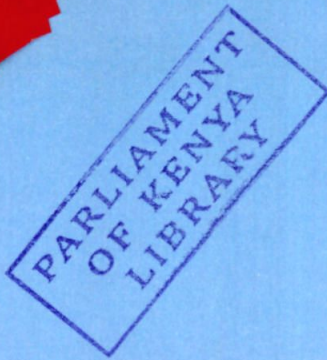



REPUBLIC OF KENYA



Enhancing Accountability



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	09 APR 2025
	DAY: Wednesday
TABLED BY:	Hon. Sylvia Orogompi Majority Party Whip
CLERK-AT THE-TABLE:	A. Shibusko

OF

THE AUDITOR-GENERAL

ON

**BUMBE TECHNICAL TRAINING
INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2024**



BUMBE TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2024**

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

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1. Key Entity Information and Management

(a) Background information

Bumbe Technical Training Institute is a public institution established in 1986 to succeed the Bumbe Technical secondary school which was established in the year 1977 to offer technical secondary education up to form four. Bumbe Technical Training Institute was registered as Technical Training Institution in October 2004 and was incorporated under the TVET Act 2013. Bumbe is domiciled in Kenya and has no branches outside the country. The initial capital for the construction of the technical school was extended by the local community the Anglican Church of Kenya (ACK) and supported by the ministry of education (MOE).

The institute is located on the shores of Lake Victoria along the Bumala-Sio Port-Port Victoria road, in Samia Sub County, Funyula constituency, Bwiri Location. It stands on a 10 acre piece of land.

Bumbe Technical Training institute is aligned with the Ministry of Education Vision, Mission and Objectives. Its priorities are in line with the National TVET policy and Vision 2030.

(b) Principal Activities

The principal mandate of the institution is to train and develop middle managers for national development, to advance, transmit & enhance technical entrepreneurial skill & knowledge for self reliance and to offer courses leading to a ward of diplomas and certificates in TVET programmes in collaboration with other tertiary institutions.

The institute's vision is to be a centre of excellence in research, innovation and technical training. Whereas the mission is to provide research driven technical and entrepreneurial training, for self reliance in competitive market and national production system.

Bumbe TTI is currently running seven academic Departments as listed below:

1. Building & Civil Engineering
2. Business studies
3. Liberal and Information Studies
4. Institutional Management
5. Electrical & Electronic Engineering
6. Automotive Engineering
7. Information Communication Technology and Informatics

The institution offers courses ranging from Artisan, Craft to Diploma.

(c) Key Management

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

1. Board of Governors.
2. Accounting officer/ Principal
3. Top Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Mr.Calestus Wanjala Omillo
2.	Deputy principal administration	Mr.Wasilwa Juma
3	Deputy principal Academics	Ms. Florence Khakai Maleche
4	Registrar	Mr.Patrick Nabatwa
5	Dean of students	Mrs. Topister Akinyi Obonyo
6	Accountant	Mr. Eugene Ekemeta Wobenjo
8	Head of Procurement	Mr. Francis Onyango Okumu

(e) Fiduciary Oversight Arrangements

Risk and Audit Committee

1. Mr. Omwenga Jackson Onwonga	Chairman
2. Mr. Sirima Kenneth	Member
3. Dr. Celine Awino	Member

Finance , Planning and Development

1. Mrs. Agatha NeemaOduori	Chairperson
2. Mr. Omondi Dick Ndiewo	Member
3. Mr. Kenneth Sirima	Member

Academic, Human Resource Welfare

1. Mr. Nanjakululu Johnson	Chairman
2. Dr. Celine Awino	Member
3. Mr. Omondi Dick Ndiewo	Member

Key Entity Information and Management

(f) BTTI Headquarters

P.O. Box 440 - 50406
Off Port Victoria Road
FUNYULA, KENYA

(g) BTTI Contacts

Telephone: (254) 736 391 750
E-mail: info@bumbetti.ac.ke
Website: www.bumbetti.ac.go.ke

(h) BTTI Bankers

National Bank of Kenya
Busia Branch
P.O. Box 264
Busia 50400
Busia, Kenya

Kenya Commercial Bank
Port Victoria Branch
P.O. Box 271
Port Victoria 50401
Port Victoria, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

2. The Board of Governors



Prof. Fredrick O. Wanyama
 P. O. Box 3559 - 40100,
Kisumu.
 Cell: +254-0722-233479,
 +254-0733-718108.
 E-mail:fwanyama@hotmail.com

CHAIRMAN BOARD OF GOVERNORS

HIGHEST ACADEMIC QUALIFICATIONS : Ph.D. in Political Science, Maseno University, Kenya.

CURRENT OCCUPATION / PLACE OF WORK :

Deputy Vice-Chancellor, Academic, Research and Student Affairs at Kisii University. He was Ag. Deputy Vice-Chancellor, Academic, Research, Innovations & Extension at Murang'a University of Technology; and before that, he served as Deputy Principal, Academic, Research, Innovations & Extension at Murang'a University College.

Prof. Wanyama has also served as a Consultant for many organizations, including the International Labour Organization and the World Bank.

COUNTY OF BIRTH : Busia

ETHNICITY : Luhya

ID/NO : 10748640

Thesis title: Local Organizations for Sustainable Development: The Political Environment Community-Based Organizations in Western Kenya.

1994: **M.A in Government**, University of Nairobi, Kenya. Thesis title: Politics of Rural Development: The Performance of Cotton Co-operatives in Busia District, Kenya.

1990: **B.A (Hon.) in Government**, University of Nairobi, Kenya.



CPA Agatha Neema Oduori
 Tel No. +254716570278
 +254707291568
 Email:neemagatha88@gmail.com

HIGHEST ACADEMIC QUALIFICATIONS: Bachelor of commerce (finance Option), The catholic university of eastern Africa (second class upper)

Certified public accountant (CPA finalist)

CURRENT OCCUPATION / PLACE OF WORK :

Accountant , Vision Techno Trade Company Limited, **NAIROBI.**

COUNTY OF BIRTH : Busia

ETHNICITY : Luhya

ID/NUMBER : 27856228

Chairperson in Finance and Development Committee



Eng. Omondi Dick Ndiewo
P.O Box 231-00507 Nairobi
Tel: +254 203517066,
+254 728162245,
+254 735162245
Email: ndiewo@ditech.co.ke,
ndiewo2001@yahoo.com

HIGHEST ACADEMIC QUALIFICATIONS: Bachelor of Mechanical engineering honours – University of Nairobi.

External Examiner University for University of South Africa Masters Student with mini desertion thesis titled “An investigation into changes in equipment technologies in relation to operation and maintenance of rotating equipment in mining applications”.

CURRENT OCCUPATION / PLACE OF WORK :

Director: Ditech Engineering Services

Electromechanical Engineer: Thika Githunguri Water Supply Scheme

Client: Athi Water Works Development Authority

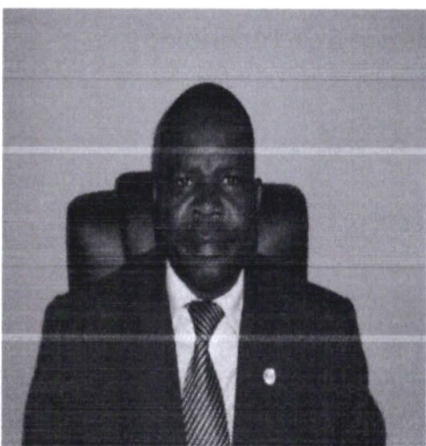
Lead Consultant: COWI

COUNTY OF BIRTH : Busia

ETHNICITY : Luhya

ID/NUMBER : 10706552

Member of the Board, (Member in Finance Development & Academic and Human Committees)



Mr. Calestus Wanjala Omilo
Tel: +254 721 280 790
calestusomilow@gmail.com

HIGHEST ACADEMIC QUALIFICATIONS: Masters of Philosophy in Human Resource Development.

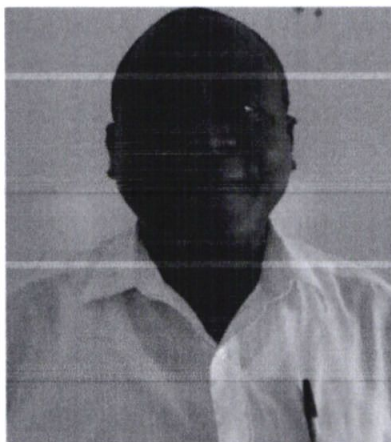
CURRENT OCCUPATION / PLACE OF WORK : Senior Principal Bumbe Technical Training Institute, Ministry of Education State Department for Vocational and Technical Training: August 2018 – To date

COUNTY OF BIRTH : Busia

ETHNICITY : Luhya

ID/NUMBER : 10907065

Secretary to the Board of Governors



Mr. Kenneth Godfrey Sirima
P. O. Box 63 – 50404 Bumala
Cell: 0722-337132
kgsirima@yahoo.com

HIGHEST ACADEMIC QUALIFICATIONS: Bachelor of Science Degree – Mathematics / Computer Science – University of Nairobi.

CURRENT OCCUPATION / PLACE OF WORK

- Retired General Manager, Information & Communications Technology (ICT), National Bank of Kenya Ltd.
- Chairperson BOM Bukhalalire Boy’s High.
- Farming, Community Development in Busia County.

