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REPORT

OF

THE AUDITOR-GENERAL

ON

**BUSHIANGALA TECHNICAL
TRAINING INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2020**



BUSHIANGALA TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

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

The Voluntary Service Overseas Group withdrew from the institute in 1993 and it was taken over by the Ministry of labour which replaced the short-term training courses with Artisan and Craft courses. The then Ministry of Higher Education Science and Technology formally took over the running of Bushiangala Technical Training Institute in 2008. The Institute was finally registered as a TVET Institution under TVET Act on 28th January 2019

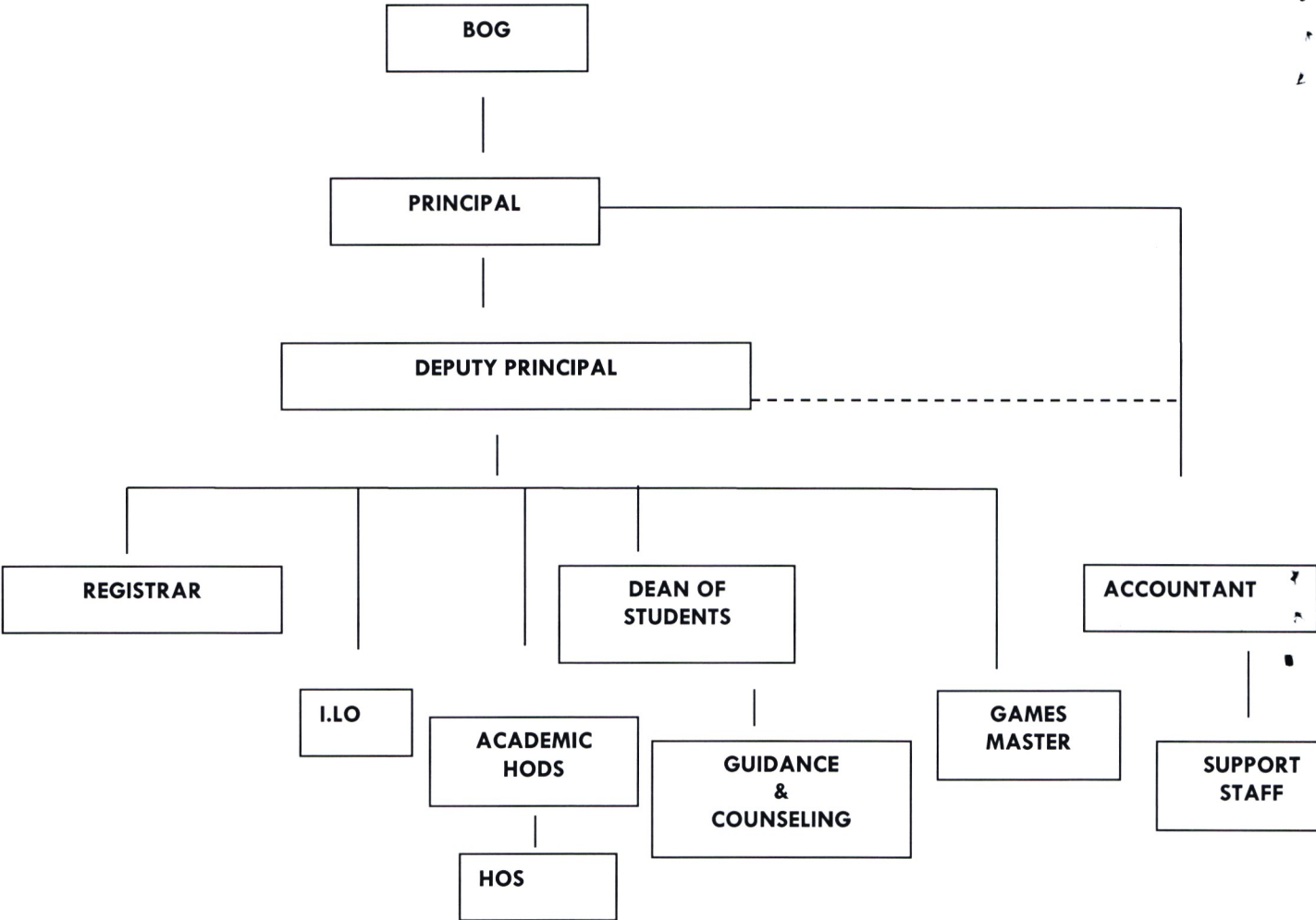
The Institute is located on a parcel of land measuring 12 acres and it is in the process of acquiring more land. Through the support of Kenya Government, the Board managed to construct Administration/Tuition block, Science Laboratory Complex, Building/Mechanical Workshops, Men and Ladies' Hostels and Ultra-Modern Resource Centre (Library). The equipping of Computer Labs and the Workshops is ongoing.

