes in Net Assets			
4	Inaccuracy of the Statement of Cash Flows			
5	Inaccuracy of Statement of Comparison of Budget and Actual Amounts			
6	Unconfirmed Depreciation and Amortization Expense			
7	Anomalies in Accuracy, Presentation and Disclosure of the Annual Report and Financial Statements			
8	Unsupported Receivables from Exchange Transactions			

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES				
1	<p>Non-compliance with Law on Staff Ethnic Diversity Analysis of the payroll and staff list provided for audit review revealed that during the year under review, the College had fifty-two (52) employees, both teaching and non-teaching and on permanent and pensionable and contractual terms. However, out of the total number, thirty-two (32) employees or 62% were from one ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that no public establishment shall have more than one third of its staff from one ethnic community</p>	<p>That while the institution obliges to comply with the two-thirds gender rule and ethnic diversity as per section 7 part (1&2) of the National Cohesion and Integrity Act, 2008, the low levels of remuneration and the institution's inability to offer house allowances for BOG staff reduces the employability of the college, thereby contributing to the low level of diversity in the work force.</p> <p>The institution remains committed to this requirement and shall continually strive to offer equal employment opportunities to individuals irrespective of their backgrounds, gender, age, ethnicity, or religion. The college has now developed a Human Resource Policies and Procedure Manual which will be used for all future recruitments. This manual was approved by the Full BoG on 13th January 2025.</p>	Not resolved	2025/2026

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2	<p>Stalled Construction of Proposed Tuition Block</p> <p>A local contractor was awarded a contract for the proposed erection and completion of tuition block phase one (1) for a contract sum of Kshs.13,863,100 for a period of twenty-six (26) weeks with expected completion date of 18 December, 2024. The contractor had been paid a total sum of Kshs.7,273,655 as at 30 June, 2024.</p> <p>However, physical verification conducted on 11 April, 2025 revealed that the project had stalled and no construction works were ongoing. Further, according to site meeting report in respect to meeting held on 29 July, 2024, the project was at 58% completion and had stalled. There was no evidence provided for audit review indicating that the contract period had been extended.</p>	<p>It was noted by Board of Governors on the stalled Completion of Proposed Tuition Block. The Principal was tasked to write to the Ministry of Education in regard to this. The Principal Secretary (PS) TVET in her feedback stated that the project will be a priority in the following budget and further encouraged the management to source for funds from other avenues for the project. The contractor extended the contract and resumed work which is in progress.</p>	Not resolved	2025/2026
3	<p>Non-Compliance with Law on Licensing and Registration of Trainers</p> <p>Review of the trainers' records revealed that the College had a total of thirty-three (33) trainers during the year under review. However, only seven (7) trainer's licenses were provided for audit verification. This was contrary to Section 23(1) of the Technical and Vocational Education and Training Act, 2013 which states that any person who intends to become a trainer in an institution shall apply for licensing and registration by the Board in accordance with the provisions of this Act.</p>	<p>The management acknowledges that a number of trainers were found operating without valid trainer's licenses. So far the management has encouraged a number of trainers to apply for licensing from TVETA and are waiting for licenses. Some of our trainers have completed the KSTVET pedagogy training, graduated and waiting for their certificates which will enable them to register with TVETA for licenses. There is also a team of trainers that is currently undertaking the KSTVET pedagogy training after which they</p>	Not resolved	2025/2026

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		will be able to register and be licensed as trainers.		
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
1	<p>Understaffing The College's approved staff establishment indicates total expected number of staff of one hundred and nine (109) against staff-in-post totalling fifty-two (52) resulting to a staff shortage of fifty-seven (57). Some of the vacant posts include Dean of Students, Quality Assurance Officer, Deputy Registrar, Trainers, Internal Auditor, Finance Officer, Human Resource Officer and Technicians.</p>	<p>The college expected to have 109 trainers by end of the financial year ended June 2024. There was a shortfall in this target as the Public Service Commission had not given the college the expected trainers in different areas. Further, the college lacked the financial ability to employ more trainers and staffs under Board of Governors.</p>	Not resolved	2025/2026
2	<p>Lack of Risk Management Policy and Risk Register During the year under review, it was observed that the College did not have a risk management policy and risk register contrary to Section 165 of the Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.</p>	<p>The Board of Governors has put in place and approved the College Risk Management Policy, Disaster Recovery and Business Continuity Plan.</p>	Resolved	

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;

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- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for the implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to the National Treasury.

Caroline

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Name **CAROLINE ADK KWEDHO**
Accounting Officer (PRINCIPAL)
(Enter title of Head of entity)
Date **03-12-2025**



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Appendix II: Projects Implemented by Butula TVC

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1 Construction of Proposed Tuition Block		State Department TVET	1 YEART	7,791,136.00		YES

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Construction of Proposed Tuition Block Phase 1	7,791,136.00		58.5	7,791,136.00	7,676,604.00	State Department TVET

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: **Ministry of Education**

Name of beneficiary entity: **Butula Technical and Vocational College**


Confirmation of amounts received by Butula Technical and Vocational College as at 30th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
BTVC/ADM/MOE/001	15/07/2024	499,827.50	-	499,827.50	Received
BTVC/ADM/MOE/001	20/09/2024	335,772.50	-	335,772.50	Received
BTVC/ADM/MOE/001	20/09/2024	362,648.10	-	362,648.10	Received
BTVC/ADM/MOE/001	20/09/2024	1,430,550.70	-	1,430,550.70	Received
BTVC/ADM/MOE/001	23/09/2024	46,859.80	-	46,859.80	Received
BTVC/ADM/MOE/001	24/09/2024	1,163,825.00	-	1,163,825.00	Received
BTVC/ADM/MOE/001	27/09/2024	1,477,583.00	-	1,477,583.00	Received
BTVC/ADM/MOE/001	02/10/2024	499,827.50	-	499,827.50	Received
BTVC/ADM/MOE/001	20/02/2025	3,730,425.00	-	3,730,425.00	Received
BTVC/ADM/MOE/001	04/06/2025	1,999,425.00	-	1,999,425.00	Received
Total		11,546,744.10		11,546,744.10	

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name DAVID W. MADJA Sign  Date 3/12/2025