COUNTY OF BIRTH : Busia

ETHNICITY : Luhya

ID/NUMBER :

Member of the Board (Member in Finance & Development Committee and Risk and Audit Committee)



Dr. Celline Awino Omondi
Contacts: P.O Box 3, 50404
Bumala-Kenya,
Tel: +254725863526
Email: cawino@mmust.ac.ke or
omondicelline77@gmail.com or
awinocelline26@gmail.com

HIGHEST ACADEMIC QUALIFICATIONS: Doctor of natural science in renewable energy - Technical university of Berlin (Germany)

CURRENT OCCUPATION / PLACE OF WORK : Lecturer Masinde Muliro University of Science and Technology

COUNTY OF BIRTH : Busia

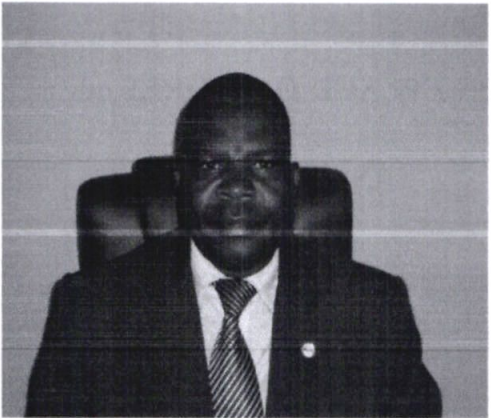

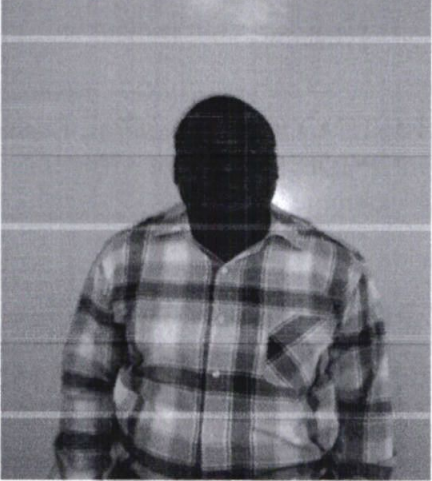
ETHNICITY : Luhya



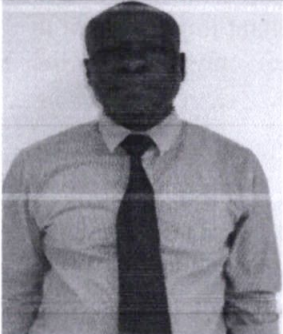

ID/NUMBER :

Member of the Board (Member Academic and Human Resource Committee, Risk and Audit Committee)

 <p>Jackson Omwenga Onwonga P. O. Box 6854 – 00300 NAIROBI. Mobile ; 0722326321 Email : jackonwonga@gmail.com Mobile: 0722326321 Email: jackonwonga@gmail.com</p>	<p>HIGHEST ACADEMIC QUALIFICATIONS: Bachelors of commerce, Bachelor of general law, bachelor of law - Dr. Babasaheb Ambedkar Marathwada University.</p> <p>CURRENT OCCUPATION / PLACE OF WORK: Advocate of the High Court of Kenya.</p> <p>COUNTY OF BIRTH : Kisii</p> <p>ETHNICITY : Kisii</p> <p>ID/NUMBER : 10034468</p> <p>Member of the Board (Chairperson Risk and Audit Committee)</p>
 <p>Mr. Nanjakululu Johnson Email. jinanjakululu@gmail.com Cell Phone: 254714022839</p>	<p>HIGHEST ACADEMIC QUALIFICATIONS: Master of Education in Measurement and Evaluation from University of Nairobi, Kenya.</p> <p>Technical and vocational education and training (TVET) consultant</p> <p>CURRENT OCCUPATION / PLACE OF WORK: Master of Education in Measurement and Evaluation - University of Nairobi, Kenya.</p> <p>COUNTY OF BIRTH : Kakamega</p> <p>ETHNICITY : Luhya</p> <p>ID/NUMBER : 1948455</p> <p>Member of the Board (Chairperson Academic and Human Resource Committee)</p>
 <p>Mr. Shadrack Ngugi Waithaka PS Representative Ministry Of Education State Department For TVET Mobile: 0723350941 : 0733914873 Email: snwait16@gmail.com</p>	<p>HIGHEST ACADEMIC QUALIFICATIONS: Master of Business Administration-Strategic Management, PGDE, Bachelor of Arts (Hons). Strategic Leadership Development Programme.</p> <p>Policy Formulation and implementation</p> <p>CURRENT OCCUPATION / PLACE OF WORK : Assistant Director Vocational and Technical Education</p> <p>COUNTY OF BIRTH : Nakuru</p> <p>ETHNICITY : Kikuyu</p> <p>ID/NUMBER : 6847816</p> <p>Member of the Board (PS - Representative)</p>

3. MANAGEMENT TEAM

 <p>Mr. Calestus Wanjala Omilo Tel: +254 721 280 790 calestusomilow@gmail.com</p>	<p>Masters of Philosophy in Human Resource Development.</p> <ul style="list-style-type: none">- Bachelor of Education (Science) second class honours- Diploma in Sciences & Technical Education- Diploma in Management <p>Senior Principal Bumbe Technical Training Institute, Ministry of Education State Department for Vocational and Technical Training: August 2018 – To date</p> <p>Date of birth. 1971</p> <p>Secretary to the Board of Governors</p>
 <p>Mrs. Florence Maleche</p>	<p>Bachelor of Education Home science & Technology</p> <p>Date of birth. 1974</p> <p>Deputy Principal Academics</p>
 <p>Mr. Wasilwa Juma</p>	<ul style="list-style-type: none">- Bachelor of Business Management (Second Class honours)- Diploma in Technical Education (Business Studies)- Diploma in Business Administration <p>- Date of birth. 1968</p> <p>Deputy Principal Administration</p>

 <p>Mr. Topister Obonyo</p>	<ul style="list-style-type: none">- Diploma in Food and Beverage- KTTC Diploma- Dean of Students
 <p>Mr. Patrick Nabatwa</p>	<ul style="list-style-type: none">- Diploma in Technical Education- Diploma in Mechanical Engineering- Higher Diploma in Education Management.- Date of birth. 1968- Registrar
 <p>Eugene Ekameta Wobenjo</p>	<p>CPA – ICPAK no. 25609</p> <p>Date of Birth; 1981</p> <p>Accountant</p>
 <p>Mr. Francis Onyango Okumu Email. Okumuf Francis57@gmail.com</p>	<p>Bachelor degree in logistics and supply chain management</p> <p>Date of Birth; 1996</p> <p>Procurement officer</p>

4. Chairman's Statement

On behalf of the Board of Governors of Bumbe Technical Training Institute, I am privileged to give the following report on the activities undertaken by the Institute during the Financial Year 2023/2024. This report highlights the activities, challenges and the future prospects of the institution. We appreciate the government support and funding that has enabled the Institute to carry out its functions and remain relevant in technical and vocational education and training (TVET) in the country. It is our hope that the government will continue to avail more resources to the Institute to facilitate our contribution to the production of a workforce with relevant skills to resolve the challenges of the 21st Century at the local, national and global levels.

Key Activities during the Financial Year

Strategic Plan and Policies

Following the expiry of the Institute's strategic plan for the period 2015 – 2020, the Board developed a new plan for the period 2022 – 2027 that is being implemented. The Board Charter was also developed during the year to guide the Board in carrying out its functions. The Board initiated the development of a number of policies to guide the governance and management of the Institute and are in the final stages of completion. These are the Academic Policy, Human Resource Management Policy, Audit and Risk Management Policy and Financial Management Policy.

Linkages and Collaboration

The Institute established a number of linkages and collaborations with partners to enable it carry out its mission. The most significant of these was the partnership with the German International Development Cooperation (GIZ), through the Government of Kenya, to launch a Craft Course in Automotive Engineering that fosters partnership between the Institute and industry. To strengthen the learning outcomes of this course, GIZ will support equipping of an Automotive Engineering Workshop and training of staff. This will not only contribute to improvement of training facilities and diversification of courses offered by the Institute, but will also increase student enrolment.

With the support of the Ministry of Education, the Institute established a partnership with the African Development Bank (AfDB) to support the construction of students' hostels. The resultant improvement in students' accommodation attracts students from the entire country, which will not only increase the number of trainees, but also the Institute's financial base for sustainable development.

Improvement on Infrastructure

Following the completion of the main gate, the Institute paved the driveway into the compound using cabro blocks, which has improved the ambience of the institution. The construction of the first phase of the Science Laboratory block was also launched during the Financial Year. We are grateful to the Ministry for the financial support towards this project and do hope that the support will be maintained up to its completion.

Challenges

Financial constraints

The institution has a high capital outlay and has been struggling to raise adequate financial resources for the purpose. The resultant financial constraints are as a result of low student enrolment; poor fee payment by students; poor economic base that cannot sustain income-generating activities; and irregular and/or undisbursed capitation from the Ministry of Education. Consequently, a number of scheduled activities were not carried out.

Future Prospects

Despite the cited challenges, Bumbe Technical Training Institute remains a going concern. It has been able to meet its obligations, albeit with some difficulties that ought to be addressed. To this end, the institute plans to:

- Increase training courses by mounting more CBET and Technology oriented courses as well as introduction of flexible and blended learning through online training;
- Strengthen training departments by acquiring more tools and equipment, increase capacity through training of more staff in technical areas;

Future Prospects

Despite the cited challenges, Bumbe Technical Training Institute remains a going concern. It has been able to meet its obligations, albeit with some difficulties that ought to be addressed. To this end, the institute plans to:

1. Increase training courses by mounting more CBET and Technology oriented courses as well as introduction of flexible and blended learning through online training;
2. Strengthen training departments by acquiring more tools and equipment, increase capacity through training of more staff in technical areas;
3. Carry out extensive marketing of courses offered in the Institute as a means of increasing student enrolment;
4. Solicit support from well-wishers and investors to construct hostels for student accommodation in order to attract and retain students from distant places;
5. Improve the physical infrastructure in order to improve the image of the Institute as a means of attracting more students;
6. Increase means of transport for staff and students through purchase of a bigger Institute Bus;
7. Enhance security by construction of a perimeter wall fence, installation of biometric identification systems and CCTV cameras at critical areas; and
8. Acquire more land from the community for expansion and infrastructural development of the Institute.

This will enhance the growth of the Institute to the desired level of a National Polytechnic as well as ensure delivery of quality services within its mandate.

Prof. Fredrick O. Wanyama



Chairperson, Board of Governor

5. REPORT OF THE PRINCIPAL

During the Financial Year 2023/2024, the institution put in place a number of measures to enable it attain its mandate. This report gives an overview of the achievements made during the Financial Year 2023/2024, as well as the challenges experienced

1. Enrolment

During the FY2023/2024 our enrolment was 2787 students. We were expecting to enrol over nine hundred new students who will apply during the year.