The Institute's current organization structure consists of the Board of Governors appointed by the Cabinet Secretary Ministry of Education

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

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

The current organogram structure of BUSTTI is as below: -



KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

b) Principal Activities

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

The mission of the Institute is to provide technical training in science, engineering and technology and to foster applied research and community outreach for innovation and sustainability.

Our Mission:

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

Our Vision:

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

(b) Key Management

The Institute day-day management is under the following key organs;

1. The Principal
2. The Management

(c) Fiduciary Management

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

| No. | DESIGNATION | NAME | PROFESSIONAL & ACADEMIC QUALIFICATION |
|------------|---------------------------------|--------------------|--|
| 1. | Principal | Janet Waswa Otuya | Bachelor of Education |
| 2. | Deputy Principal Administration | Alfred Mukhola | Bachelor of Building Technology |
| 3. | Deputy Principal Academics | Violet Watulo | Bachelor of Education |
| 4. | Head of Finance | Emily Ashihundu | CPA K |
| 5. | Head of Procurement | Duncan Makumba | Diploma in Supply Chain Management |
| 6. | Registrar | Hezekiah Tundo | Bachelor of Education |
| 7. | Dean of students | Samuel T. Shivailu | Bachelor of Science |

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(d) Fiduciary Oversight Arrangements

1. Finance Committee of the Board of Governors
2. QMS ISO Auditors
3. Office of the Auditor General

(e) Entity Headquarters

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

(f) Entity Contacts

- Telephone: 0702092440, 0722890891
- E-mail: bushiangalatechnical@gmail.com/bushiangalatechnical@yahoo.com
- Website: www.bushiangalatechnical.ac.ke

(g) Entity Bankers & Bank Accounts:

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

| S.No | Account No | Account Function |
|------|--------------------------------------|--|
| 1. | Main (Fees) Account-1102702188 | Main (Students fees) Account |
| 2. | ESP Account- 1121337007 | Economic stimulus Account -) Mungatsi TTI |
| 3. | Recurrent Account -1114264563 | Recurrent Account |
| 4. | Transit Account- 1181740835 | Transit Account (exam and reserved Funds) A/C |
| 5. | Development Account- 1114264709 | Development Account (Funds for Major Development Projects) |
| 6. | Production Account-1152187376 | Production Unit Account |
| 7. | Equity fees Account – 05002777739208 | Fees account |

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(h) Independent Auditor

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

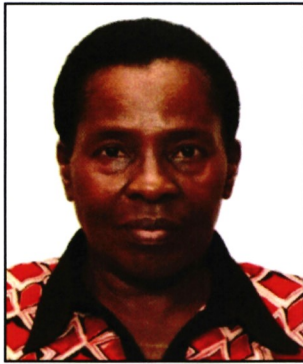
(i) Principal Legal Adviser

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

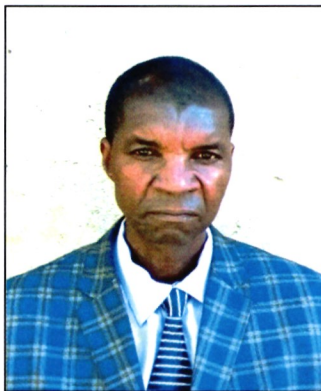
THE BOARD OF GOVERNORS

| NAME | DESIGNATION | PROFESSIONAL & ACADEMIC QUALIFICATION |
|------------------------|----------------------------|--|
| 1. Dorothy. M. Shiroya | Chairperson | M.ED Education Administration |
| 2. Daniel Bulali | Vice Chairperson | Higher Diploma Plant Mechanics |
| 3. Moses Mokaya | Member | Bachelor of Science in Hospitality |
| 4. Silvia Ashitsa | Member | Bachelor of Law Arts |
| 5. Agnes Ayoma Shikalo | Member | Bachelor of Education |
| 6. Jael Chepchirchir | Member | MBA Business Administration |
| 7. Dr. John Messo | Member | PhD Business Administration |
| 8. Dr. Irene Ashioya | Member | Kakamega County Government Representative |
| 9. Jackson Andai | Member | County Director TVET |
| 10. Janet Otuya | Principal/Secretary BOG | B. ED |