2. Staff establishment

The Institution has 41 trainers employed by the Public Service Commission and 41 employed by the Board of Governors. During the same year four trainers were transferred to other stations on deployment as a Deputy Principals, and other eight on routine transfers. This forced the Board to bring in more staffs to fill the gaps. The Ministry advertised eleven positions for trainers to be employed by the Public Service Commission in March 2024 and interviews were conducted in May 2024. Ten of the trainers have so far been posted in the institution.

3. Curriculum

We implemented all our training programmers in the seven departments on CBET courses as approved by the TVET Authority in September 2023. The institution rolled out Dual Training in Automotive Engineering level five during the year.

4. Digital Skills Development

The institution was identified as a centre for digital skills development and supported with 50 computers through the ICT Authority under the Jitume programme. A number of students have been trained on on-line jobs and a few have been earning from such jobs.

5. Co-curricular Activities

The institute managed to send students for a number of co-curricular activities upto to National Level. This included athletics, ball games and drama. Some of the activities had been carried over from the previous financial year and this ate into our budget.

6. Research and Innovations

The institution hosted the Regional TVET Fair and also presented a number of Research projects and innovations. A few of the projects proceeded to Nations Level.

7. Greening of the Institution

During the year, the students and staff planted a number of trees and flowers within the institution and in the nearby schools. A lot of land scaping and flowers were done to improve the beauty of the institution.

8. Infrastructure Development, Renovation and Facelift

The institute was supported by the AfDB through the Ministry to construct a hostel of 60 students. The construction is still underway and we hope to be completed by the end of 2024.

The Science Laboratory block that was to be completed during the year could not be done due to limited support from the Ministry.

The institute through its internally sourced funds started the construction of the front face of the perimeter wall.

A number of classes and hostel facilities were also renovated and painted.

9. Partnerships and Collaborations

The institute has reached out to a number of partners to support it to execute its mandate in training. A number of industries in Automotive have supported the dual training programme, where a number of students have been sent to training with the industry. Other organisations have also supported the institution to place students on attachment. During the year the institution was identified to partner with Colleges and Institutes in Canada (CiCAN) to start programmes in the Blue economy. In order to fulfil its mandate of training for production, the institution has reached out to the community for partnership in income generating activities.

10. Governance

The institute received a new Board of Governors who were appointed on 28th March 2024 and inaugurated in April 2024.

11. Challenges

1. Low enrolment.

Bumbe technical training institute is in the category of colleges expected to have over 5000 students, however the current enrolment stands at 2787 students. There is also a drop out of few students due to lack of fees, upkeep and other personal issues like pregnancies and job seeking. Poor perception and attitude from the local community leading to poor enrolment and support of the training activities in financial constraints.

This has led to low fee payment by students. Most students have delayed in paying fees and are reluctant on applying HELB loans.

2 Delay in government capitation and scholarships.

The institute suffered a financial crisis as the government delayed in disbursement of capitation and scholarships to students enrolled by KUCCPS.

There has been delay in releasing funds for projects planned for by the ministry and hence leading to delay in starting the project. A number of the development project as indicated in the Performance Contract and Budget estimates for the financial year 2023-2024 were not executed due to delay in financial disbursements.

3. Security

The institute is located on the boarder of Kenya and Uganda and this poses major security risk. With no proper fencing and security monitoring mechanism, susceptible to terror attacks.

4. Accessibility of the institute

The road network is not good and nearest tarmac is four kilometre away hence difficulty to access the institute.

5. Narrow Curriculum base

The institute has started a few courses relevant to the cultural and economic activities of local community especially in the field of blue economy (aquaculture) however there is need to expand further the curriculum further to include fresh water and marine engineering courses. This has been hampered by lack of relevant infrastructure and land for expansion.



Calestus Wanjala Omilo

PRINCIPAL / SEC BOARD OF GOVERNOR

Bumbe Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

6. Statement of Performance against Predetermined Objectives

The Government is committed to ensuring that Public Offices are well managed and are cost effective in delivering quality services to the Public in line with Provisions of the Constitution.

The Government recognizes that Bumbe TTI holds a key role in the ‘Bottom up transformation agenda economy (BETA)’ initiatives and other National Priorities in order to improve the quality of life of Kenyans and make Kenya globally competitive

The BOG of Bumbe TTI signed a Performance Contract with the Government of Kenya during the financial year 2023/2024 in line with its Strategic Objectives. The purpose of this Performance Contract is to establish the basis for ensuring that efficient and effective services are delivered to all stakeholders in line with the Provisions of the Constitution and by requiring Bumbe Technical Training Institute to adopt systems that enable innovation and adoptability of Public Services to the needs of the users.

This Performance Contract therefore represents a basis for continuous performance improvement that meets the expectations of the Kenyan people. The Institute had six strategic pillars and objectives within its Strategic Plan for the FY 2022/2023 to 2026/2027. The strategic pillars were as follows: -

- Pillar 1. To increase access to quality and relevant Education and Training opportunities.
- Pillar 2. To Institutionalize Innovation, applied Research and Development.
- Pillar 3. To integrate ICT in training and Delivery
- Pillar 4. To strengthen Institute Capacity and Competitiveness.
- Pillar 5. To enhance sound Governance and Management
- Pillar 6. To establish Linkages and Collaborations

Bumbe Technical Training Institute developed its annual work plans based on the above six pillars. Assessments of the Board’s performance against its annual work plan were done on quarterly basis. The Institute achieved its performance against targets for the FY 2023/2024 as indicated in the table below: -

S/No	Objective	Performance Indicator	Activities	Achievement status as at 30 th June 2024
1.	To increase access to quality and relevant education and training opportunities	<ul style="list-style-type: none"> • Number of trainees enrolled in SET • Number of CBET programmes mounted • Number of trainees enrolled • Project completion Rate • Pass Rate • Constructed modern gate, well lit compound 	<ul style="list-style-type: none"> • Increased trainee enrolment in SET • CBET curriculum implemented • Trainee enrolment increased • Number of completed projects • Increased external exams pass rate • Improve infrastructure 	<ul style="list-style-type: none"> 302 36 2787 3 77.6% 100%

S/No	Objective	Performance Indicator	Activities	Achievement status as at 30th June 2024
2.	To institutionalize Innovation, applied Research and Development	<ul style="list-style-type: none"> • Research papers presented 	<ul style="list-style-type: none"> • Science technology and innovation mainstreaming 	2
3.	To integrate ICT in training and service delivery	<ul style="list-style-type: none"> • Online programmes started 	<ul style="list-style-type: none"> • Integrating ICT in learning 	All courses
4.	To strengthen Institute capacity and competitiveness	<ul style="list-style-type: none"> • Analysed data, • Number of staff trained • Number of youth on internship/industrial attachment/ Apprenticeship 	Competence Development	70% 4 2
5.	To enhance sound governance and Management	<ul style="list-style-type: none"> • Number of trainings on leadership and management Conducted 	<ul style="list-style-type: none"> • Training of HODS on corruption prevention and Disability mainstreaming 	2
6.	To establish Linkages and Collaborations	<ul style="list-style-type: none"> • Number of organizations partnered with. 	<ul style="list-style-type: none"> • Creating partnerships with various organizations and industries • Developing MOUs with partnered industries/ organizations 	15

7. Corporate Governance Statement

T Institute is a public institution established in 1986 to succeed the Bumbe Technical secondary school. Bumbe Technical Training Institute was registered as Technical Training Institution in October 2004 and was incorporated under the TVET Act 2013.

The management will be implemented through the concerted effort of the BoG, Principal/ Secretary BoG, The BoG is the supreme decision-making organ in the institute. Its members are appointed by Ministry of Education, State Department for Technical Vocational Education and Training in accordance with the TVET Act, 2013.

The Board of Governors comprises of the following: -

- a. Chairman
- b. Secretary
- c. Members drawn from the following economic sectors:
 - i. Leadership and management
 - ii. Financial management
 - iii. Industry
 - iv. Technology
 - v. Engineering
 - vi. ICT
 - vii. Representative of the County government
 - viii. Representative of the principal secretary

Bumbe T T I Board of Governors during the year.

The following is the list of board of Governors;

S/NO	NAME	SEX	COUNTY OF BIRTH	ETHNICITY
1.	Prof. Fredrick Wanyama	Male	Busia	luhya
2.	Mr. Johnson Nanjakululu	Male	kakamega	Luhya
3.	Ms. Agatha Neema Oduori	Female	Busia	Luhya
4.	Mrs. Celline Awino Omondi	Female	Busia	Luo
5.	Eng. Dick Omondi Ndiewo	Male	kericho	Luo
6.	Mr. Kenneth Sirima	Male	Busia	Luhya
7.	Mr. Jackson Omwenga Onwonga	Male	Kisii	Kisii

Role of the Board of Governors

- i. Set and oversee the overall strategy and approve significant policies of the organizations.
- ii. Exercise their role collectively and not individually.
- iii. Determine the organization's mission, vision, purpose and core values.
- iv. Approves the organizational structure.
- v. Approves the annual budget of the organization.
- vi. Be available for consultations with Board members and the CEO
- vii. Ensure that there is a formal succession plan for Board members.
- viii. Ensure new board members are inducted in accordance with the agreed induction programme.

- ix. Ensure effective communication with stakeholders.
- x. Encourage board members to develop their skills and competencies
- xi. Promote a positive image of the organization.
- xii. Encourage a culture of transparency and team work among board members.
- xiii. Act as an informal link between the board and stakeholders.

Board committee

The board committee are as flows;

A. Risk and Audit Committee

1. Mr. Omwenga Jackson Onwonga	Chairman
2. Mr. Sirima Kenneth	Member
3. Dr. Celine Awino	Member

Activities

Examining the institute's financial statements to determine whether they are reliable.

Ensuring the institute establishes a thorough risk management process and effective internal control

Reviewing the institute's policies, particularly in areas such as ethics, conflict of interest and fraud.

B. Finance , Planning and Development

1. Mrs. Agatha NeemaOduori	Chairman
2. Mr. Omondi Dick Ndiewo	Member
3. Mr. Kenneth Sirima	Member

Activities

Review periodically the institute's annual budget and recommending adjustments for approval.

Oversee cash flows and financial management

Ensuring that financial reporting requirements are fulfilled

Ensuring that the financial elements of the BTTI are in accordance with its vision, mission and strategic plan

Reporting to the full board about the financial condition of the institution and/or any financial irregularities or inefficiencies.