THE BOARD OF GOVERNORS



Dorothy. M. Shiroya – Chairperson – M. ED Education Administration
Current Employer
Retired Principal



Daniel Bulali – Vice Chairperson – Higher Diploma Plant Mechanics
Current Employer
West Kenya Sugar Company Ltd. – Shift Superintendent



Moses Mokaya – Member – Bachelor of Science Hospitality
Current Employer
Senior Lecturer Kabarak University

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND
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THE BOARD OF GOVERNORS Continued



Sylvia M. Ashitsa –Member - Degree Law
Current Employer
Advocate of High Court of Kenya – Practising Certificate
Shitsama & Co. Advocate



Agnes Ayuma Shikalo – Member – Bachelor of Education
Current Employer
Director – Oak School Kitengela



Jael Chepchirchir – Member – B.COM
Current Employer
Crown Paints Kenya Ltd – Sales Executive



Dr. John Odwako Messo – Member - Phd. Business
Adminstration
Current Employer
Self Employed Business Practice, Part Time lecturer Masinde

THE BOARD OF GOVERNORS Continued



Jackson Andai – Member - MBA Kenyatta University
Trainer and Technical Officer at Ministry of Education
Hqz ,
Current Employer
Serving as CDTVET, Kakamega and Vihiga Counties



Janet Otuya – Member – Bachelor of Education
Principal/Secretary BOG

BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

(j) Board Sub-Committees

| Name of the Committee | Members |
|--|---|
| Finance, Infrastructure and Development Committee. | <ol style="list-style-type: none"> 1. Dr John Messo - Chairperson 2. Daniel Bulali 3. Jael Chepchirchir 4. Finance Officer – Secretary |
| HR, Education and Research Committee | <ol style="list-style-type: none"> 1. Moses Mokaya – Chairperson 2. Agnes Shikalo 3. Jael Chepchirchir 4. HR Officer – Secretary |
| Audit, Risk Management and Compliance Committee | <ol style="list-style-type: none"> 1. Sylvia Ashitsa Muhanda – Chairperson 2. Moses Mokaya 3. Daniel Bulali 4. Internal Auditor – Secretary |

MANAGEMENT TEAM

| No. | NAME | DESIGNATION | PROFESSIONAL & ACADEMIC QUALIFICATION |
|------------|--------------------|---------------------------------|--|
| 1 | Janet Waswa Otuya | Principal | Bachelor of Education |
| 2 | Alfred Mukhola | Deputy Principal Administration | Bachelor of Building Technology |
| 3 | Violet Watulo | Deputy Principal Academics | Bachelor of Education |
| 4 | Emily Ashihundu | Finance Officer | CPA K |
| 5 | Duncan Makumba | Procurement Officer | Diploma in Supply Chain Management |
| 6 | Hezekiah Tundo | Registrar | Bachelor of Education |
| 7 | Samuel T. Shivailu | Dean of students | Bachelor of Science |

BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

CHAIRPERSON'S STATEMENT

It is with great pleasure that I present the Bushiangala Technical Training Institute Financial Report for the year ended 30th June, 2020. The College this year endeavoured to increase the number of programmes to enhance access to technical education.

Various structures have also been developed by the College which include; Academic Board led by Deputy Academics, Internal Audit and HR functions to ensure effective and efficient stewardship of the college functions.

The College seeks linkages with the private and public sectors to enhance quality of teaching, particularly during attachments.

I wish to appreciate the support of the Government and other organizations like the Higher Education Loans Board for continuing to support our students in paying their fees. During the FY 2018/2019, the Government started the Capitation programme which has resulted into an increase of the number of trainees in different courses. I appeal for further support from the private sector and Non-Governmental organizations since majority of our students have difficulties in meeting training costs.