C. Academic, Human Resource Welfare

1. Mr. Nanjakululu Johnson	Chairman
2. Dr. Celine Awino	Member
3. Mr. Omondi Dick Ndiewo	Member

Activities

Review periodically the institute's Policies to incorporate emerging trends and best practices in Human Resource Management, in the Public Service.

Ensuring that HR and Academic policies are aligned with Institutes Vision, Mission and Strategic plan.

Overseeing Academics and HR operations in the Institute.

Periodical reporting of HR and Academics progress/Updates to the full Board.

D. Adhoc Committee

1. Prof Fredrick Wanyama	Chairman
2. Three members	Member

BOARD REMUNERATION

The board members are paid honorarium and sitting allowances as follows

S/NO	NAME	HONORARIUM PER MONTH KSHS. 2023-2024	ALLOWANCE PER SITTING KSHS. 2023-2024	HONORARIUM PER MONTH KSHS. 2022-2023	ALLOWANCE PER SITTING KSHS. 2022-2023
1.	Prof. Fredrick Wanyama	20,000.00	20,000.00	0	15,000
2.	Mr. Johnson Nanjakululu	0	17,000.00	0	0
3.	Ms. Agatha Neema Oduori	0	17,000.00	0	12,000
4.	Dr. Celline Awino Omondi	0	17,000.00	0	12,000
5.	Eng. Dick Omondi Ndiewo	0	17,000.00	0	0
6.	Mr. Kenneth Sirima	0	17,000.00	0	12,000
7.	Mr. Jackson Omwenga Onwonga	0	17,000.00	0	0

8. Management Discussion and Analysis

Section A

The Bumbe TTI's operational and financial performance

BTTI is a public technical training institution with mandate to prepare and equip middle level managers, advance, transmit and enhance technical and entrepreneurial skills.

The end year report provides highlights of the operation and strategic activities that shaped the year.

The year 2023-2024 was essential for BTTI, a year of strategic planning in reaffirming the Institute's steady commitment to service delivery in training field. The financial year was characterized by extraordinary challenges ranging from high inflation rate to high cost of fuel and other essential commodities. The foundational strength of our governance structure and the unparalleled commitment of the flexible workforce, allowed the institute to end the year with an improved performance and progress across all strategic pillars, creating the pace for continuous growth in coming year.

1) Growing Student Admission

In the financial year, the institute continued to grow its admission. The total active students increased to 2787. This was made possible by the institute's resilience and adoption of workable marketing and retention strategies. The institute continues to monitor and respond to student needs through customer satisfaction surveys and giving quick feedbacks to matters raised.

The growth was due to combined effort by the Board and management towards the execution of the institute's strategic plan which saw an upward trend in student enrolment. The institute continued to maintain a balance between cost optimization and service delivery to students

Table 1: Students' enrolment for the period ending 30th June, 2024

Department	FY 2023-2024			FY2022-2023		
	Male	Female	Total	Male	Female	Total
Applied Science	22	13	35	-	-	-
Automotive Engineering	429	81	510	166	33	199
Building and Civil Engineering	513	207	720	488	115	603
Business & Liberal studies	50	192	242	81	201	282
Electrical Engineering	301	57	358	301	77	378
Institutional management	37	750	787	52	511	563
Information communication technology	73	62	135	77	54	131
TOTAL	1425	1362	2787	1165	991	2156

2) Revenue Growth

During the year the institute managed total revenue of Kshs.143,779,887 up from Kshs. 85,292,150 in the last financial year. This represents a growth of 13.1% in comparison to the previous year. Fee collection and government capitation remain the main revenue contributors of our income. The Institute realized 58.9% of the budgeted revenue.

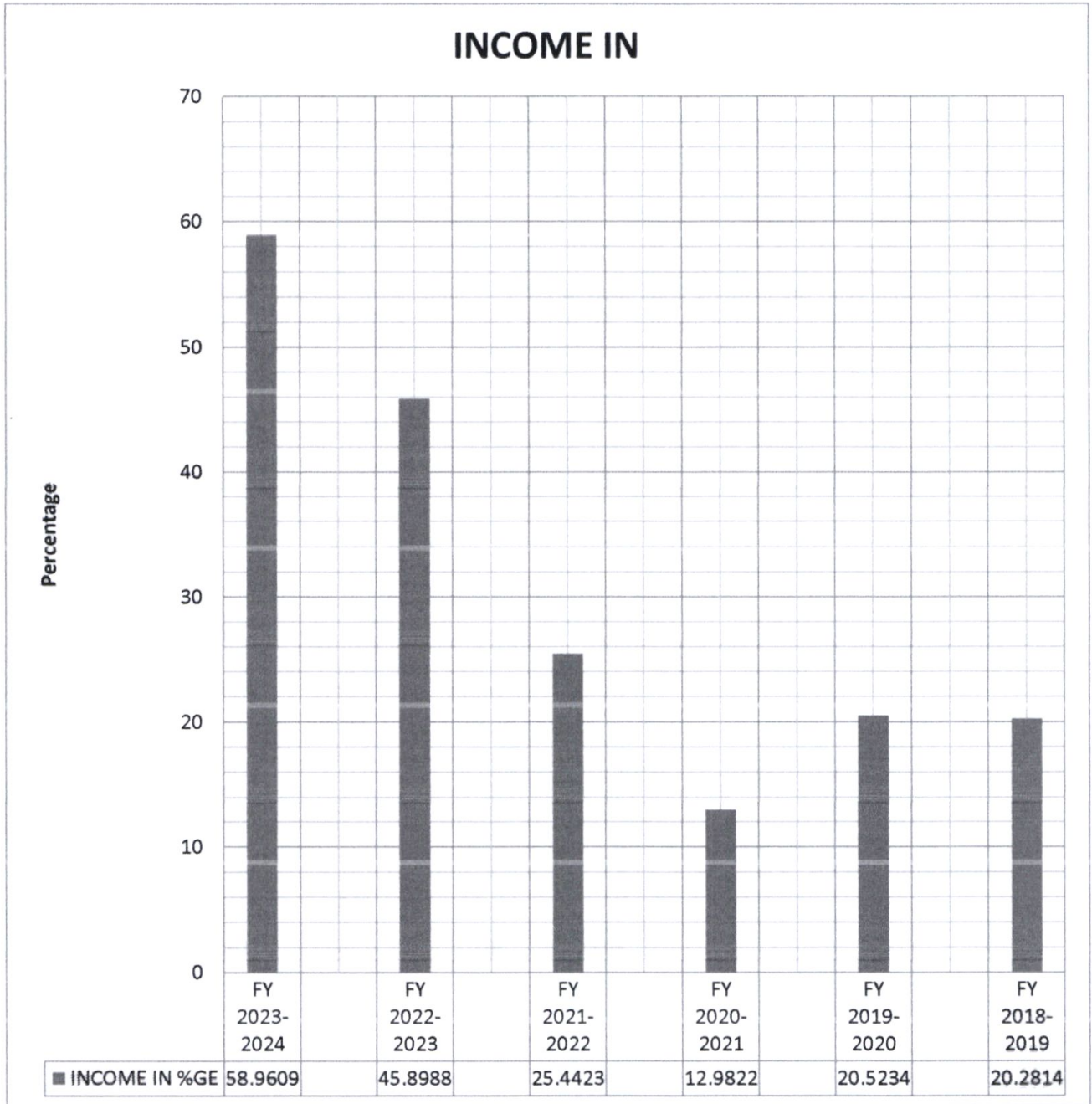


Figure1: Income in Percentage of Budget.

3) Expenditure

In the financial year under review, the institute spend Kshs 153,032,901 up from 85,536,962 an increment of 15% from the previous year. The expenditure incurred represents 62.7% of the budgeted amount.