The Board of governors would like to appeal to the Government to consider enhancing our Recurrent and Capital Grants to enable the College meet its financial obligations and accommodate the ever-increasing number of trainees. The College faces huge challenges in putting up critical infrastructure training equipment, classrooms and workshops whose funding is trickling.

Finally, I thank all the entire Board of Governors, students, parents, and other stakeholders for choosing to invest in our institution with an aim of achieving Vision 2030.

SIGNATURE  DATE 5th AUGUST 2021

DOROTHY.M. SHIROYA
CHAIRPERSON BOARD OF GOVERNORS

REPORT OF THE PRINCIPAL

The college accounts under review runs from 1st July 2019 to 30th June 2020. The accounts are kept under IPSAS requirement and have taken into consideration all relevant Acts and Regulations that are required like PFM Act, Procurement and Disposal Act and other relevant circulars from the Government through National Treasury and Ministry of Education.

During the FY 2019/2020 the College continued to execute its mandate as outlined in its strategic plan. One of the key ingredients of the plan is a system of academic commitment by fostering a climate of Productivity, professionalism, excellence, accountability and transparency, equity, and Innovation in order to be competitive. The strategic plan provides for regular review of curricula and the establishment of linkages with institutions in the public and private sectors.

We have training programmes designed to operate within a framework which leads to lifelong training to facilitate:

- Innovativeness and creativity,
- Continuation of training for improvement of professional qualifications and updating of knowledge, skills and understanding;
- Complementary education for those receiving technical, vocational and education training in the form of on-the-job training.
- Accommodation of marginalised group which include women, youth and persons with disabilities.

We have adopted appropriate national and international standards in training by establishing, Implementing and managing credible quality assurance systems. We have established and promoted appropriate collaborative arrangement with national and international agencies (CAPA) on standards and quality assurance. We continue to establish systems and process for continuous review and improvement of standards and quality assurance.

Financial Performance Highlights

The College recorded an improved revenue base because of the expansion of programmes and Introduction of January, May and September intakes which has increased the number of students.

However, the expansion of programmes also resulted in an increase in operational costs. Our challenge is to develop a way of instituting cost reduction measures while implementing quality assurance systems to ensure the quality of programmes is not compromised.

In the FY 2019/2020 the college realized total revenue of Kshs. 94,222,162. being revenue from exchange and non-exchange transactions. This amount included transfers

BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

from National Government through Ministry of Education of Ksh. 37,231,640 included Capital Grants of Ksh 4,051,640 and Capitation of Ksh 33,180,000 accounting for 39.6 % of the total revenue while 60.4 % (ksh 56,990,522) was generated through internal sources and sponsorship.

We had a recurrent expenditure of Ksh. 62,628,165 against recurrent income of Kshs. 90,170,522 resulting into a surplus of Kshs. 27,542,357. Generally, to our own assessment the college remains to be a going concern.

Achievements

- The college had collaboration with the Ministry of Youth to train students from the National Youth Service whose sponsorship was dispersed well compared to the previous years.
- The College has started the construction of Electrical and Clothing/Textile workshop and Perimeter wall to enhance training and security respectively.
- The college was also able to establish the office of Deputy Principal Academics, Human Resource and Internal Auditor.

Although there has been progress, the College still has shortcomings as a result of lack of adequate teaching space, Laboratories as well as Offices for Academic and Administrative staff. This is due to delayed release of Capital Grants and negative attitude of parents that TVET training is free. We also have a bigger number of BOG employed trainers hence this affects the salary paid to Non-teaching staff.

I would like to thank the Government of Kenya and other stakeholders for their continued financial support during the year under consideration.

Lastly, I would like to thank the BOG, staff, students and other stakeholders for their overwhelming co-operation in running the College during the year under review.

Sign.....*Janet Otuya*..... Date.....*5th Aug. 2021*.....

JANET OTUYA
PRINCIPAL /SECRETARY BOG

BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

CORPORATE GOVERNANCE STATEMENT

The members of the Board have committed themselves to the service of Bushiangala Technical Training Institute and to upholding the tenets of good corporate governance by being innovative, transparent, accountable, persons of integrity, socially responsive, as well as promoting excellence and exercising fairness in all their dealings.