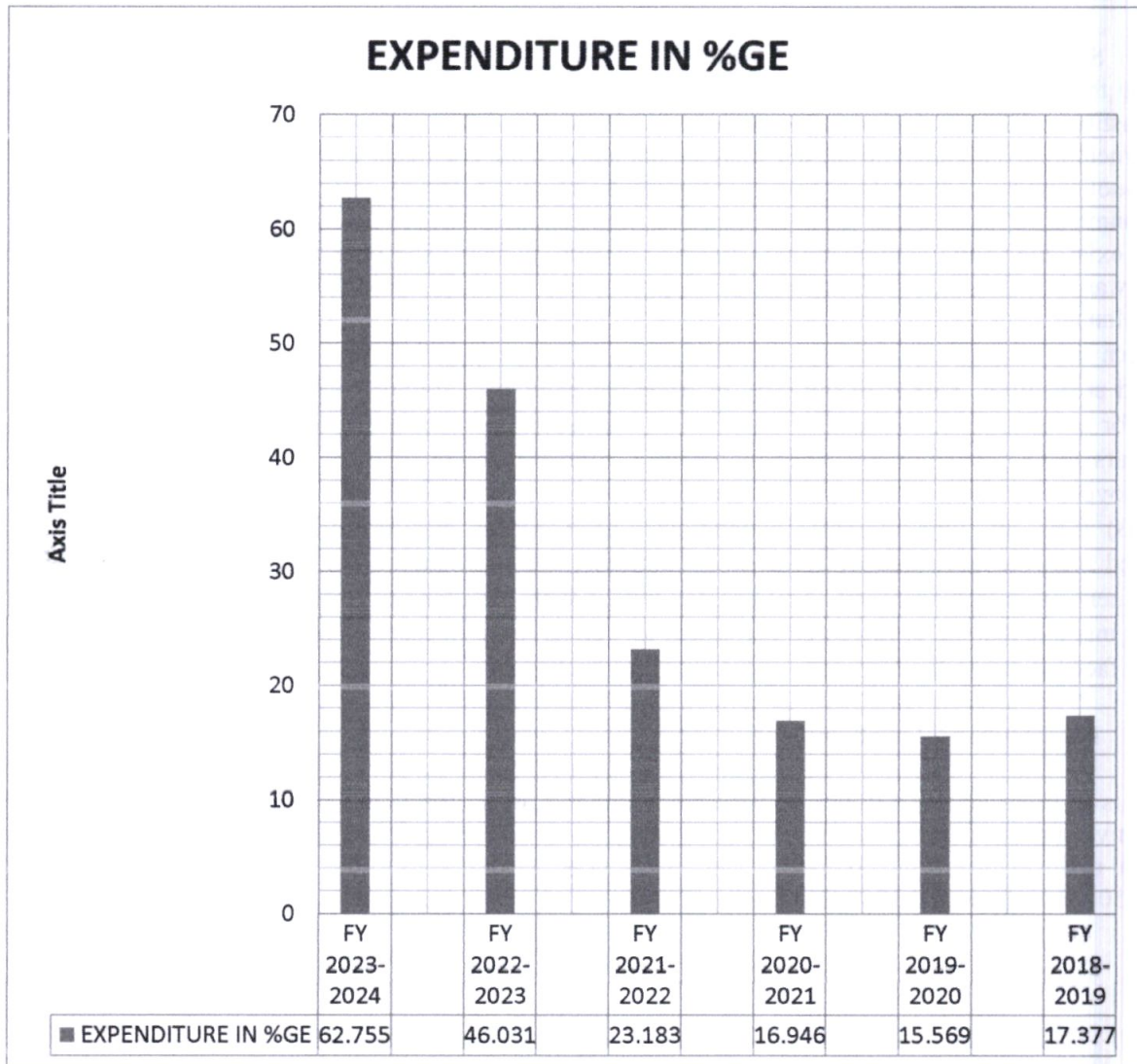


Figure2: Expenditure as a percentage of budget

9. Environmental And Sustainability Reporting Statement

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

Sustainability strategy and profile

During the year, BTTI implemented strategies that set the short – to – medium term strategic direction of the Institute. The strategies articulated how we would deliver our core mandate and govern the implementation and outcomes of the strategic pursuit. We are cognizant to our strategy that would require continuous review, evaluation and monitoring to remain relevant and responsive to our operating environment.

BTTI exist due to the value addition esteemed by our students. The interdependent nature of our value chain was the primary consideration in development of our strategic objectives.

The Management has put in place incentives to attract more trainees. For instance, there is an MOU between the Management and the area MP to pay first term tuition fees for all trainees willing to be trained at institute. This shall not only increase the number of trainees but also the institute's financial base for sustainable development. Government capitation and scholarship is likely to be increased over the years as the population of trainees in technical courses increase

The government in partnership with the development partners like The African Development Bank, (AfDB) Germany international Cooperation(GIZ), Colleges and Institutes in Canada(CICAN), has pledged support to construct a science laboratory block, Automotive engineering Workshop and equipment, hostels and capacity building for staff, which shall lead to diversification of courses offered by the institute leading to increased enrolment as well as revenue generation. Some physical facilities will gain a face lift due to the resources gotten from the exchequer.

Environmental performance

There is an Environmental Policy in place that outlines how the compound should be managed.

The environment department has an elaborate plan on cleaning, planting of trees, beautification and general maintenance of the compound. During the year we managed to plant 2500 trees(1000 Indigenous trees, 500 Fruit trees and 1000 Exotic trees)

Institutional Tree Growing Reporting Template															
Progress / Achievement For the 15 billion Tree growing Programme															
Institution Name: Bumbe TTI															
Location				Source of seedlings	Annual Target	Semi-Annual Achievement	Trees by category			Cumulative achievement			Survival rate (%) (to be done after every 6 months)		Stakeholders/ Partners Mobilized
Country	Sub-county	ward	Specific planting sites (Include GPS coordinates where possible)				Seedlings	Seedlings planted	Indigenous	Exotic	Fruit trees	Indigenous	Exotic	Fruit trees	
BUSIA	SAMIA	BWIRI	SAMIA SUB COUNTY	INSTITUTION NURSERY	100000	2500	1000	500	1000	1000	500	1000	97.00%	80.00%	1. BUMBE T.T.I, KE FRI,

The main challenge faced is that this region sometimes experiences dry spells devoid of rainfall hence trees dry up whenever it is too dry. Landscaping is yet to be done thus working with ground maintenance machines is a challenge.

Employee welfare

The Institute has in place the policy guidelines on recruitment process. Through the leadership of the Principal, BTTI develops Human Resource Plan based on comprehensive job analysis and which shall be reviewed every year to address emerging issues and needs.

The Principal notifies the Board of Governors in accordance with the procedures set out in the Manual, all vacant positions within the establishment, which are to be filled substantively, or in an acting capacity. Such affirmation originates from the various functional heads and must be supported for the recruitment and confirmation that the positions are not only within the approved establishment but also fully funded within the budget.

All positions are filled through an open, competitive, fair and merit-based process, factoring in a third gender rule among other guidelines. The Institute is trying to develop Performance Management Policy factoring in methods of improving skills and managing careers, appraisal and reward systems.

The Institute recognizes and commits itself to the achievement of the highest standards of health and safety in the work place, and the elimination or minimization of health and safety hazards and risks that may affect its employees. In this regard, it has policies and programmes that assure the protection from such hazards and disasters.

The policies and programmes are implemented in compliance with the provisions of Occupational Safety and Health Act, 2007 and other Labour Laws.

Market place practices-

Work at Bumbe TTI is done in strict observance of the rule of law without undue political influence and in a transparent manner. The institute observes the Constitution of Kenya 2010; Ministry of Education policy guidelines as may be made from time to time. The public service code of conduct and regulations helps give direction in the way services are offered at the work place. In our dealings with the political class we deal with those who add positive value to the institute. For instance, the Management links with the MCAs, MPs and the County government for bursary funds provision to our needy trainees so that they can settle outstanding fee arrears. This has seen the institute get support along that line.

For procurement, the user departments come up with procurement requisitions that go through multi-stage approvals before resources are availed for the program or project implementation to kick off. Similarly, in accordance with the public procurement and asset disposal regulations all relevant rules are followed right from the invitation for tender bids until award of the tenders. All this is done in cognizance of the fact that affirmative action requirements safeguarding the marginalized groups such as the youth, women and PWDs are given an equal opportunity to access supply of equipment and services hence no discrimination based on any of the listed groups.

Bumbe institute applies a number of marketing practices to attract the prospective students. Some of these strategies include but not limited to erection of sign posts at strategic places, Schools and Church visits, Road shows, Website, Facebook pages, Print media advertisements, TV adverts.

Consumer rights are safeguarded through effective and efficient service delivery that is time bound. There are customer service charters that outline which, how and when the service shall be offered satisfactorily.

Corporate Social Responsibility / Community Engagements

The institutes through the Nutrition and Dietetics section enhanced good health and nutritional status of members of the community. The department collaborates with different stakeholders including, Ministry of Health, Red Cross, Child Fund Kenya and the children homes to sensitize and educate the members of the community on the essence of good health practices.

The services the Nutrition trainees offer to the community include:

- a) Anthropometric measurements i.e. taking weights and height then calculating the Body Mass Index
- b) Dietary Assessment i.e. taking 24Hour recall and food frequency tables
- c) Nutrition and Health Education counseling
- d) **Maternal and child Health care education**
- e) Assessing health vitals e.g. Blood pressure and Blood sugar levels

During the financial year 2023/2024, the department was able to collaborate with Child fund Kenya, Kenya Red cross and the Ministry of education to offer health and nutrition support to households affected by Flood in the neighboring Budalangi Constituency. The households had been displaced by floods and relocated to safer higher ground.

Below are a few pictorials of the activities:



Picture 1: Dietetic trainees(in white lab coat) taking blood pressure vital from an elder person to ensure he is well



Picture 2: A trainee taking a mother through Nutrition counselling and Education after a thorough health assessment has been done.



Picture 3: A trainee undertaking a blood glucose test to establish the glucose levels of the patient and the chances of diabetic exposure. The other trainee filling a 24 hour recall questionnaire to ascertain the meals taken in the last 24 hours and if they comply with the dietary requirements

During the period too, the trainees visited Jawabu Rehabilitation and children's centre in Eldoret. Here they were able to interact with children with Autism and various cases and sensitize the care givers on the importance of good nutrition to them



Picture 4: Children with various conditions at the centre



Picture 5: A blissful photo taken at the end of the session at Jawabu children's centre

10. Report of the Board of Governors

The Board members submit their report together with the an audited financial statements for the year ended June 30, 2024, which show the state of the Institute's affairs.

Principal activities

The principal activities of the Bumbe TTI are continued to be:

1. Training and developing middle level managers for the national development
2. Advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-reliance
3. Offering courses leading to the award of up to diploma certificates in TVET programmes in collaboration with other tertiary institutions and appropriate industries.

Results

The results of the Bumbe TTI for the year ended June 30th 2024 are set out on page 1 - 22

Board of Governors

The members of the Board who served during the year are shown on page VI - IX. During the year three board members retired.

Auditors

The Auditor General is responsible for the statutory audit of the BTTI in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Certified Public Accountants were nominated by the Auditor General to carry out the audit of the BTTI for the period ended 30th June 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

.....
Secretary of the Board

Nairobi

Date:

11. Statement of Board of Governors' Responsibilities

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

The Board of Governors is responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institution for and as at the end of the financial year ended on 30th June, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Bumbe TTI, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for BTTI's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and section 14 of the State Corporations Act, and section 29 of schedule 2 of the TVET Act, 2013. The Board members are of the opinion that BTTI financial statements give a true and fair view of the state of the Institute's transactions during the financial year ended June 30, 2024, and of the Institute's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the BTTI's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that the Institute 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 BTTI financial statements were approved by the Board on 25TH SEPTEMBER, 2024 and signed on its behalf by:



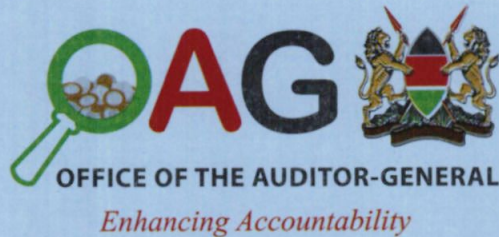
.....
Name : Prof. Fredrick Wanyama PhD
Chairperson of the Board



.....
Name : Mr. Calestus Wanjala Omilo
Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 BUMBE TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in 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 Bumbe Technical Training Institute set out on pages 1 to 23, which comprise of the statement of financial position

Report of the Auditor-General on Bumbe Technical Training Institute for the year ended 30 June, 2024

as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bunge Technical Training Institute as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Inaccuracy in the Statement of Cash Flows

The statement of cash flows reflects changes in current payables and current receivables amounts of negative Kshs.1,775,124 and Kshs.10,744,463, respectively erroneously under cash flows from investing activities instead of cash flows from operating activities. Further, a hybrid of direct and indirect methods was used in preparation of the statement instead of the direct method prescribed by the reporting template issued by the Public Sector Accounting Standards Board.

In addition, the statement reflects net cash flows from operating activities of Kshs.5,854,674. However, a reconciliation statement for cash generated from operations was not included by way of a Note to the financial statements as required by reporting template prescribed by the Public Sector Accounting Standards Board.

Additionally, the statement reflects net decrease in cash and cash equivalents amount of Kshs.2,340,206 while re-computation of the amount indicates net increase in cash and cash equivalents amount of Kshs.422,544, resulting to unreconciled variance of Kshs.2,762,750.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

2. Unsupported Finance Costs

The statements of financial performance and Note 16 to the financial statements indicate finance costs amounting to Kshs.3,479,194. However, the general ledgers, interest computations and changes in lending rates as stipulated in the loan agreements were not provided for audit review.

In the circumstances, the accuracy and completeness of finance costs amounting to Kshs.3,479,194 could not be confirmed.

3. Unsupported Borrowings

The statement of financial position and Note 22 to the financial statements indicate borrowings balance of Kshs.17,518,634. However, The National Treasury approvals, general ledgers and amortization schedules were not provided for audit review.

In the circumstances, the accuracy and completeness of borrowings balance of Kshs.17,518,634 could not be confirmed.

4. Unconfirmed Property, Plant and Equipment Balance

The statement of financial position and Note 19 to the financial statements indicate property, plant and equipment balance of Kshs.483,040,869, which includes plant and equipment balance of Kshs.236,164,755, which in turn includes several donated assets amounting to Kshs.277,840,887. However, Management recognized all the donated assets under plant and equipment and did not categorize them in their respective classes, thus resulting in using inappropriate rates of depreciation. Additionally, valuation report for the donated assets was not provided for audit review.

The property, plant and equipment balance of Kshs.483,040,869 under Note 19 to the financial statements further includes building balance of Kshs.187,772,683, which in turn includes transfer/adjustment balance of Kshs.11,133,804 whose analysis and supporting documents including completion certificates were not provided for audit review.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.483,040,869 could not be confirmed.

5. Unsupported Increase in Capital Work in Progress

The statement of financial position and Note 19 to the financial statements indicate property, plant and equipment balance of Kshs.483,040,869, which includes capital works in progress balance of Kshs.16,964,524. During the year under review, the capital works in progress increased by an amount of Kshs.2,769,919. However, the certificates of interim completion of works for the additions were not provided for audit verification.

In the circumstances, the accuracy and completeness of capital works in progress balance of Kshs.16,964,524 could not be confirmed.

6. Unsupported Receivables from Exchange Transactions

The statement of financial position and Note 18 to the financial statements reflect receivables from exchange transactions balance of Kshs.39,113,612 in respect to student debtors. However, the debt management policy and ageing analysis indicating the period the debts were outstanding were not provided for audit review.

In the circumstances, the accuracy and recoverability of the receivables from exchange transactions balance of Kshs.39,113,612 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2024, reflects a revenue budget of Kshs.243,856,280 and actual receipts of Kshs.95,640,927 resulting in a shortfall of Kshs.148,215,353 or 61% of the budgeted receipts. Similarly, the statement reflects actual expenses amounting to Kshs.86,307,059 against the budgeted expenditure of Kshs.243,856,280 resulting to budget under-absorption of Kshs.157,549,221 or 65% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on page iii to xxxii which comprise of Key Entity Information, the Board of Governors, Management Team, Chairman's Statement, Report of the 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 Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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. Non-Compliance with Law on Staff Ethnic Diversity

Review of staff bio data for the month of June, 2024 revealed that the Institute had seventy-two (72) staff on contract, permanent and pensionable terms, out which sixty (60) staff or 83% were from one ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which states that no public establishment shall have more than one third of its staff from the same ethnic community.

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

2. Improper Inventory Control and Stores Management

During the year under review, Management did not provide quarterly and annual stock report for audit review contrary to section 162(2) of the Public Procurement and Asset Disposal Act, 2015.

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

3. Delayed Completion of Science Laboratory Block Project

The contract for construction of science laboratory block at the Institute was awarded to a local contractor at a contract sum of Kshs.65,969,910 and the project was to be undertaken in phases with phase one costing Kshs.15,510,170. Phase one was scheduled to be completed within eighteen (18) weeks after signing the contract on 31 December, 2021. However, review of the project progress reports and physical verification of the project conducted on 4 February, 2025, revealed the following unsatisfactory matters:

- i. The project had stalled and the contractor had abandoned the site for period of over one year.
- ii. The contractor had been paid a sum of Kshs.10,276,880 or 66% of contract sum for Phase one. However, the bill of quantities provided for ground floor structural slab measuring thickness of 150mm which differed with construction of ground floor slab measuring a thickness of 200mm under unclear circumstances. As a result, the additional weight has resulted to a deep crack on one of the slab beams and the slab had sagged posing risk of slab caving in.
- iii. The engineer's report had recommended the contractor to demolish the stair cases due to structural defects and weakness which had not been corrected. The

inspection report states that the contractor may have used substandard concrete mixture on the stair cases and slab and may not have used vibrator to compact the slab during construction due to random spaces and holes observed in the slab.

- iv. Most of the building's beams showed huge bends which will require additional concrete and structural redesign which may escalate the cost of the project.

Further, the Management made an open contract with contractor without stipulating the contract end or contract enforcement period.

In the circumstances, the delayed implementation of the project and lack of structural soundness of the building pose a risk to lives of the users and may lead to project cost escalation and deny the students the intended services.

4. Implementation of Intellimis Enterprise Resource Planning (ERP) System

The Institute acquired an Enterprise Resource Planning (ERP) system at a one-off set-up fee of Kshs.348,000 and monthly subscription Kshs.29,000 on 1 September, 2023. However, system audit of the ERP revealed that Student Academics, Mpesa Integration, Student Accommodation, Inventory Management, Library Management, Asset Management and E-learning Management modules have not been fully utilized.

In the circumstances, the Institute may not have realized value for money for the expenditure amounting to Kshs.638,000.

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

Inadequate Information Communication Technology Internal Controls Environment

Review of Information Communication Technology (ICT) internal controls environment and records of the Institute indicated that the ICT section lacked critical documents which including the ICT strategic plan and an approved ICT policy. Further, the Institute had not

established an ICT steering committee. This was contrary to Regulation 110 (1) of the Public Finance Management (National Government) Regulations, 2015 which states that Accounting Officers for a National Government entity should institute appropriate access controls needed to minimize breaches of information confidentiality, data integrity and loss of business continuity.

In the circumstances, the effectiveness of the Institute's ICT environment internal controls could not be confirmed.

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

Responsibilities of Management and the Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Institute's, ability to 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 terminate the Institute or to cease its operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 March, 2025

Bumbe Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

13. Statement of Financial Performance for the year ended 30 June 2024

Description	Notes	2023 - 2024	2022 - 2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from National Government (M O E)	6	24,089,000	21,641,000
Total Revenue from Non-Exchange transactions		24,089,000	21,641,000
Revenue from Exchange transactions			
Rendering of services- fees from students	7	117,521,527	59,499,850
Sale of goods	8	1,894,360	3,062,100
Rental revenue from facilities and equipment	9	275,000	1,089,200
Revenue from Exchange transactions		119,690,887	63,651,150
Total Revenue		143,779,887	85,292,150
Expenses			
Use of goods and services	10	4,490,657	5,558,888
Employee costs	11	27,284,019	28,143,010
Board Expenses	12	1,322,350	1,495,000
Depreciation and amortization expense	13	57,548,150	10,506,942
Repairs and maintenance	14	4,813,213	2,715,351
General expenses	15	54,095,317	49,671,526
Finance costs	16	3,479,194	2,263,647
Total Expenses		153,032,901	100,354,364
Net surplus for the year		<u>-9,253,014</u>	<u>-15,062,214</u>

The notes set out on pages 6 to 22 form an integral part of the Annual Financial Statements.

Bumbe Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

14. Statement of Financial Position as at 30th June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	17	5,818,466	8,158,672
Receivables from exchange transactions	18	39,113,612	49,858,075
Total Current Assets		44,932,078	58,016,747
Non-current assets			
Property, plant and equipment	19	483,040,869	236,432,409
Total Non-current Assets		483,040,869	236,432,409
Total assets		<u>527,972,947</u>	<u>294,449,156</u>
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	12,397,390	14,148,014
Refundable deposit	21	484,500	509,000
Total Current Liabilities		12,881,890	14,657,014
Non-current liabilities			
Borrowings	22	17,518,634	21,813,184
Total Non-current liabilities		17,518,634	21,813,184
Total liabilities		30,400,524	36,470,198
Capital			
Accumulated surplus	Page 3	-21,611,743	-12,358,729
Revaluation reserve		20,995,000	15,920,000
Capital	Page 3	498,189,166	269,074,701
Total Capital and Reserves		497,572,423	257,978,958
Total Liabilities and Capital & Reserves		<u>527,972,947</u>	<u>294,449,156</u>

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Institution Board of Governors by:

Prof. Fredrick Mwangi

[Signature]

Chairman of Board

25TH SEPTEMBER, 2024
Date.....

[Signature]

Finance Officer

ICPAK No: *25609*

25TH SEPTEMBER, 2024
Date.....

Eugene Mwangi

Mr. Celestus Mwangi

[Signature]

Principal

25TH SEPTEMBER, 2024
Date.....