The Board

The Board consists of nine members inclusive of the Principal as the Secretary as follows:

| NO. | NAME | TITLE |
|------------|-------------------------|-----------------------------|
| 1. | Dorothy Shiroya Mapenzi | Chairman |
| 2. | Jackson Andai | CD-TVET Director – Kakamega |
| 3. | Daniel Bulali | Member |
| 4. | Moses Mokaya | Member |
| 5. | Sylvia Ashitsa Muhanda | Member |
| 6. | Agnes Ayuma Shikalo | Member |
| 7. | Jael Chepchirchir | Member |
| 8. | Dr John Messo | Member |
| 9. | Janet Waswa Otuya | Principal/Secretary |

The biographies of the Board Members are published on page VII. These Board Members possess a broad range of skills, qualifications and experiences required to direct the affairs of the College.

Functions/Roles of Bushiangala Board of Governors

- i. Overseeing the conduct of education and training in the Institution in accordance with provisions of the TVET Act and any other written law.
- ii. Promoting and maintaining standards, quality and relevance in education and training in the Institution in accordance with TVET Act.
- iii. Administration and managing the property of the Institution.
- iv. Developing and implementing the Institution Strategic Plan.
- v. Preparing annual estimates of revenue and expenditure for the Institution and incurring expenditure on behalf the Institutions.
- vi. Receiving, on behalf of the Institution or other bodies or persons.
- vii. Determining the fees payable and presenting conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET Act.
- viii. Mobilizing resources for the Institution.

BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- ix. Regulating the admission and exclusion of students from the Institution, subject to a qualification framework and the provision of TVET Act.
- x. Approving collaboration or association with other Institutions and industries in and outside Kenya subject to prior approved by the Board.
- xi. Recruiting and appointing trainers from among qualified professionals and practicing trades persons in relevant sectors of industry.
- xii. Determining sustainable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the Institutions in consultations with TVETA.
- xiii. Making regulations, governing, organization, conduct and discipline of the staff and students.
- xiv. Not micro-managing the Institution.

Note:

- a. Board to hold at least three meetings in a year.
- b. Business to be conducted in democratic environment. There should be consensus. Note should be taken of descending views.
- c. Conflict of interests should be avoided.
- d. Integrity/confidentiality should be observed (Chapter 6 of the Constitution)
- e. Board members to uphold secrecy oath.

Board Committees

The Board Committees facilitates decision-making to assist the Board in the execution of its duties, powers and authority, however delegation of authority to the Committees does not in any way mitigate or dissipate the discharge by the Board of its duties and responsibilities. Board Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Board.

In the financial year 2019/2020, the Board approved the following sub-committees

FINANCE, INFRASTRUCTURE AND DEVELOPMENT COMMITTEE.

Membership:

| NO. | NAME | TITLE |
|-----|-------------------|-----------|
| 1. | Dr. John Messo | Chairman |
| 2. | Daniel Bulali | Member |
| 3. | Jael Chepchirchir | Member |
| 4 | Finance Officer | Secretary |

BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Mandate

The role of the Committee is:

- To advise the Board on better financial practices, funding, cost reduction, monitor production units and submit a draft budget to the full Board for adoption and approval.
- To advise the full Board on all matters concerning infrastructure and development.
- To prepare annual Budget.

1. HUMAN RESOURCE, EDUCATION AND RESEARCH COMMITTEE

Membership:

| No. | NAME | TITLE |
|-----|-------------------|-----------|
| 1. | Moses Mokaya | Chairman |
| 2. | Agness Shikalo | Member |
| 3. | Jael Chepchirchir | Member |
| 4. | HR Officer | Secretary |

- To advise the Board on matters of personnel requirements.
- To propose ways of skills upgrading of staff.
- To facilitate research activities.

2. AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE

Membership:

| No. | NAME | TITLE |
|-----|------------------------|-----------|
| 1. | Sylvia Ashitsa Muhanda | Chairman |
| 2. | Moses Mokaya | Member |
| 3. | Daniel Bulali | Member |
| 4. | Internal Auditor | Secretary |

- To oversee the financial expenditure of the College.
- To prepare for checks and balances.
- To prepare risks mitigation plans.
- To put procurement and financial compliance measures in place.