Bumbe Technical Training Institute

Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Changes in Net Asset for the year ended 30 June 2024

	Revaluation reserve	Fair value adjustment reserve	Retained Surplus	Capital	Total
Balance c/d as at June 30, 2019	-	-	21,099,030	229,909,186	251,008,216
Balance b/f as at July 1, 2019	-	-	21,099,030	229,909,186	251,008,216
Revaluation gain	-	-	-	-	-
Prior year adjustment	-	-	-	-	-
Total comprehensive income	-	-	8,542,583	-	8,542,583
Addition during the year	-	-	-	6,375,285	6,375,285
Balance c/d as at June 30, 2020	-	-	29,641,613	236,284,471	265,926,084
Balance b/f as at July 1, 2020	-	-	29,641,613	236,284,471	265,926,084
Total comprehensive income	-	-	-26,608,447	-	-26,608,447
Addition during the year	-	-	-	5,733,319	5,733,319
Balance c/d as at June 30, 2021	-	-	3,033,166	242,017,790	245,050,956
Balance b/f as at 1st July, 2021	-	-	3,033,166	242,017,790	245,050,956
Total comprehensive income	-	-	-329,681	-	-329,681
Addition during the year	-	-	-	11,240,218	11,240,218
Balance b/f as at 30th June, 2022	-	-	2,703,485	253,258,008	255,961,493
Balance b/f as at 1st July, 2022	-	-	2,703,485	253,258,008	255,961,493
Total comprehensive income	-	-	-15,062,214	-	-15,062,214
Addition during the year	15,920,000	-	-	15,816,693	31,736,693
Balance c/f as at 30th June, 2023	15,920,000	-	-12,358,729	269,074,701	272,635,972
Balance b/f as at 1 July, 2023	15,920,000	-	-12,358,729	269,074,701	272,635,972
Total comprehensive income	-	-	-9,253,014	-	-9,253,014
Addition during the year	5,075,000	-	-	229,114,465	234,189,465
Balance c/f as at 30th June, 2024	20,995,000	-	-21,611,743	498,189,166	497,572,423

16. Statement of Cash Flows for the year ended 30 June 2024

		2023-2024	2022-2023
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Government - capitation	6	24,089,000	21,641,000
Rendering of services- Fees from students	7a	69,440,567	59,499,850
Sale of goods & Services	8	1,894,360	3,062,100
Rental revenue from hostels & staff houses	9a	217,000	1,089,200
Total Receipts		95,640,927	85,292,150
Payments			
Compensation of employees	11	27,284,019	28,143,010
Finance cost	16	3,479,194	2,263,647
Board allowances	12	1,322,350	1,495,000
RMI	14a	3,829,870	2,439,675
Use of goods and services	10	4,490,657	3,073,778
General expenses	15a	49,380,163	49,671,526
Total Payments		89,786,253	87,086,636
Net cash flows from operating activities		5,854,674	-1,794,486
Cash flows from investing activities			
Decrease/Increase in current payable		-1,775,124	4,420,108
Decrease/Increase in current receivable		10,744,463	-10,770,522
Property, plant and equipment		-10,106,919	-18,835,422
Net cash flows used in investing activities		-1,137,580	-25,185,836
Cash flows from financing activities			
Bank loan	22	-4,294,550	11,813,184
Net cash flows used in financing activities		-4,294,550	11,813,184
Net increase/(decrease)in cash and cash equivalents		-2,340,206	-15,167,138
Cash and cash equivalents as at 1 st July 2023		8,158,672	23,325,810
Cash and cash equivalents as at 30 June 2024		<u>5,818,466</u>	<u>8,158,672</u>

The statement of cash flow and budget were prepared using cash basis of accounting and note supporting the cash flow preparation are attached as Appendix to these financial report .

Note: Property, plant and equipment acquired are shown under appendix 3.11

17. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2024

	Original budget	Adjustment	Final budget	Actual on comparable basis	Performance difference	Variation
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue						
Development grants	65,798,280	0	65,798,280	0	-65,798,280	-100%
Internal Development	22,500,000	0	22,500,000	0	-22,500,000	-100%
Government capitation	52,500,000	0	52,500,000	24,089,000	-28,411,000	-54%
Rendering of services- Fees from students	82,730,000	0	82,730,000	69,440,567	-13,289,433	-19%
Sale of goods	20,250,000	0	20,250,000	1,894,360	-18,355,640	-91%
Rental income	78,000	0	78,000	217,000	139,000	178%
Total income	243,856,280	0	243,856,280	95,640,927	-148,215,353	
Expenses						
Development grants	88,974,880	0	88,974,880	0	-88,974,880	-100%
Employee costs	32,630,860	0	32,630,860	27,284,019	-5,346,841	-16%
Board Allowances	2,409,000	0	2,409,000	1,322,350	-1,086,650	-45%
General expenses	112,021,790	0	112,021,790	49,380,163	-62,641,627	-56%
Use of goods and services	4,317,000	0	4,317,000	4,490,657	173,657	-11%
Repair and Maintenance	3,502,750	0	3,502,750	3,829,870	327,120	9%
Total expenditure	243,856,280	0	243,856,280	86,307,059	-157,549,221	
Surplus for the period				9,333,868		

Budget notes

- I. No development grants were received from the government during the financial period thus non expenditure incurred.
- II. The capitations were received partly for three quarters,
- III. The board ensured proper admission and retention of students leading to almost over achievement of rendering of services as a vote head
- IV. Majority of students and staff establishment sourced their meals and accommodation in nearby facilities thus contributing to low performance in sales of goods vote head.
- V. Due to cost effective mechanisms employed by the board and cognizant of revenue generated the Institute managed to spend below budgeted amount in all voted heads apart from repair and maintenance.

18. Notes to the Financial Statements

1. General Information

BTTI entity is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to Train and develop middle level managers for national development.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the PFM Act, 2012 and section 14 of the State Corporations Act, and section 29 of schedule 2 of the TVET Act, 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing;

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Standard	Effective date and impact:
	<p>and</p> <ul style="list-style-type: none"> • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement

Standard	Effective date and impact:
	Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1 st January 2023. No impact
IPSAS 43	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. No lease held during the reporting period therefore no impact.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. Non was held and therefore no impact on financial statement

iii. **Early adoption of standards**

BTTI did not early-adopt any new or amended standards in year 2024.

4. Summary of Significant Accounting Policies

a) **Revenue recognition**

i) **Revenue from non-exchange transactions**

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured

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

ii) **Revenue from exchange transactions**

Rendering of services

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

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

Sale of goods

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

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.

a) **Revenue recognition**

ii) **Revenue from exchange transactions**

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 2023/2024 was approved by the Board on **22nd September 2022**. Subsequent revisions or additional appropriations were not made to the approved budget.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of cashflow has since been attached as appendix to these financial statements.

c) Property, plant and equipment

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

d) 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.

Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Impairment of financial assets

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

i) Financial instruments

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

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

Loans and borrowing

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

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

e) 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.

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.

f) 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.

g) Nature and purpose of reserves

The BTTI does not maintain reserves in terms of specific requirements.

h) 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.

i) 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.

j) 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.

k) 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.

l) 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.

m) 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.

n) Comparative figures

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

o) 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, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

Provisions 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.

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6. Transfers from other National Government entities

Description	2023-2024	2022-2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	24,089,000	21,641,000
Total Government Grants and Subsidies	24,089,000	21,641,000

(a) Transfers from other Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of Education/State Department of TVET	24,089,000	0	0	24,089,000	21,641,000
Total	24,089,000	0	0	24,089,000	21,641,000

7. Rendering of Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition fees	31,140,312	2,731,676
Activity fees	9,368,049	6,328,235
Examination fees	10,787,067	7,935,030
Insurance	3,916,551	1,590,600
Registration fees	2,414,500	1,528,500
Student ID	0	305,700
Electricity & Water	7,701,854	4,705,550
Local travelling	7,836,410	5,056,545
Personal Emolument	27,089,065	16,647,880
Student council	1,704,900	1,302,300
RMI	7,153,352	5,066,934
Development/PTA-Bus fund	4,165,500	2,894,000
Medical	1,909,152	1,303,500
Driving School	1,315,560	607,450
Computer Proficiency	1,019,255	1,018,000
Graduation Fees		477,950
Total revenue from the rendering of services	117,521,527	59,499,850

7a. RECONCILIATION OF TOTAL RENDERING OF SERVICE

DETAIL	KSHS.
Balance as per financial performance	117,521,527
Less; unpaid student invoices	-48,080,960
Balance as per cash flow	69,440,567

This revenue realized from students invoices and partly collected during the financial year.

8. Sale of Goods

Description	2023-2024	2022-2023
	Kshs	Kshs
Catering services	0	2,563,200
Production unit	1,417,600	
Bus Hire	476,760	498,900
Total revenue from the sale of goods	1,894,360	3,062,100

9. Rental revenue from facilities and equipment

Description	2023-2024	2022-2023
	Kshs	Kshs
Students Hostels	275,000	1,089,200
Total	275,000	1,089,200

9a. Reconciliation Rental revenue from facilities and equipment

DETAIL	KSHS.
Balance as per financial performance	275,000
Less; unpaid rental invoices	-58,000
Balance as per cash flow	217,000

This was revenue collected from students who were accommodated within the Institution

10. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
E W & C	1,360,757	841,778
Book Fund	682,900	2,485,110
Security -	1,960,000	1,978,000
Accommodation	487,000	254,000
Total good and services	4,490,657	5,558,888

11. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Personal Emoluments	24,752,929	24,935,173
National Social Security Fund	1,292,862	1,698,700
Income Tax – PAYE	419,228	711,837
National Hospital Insurance Fund	543,650	797,300
NITA	24,850	
Salary Advance	250,500	
Employee costs	27,284,019	28,143,010

12. Board Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs

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BOG allowances	1,322,350	1,495,000
Total	1,322,350	1,495,000

13. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	57,548,150	10,506,942
Total depreciation and amortization	57,548,150	10,506,942

14. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Property	3,176,605	1,523,409
Vehicles	1,636,608	1,191,942
Total Repairs and Maintenance	4,813,213	2,715,351

14a. Reconciliation of Repairs and Maintenance

DETAIL	KSHS.
Balance as per financial performance	4,813,213
Less; unpaid trade payable invoices	<u>-983,343</u>
Balance as per cash flow	3,829,870

15. General expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Advertising:	1,343,554	248,520
Administration costs:	6,826,181	6,567,894
Insurance:	917,943	626,821
Tuition	13,127,623	6,461,059
LT & T	7,939,942	8,366,888
Production Unit	352,990.00	-
Exam fee	7,602,627	11,174,183
Activity fees	4,429,290	3,355,610
Internet connectivity	1,275,586	1,375,595
Caution money	63,300	84230
Students council	547,500	287,608
Research	2,863,684	2,570,740
Town campus expenses	0	200,000
Bank chargers	140,644	122,402
Driving lesson expenses	290,206	82,000
HELB refund	0	176000
Computer training expenses	4,500	697,360
Catering Expenses	2,691,605	4,416,837
Medical	1,010,922	499,929
Ict development	958,700	1,698,350
Graduation	264,000	659500

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Attachment	1,355,400	0
Bus hire	89,120	0
Total General Expenditure	54,095,317	49,671,526

15a. Reconciliation of General Expenses

DETAIL	KSHS.
Balance as per financial performance	54,095,317
Less; unpaid trade payable invoices	<u>-4,715,154</u>
Balance as per cash flow	49,380,163

16. Finance Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest on Loans from Commercial Banks	3,479,194	2,263,647
Total Finance Costs	3,479,194	2,263,647

17. Cash and Cash Equivalents

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1157075576	574,773	807,362
National bank of Kenya	1021036500800	2,620,825	5,878,407
National bank of Kenya	1021038375900	681,737	6,909
Kenya Commercial bank	1206577150	1,744,757	1,465,993
Sub- Total		5,622,091	8,158,672
b) Others			
Cash in Hand		196,375	-
Sub- Total		196,375	-
Grand Total		5,818,466	8,158,672

18. Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Student Debtors	39,113,612	49,858,075
Total Current Receivables	39,113,612	49,858,075

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19. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate	0	2.50%	25%	10%	33.30%			
At 1 July 2022(previous year)	5,500,000	232,855,657	13,595,763	2,763,242	3,475,285	4,730,342	9,732,120	272,652,409
Revaluation	-	-	-	-	-	-	-	-
Transfers/Adjustment	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
At 30th June 2023 (Current FY)	5,500,000	232,855,657	13,595,763	2,763,242	3,475,285	4,730,342	9,732,120	272,652,409
Revaluation	15,920,000	-2,560,906						15,920,000
Transfers/Adjustment								
Additions			16,588,000		500,000		4,462,485	21,550,485
At 30th June 2023 (Current FY)	21,420,000	230,294,751	30,183,763	2,763,242	3,975,285	4,730,342	14,194,605	307,561,988
Revaluation	-	-	5,075,000					5,075,000
Transfers/Adjustment		11,133,804						11,133,804
Additions			187,000		7,150,000	277,840,887	2,769,919	287,947,806
At 30th June 2024 (Current FY)	21,420,000	241,428,555	35,445,763	2,763,242	11,125,285	282,571,229	16,964,524	611,718,598
Depreciation and Impairment								
At 1 July 2022(previous year)		45,707,218	15,052,034	2,000,518	3,639,467	4,730,341	-	71,129,579
Deprication for year		7,948,654	5,098,432	276,324	2,548,607	41,676,133	-	57,548,150
At 30th June 2024 (Current FY)		53,655,872	20,150,466	2,276,842	6,188,074	46,406,474	-	128,677,729
Net Book Value								
At 30th June 2023 (Previous FY)	21,420,000	184,587,533	15,131,729	762,724	335,818	1	14,194,605	236,432,409
At 30th June 2024 (Current FY)	21,420,000	187,772,683	15,295,297	486,400	4,937,211	236,164,755	16,964,524	483,040,869

WIP – This is the construction of perimeter wall and Science Lab which are in different stages of completion

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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). These amounts were adopted in the financial statements on.

20. Trade and Other Payables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	KShs
Trade payables for the year	12,397,390	14,148,014
Total trade and other payables	12,397,390	14,148,014

21. Refundable Deposits from Students

Description	2023-2024	2022-2023
	Kshs	Kshs
Caution money	484,500	509,000
Total Deposits	484,500	509,000

22. Borrowings

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance at beginning of the year	21,813,184	9,488,725
Domestic borrowings during the year	0	15,000,000
Repayments of domestic borrowings during the year	-4,294,550	-2,675,541
Balance at end of the year	17,518,634	21,813,184

23. 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 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:

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 no 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.

(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 on-going basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

The 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.

Management of interest rate risk

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

Sensitivity analysis

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

iii) Capital Risk Management

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The objective of the Bumbe TTI's capital risk management is to safeguard the Bumbe TTI's ability to continue as a going concern.

24. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The Parent Ministry;
- ii) Students
- iii) Suppliers
- iv) The community
- v) Key management;
- vi) Board of Governors;
- vii) Employees
- viii) Financial institutions-Banks
- ix) Kenya Power
- x) County Government

25. Events After The Reporting Period

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

26. Ultimate And Holding Entity

The Bumbe TTI is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Education Science and Technology. Its ultimate parent is the Government of Kenya.

27. Currency

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

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Appendix 2- Inter-Entity Confirmation Letter

The State Department of TVET wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Bumbe Technical Training Institute as at 30 th June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by the State Department of TVET] (Kshs) as at 30th June 2024				Amount Received by Bumbe TTI	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	(KShs) as at 30 th June 2024 (E)	
DTE/CAP 9/36 (8)	09/10/2023	7,049,000	0	0	7,049,000	7,049,000	0
DTE/CAP 9 /39 (5)	18/01/2024	7,952,000	0	0	7,952,000	7,952,000	0
DTE/CAP 9/40 (5)	06/02/2024	9,088,000	0	0	9,088,000	9,088,000	0
Total		<u>24,089,000</u>	<u>0</u>	<u>0</u>	<u>24,089,000</u>	<u>24,089,000</u>	<u>0</u>
Tuition Scholarship	Date Disbursed						
COMBINED BATCH 5262 & 5263 SCHOLARSHIP	20/02/2024	23,872,252			23,872,252	23,872,252	0
BATCH 005277 SCHOLARSHIP	18/03/2024	1,007,832			1,007,832	1,007,832	0
Total		<u>24,880,084</u>			<u>24,880,084</u>	<u>24,880,084</u>	<u>0</u>
Grand Total		<u>48,969,084</u>	<u>0</u>	<u>0</u>	<u>48,969,084</u>	<u>48,969,084</u>	<u>0</u>

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

Head of Accountants department of beneficiary Entity:
Name Sign Date.....

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Appendix 3-CASHFLOW NOTES

Appendix 3.0

Description	2023-2024	2022-2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	24,089,000	21,641,000
Total Government Grants and Subsidies	24,089,000	21,641,000

Appendix 3.1 Rendering of Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition fees	21,964,938	2,731,676
Activity fees	3,634,914	6,328,235
Examination fees	9,998,033	7,935,030
Insurance	1,472,104	1,590,600
Registration fees	1,352,344	1,528,500
Student ID	2,400	305,700
Electricity & Water	3,241,464	4,705,550
Local travelling	3,531,448	5,056,545
Personal Emolument	13,580,108	16,647,880
Student council	1,152,836	1,302,300
RMI	4,300,763	5,066,934
Development/PTA-Bus fund	2,723,650	2,894,000
Medical	1,115,596	1,303,500
Driving School	733,870	607,450
Computer Proficiency	631,100	1,018,000
Graduation Fees	5,000	477,950
Total revenue from the rendering of services	69,440,567	59,499,850

Appendix 3.2 Sale of Goods

Description	2023-2024	2022-2023
	Kshs	Kshs
Catering services	0	2,563,200
Production unit	1,417,600	
Bus Hire	476,760	498,900
Total revenue from the sale of goods	1,894,360	3,062,100

Appendix 3.3 Rental revenue from facilities and equipment

Description	2023-2024	2022-2023
	Kshs	Kshs
Students Hostels	217,000	1,089,200
Total	217,000	1,089,200

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Appendix 3.4 Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
E W & C	1,360,757	841,778
Book Fund	682,900	2,485,110
Security -	1,960,000	1,978,000
Accommodation	487,000	254,000
Total good and services	4,490,657	5,558,888

Appendix 3.5 Employee Cost

Description	2023-2024	2022-2023
	Kshs	Kshs
Personal Emoluments	24,752,929	24,935,173
National Social Security Fund	1,292,862	1,698,700
Income Tax – PAYE	419,228	711,837
National Hospital Insurance Fund	543,650	797,300
NITA	24,850	0
Salary Advance	250,500	0
Employee costs	27,284,019	28,143,010

Appendix 3.6 Bog Allowance

Description	2023-2024	2022-2023
	Kshs	Kshs
BOG allowances	1,322,350	1,495,000
Total	1,322,350	1,495,000

Appendix 3.7 Repair and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Property	2,845,025	1,523,409
Vehicles	984,845	1,191,942
Total Repairs and Maintenance	3,829,870	2,715,351

Appendix 3.8 Finance Cost

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest on Loans from Commercial Banks	3,479,194	2,263,647
Total Finance Costs	3,479,194	2,263,647

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Appendix 3.9 Loan Repayment

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance at beginning of the year	21,813,184	9,488,725
Domestic borrowings during the year	0	15,000,000
Repayments of domestic borrowings during the year	-4,294,550	-2,675,541
Balance at end of the year	17,518,634	21,813,184

Appendix 3.10 General Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Advertising:	962,902	248,520
Administration costs:	5,595,950	6,567,894
Insurance:	758,830	626,821
Tuition	10,821,652	6,461,059
LT & T	7,803,452	8,366,888
Production Unit	352,990.00	-
Exam fee	7,320,909	11,174,183
Activity fees	4,429,290	3,355,610
Internet connectivity	1,275,586	1,375,595
Caution money	63,300	84230
Students council	547,500	287,608
Research	2,863,684	2,570,740
Town campus expenses	0	200,000
Bank chargers	140,644	122,402
Driving lesson expenses	290,206	82,000
HELB refund	0	176000
Computer training expenses	4,500	697,360
Catering Expenses	2,691,605	4,416,837
Medical	789,943	499,929
Ict development	958,700	1,698,350
Graduation	264,000	659500
Attachment	1,355,400	0
Bus hire	89,120	0
Total General Expenditure	49,380,163	49,671,526

appendix 3.11

Motor cycle	187,000
Computers	7,150,000
Work in progress	2,769,919
Total	10,106,919