BOARD ACTIVITIES FOR THE YEAR 2019/20

In this financial year a total of five Board meetings were held. Adequate notice for each Board Meeting was given. The agenda and minutes for previous meeting were distributed in advance of all Board members.

The Board reviewed the following reports and matters:

- Indiscipline issues regarding students, sourcing for more staff, installation of the CCTV etc.
- Board Committee reports on their respective activities
- The College's risk profile, top and emerging risks, risk management, compliance and any reputational issues
- At each Board meeting, progress towards achieving targets of approved business plans is reviewed and guidance provided to senior management.
- Governors are at liberty to communicate directly with senior management with a view to obtaining more information on any issues that may impact Company's performance.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Financial period ending 30th June 2020, the College continued with the process of transiting from ISO 9001:2008 to ISO 9001:2015, the college trained its Process Owners on the new Quality Management System and documented its processes. We anticipate to be certified in the coming two years.

During the financial 2019/ 2020 the college was able to generate Kshs. 94,222,162. from its two spheres, i.e. Revenue from Non-Exchange Transaction and Revenue from Exchange Transactions. The following project are in progress, Mungatsi TTI Project which we are mentoring and is 95% complete.

During the Financial year under audit, we complied with the following statutory requirements among others;

- TVET Act 2013,
- Education Act 2012,
- Public Procurement and disposal Act,
- Public Finance Management Act.

In addition, we have been able to submit the National Social Security Funds (NSSF), Pay as You Earn (PAYE), National Hospital Insurance Fund (NHIF) dues on behalf of our BOG workers in time and there are no any pending dues which are in arrears.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Bushiangala Technical Training Institute continued to dedicate part of its revenue to social responsibility activities aimed at enhancing the livelihoods of those living close to the institution and all Kenyans in general. During the year under review, the College focused on activities aimed at making a positive impact on various communities while creating a cordial relationship and raising the institutions profile. Areas of focus included education, provision of water, Training locals on issues of procurement, research, environmental conservation activities.

Water provision

Today, Kenya is classified as a water-stressed country. Like in many African countries, lack of safe drinking water is the cause of socio-economic problems including starvation and diseases. The challenge is even more pronounced in rural areas where women and children walk long distances daily in search of water, which is sometimes polluted. Waterborne diseases are still a concern as many people succumb to them annually. One of Bushiangala Technical Training Institute corporate social responsibility programme areas of focus is the provision of water to communities through the establishment of water collection points through construction of ground water tanks and installation of water harvesting tanks within the College. In addition to the existing borehole, we installed water tanks during the year.

Education

With a focus on education as part of its corporate social responsibility, the College witnessed the initiation of new courses i.e.: Human Resource Management, Fashion and Design, Mechanical and Electrical, Artisan courses (ALL CBET) etc. We have also set up an Internal Desk where students are assisted to apply for HELB Loans and Bursaries.

Environmental Conservation.

In Kenya, the effects of climate change and other environmental challenges are having an enormous impact not only on human life, but also on businesses. The pressure on natural resources and the environment in general is huge and calls for concerted efforts to alleviate the situation. Bushiangala Technical Training Institute has actively participated in environmental conservation initiatives aimed at conserving catchments areas and other delicate ecosystems. Last financial year, environmental initiatives the College participated in tree planting activities.

Sports and Culture

During the FY 2019/2020, the College gave out its Open fields to the locals for free (bull fighting). We also participated in the Regional and National Ball Games, Athletics, Music Festivals; this gave chance to the trainees to expose their talent. The Board members submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of the entity's affairs.

REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of Bushiangala Technical Training Institute affairs.

Principal/Core activities

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

1. Business Studies (Diploma in Supplies Chain Management, Community Development; Certificate in Supplies Chain Management, Single and group secretarial, Community Development; Artisan in Store Keeping Human Resource Management Human Resource Management) CPA & ATC.etc.
2. Building Department (Diploma in Civil Engineering & Building Construction; Certificates in Building Construction, Plumbing & Masonry)
3. Applied Science Department (Diploma in Applied Biology and Certificate in Science laboratory technology).
4. Computer and Information Communications Technology: (Diploma in ICT, Computer Science; Certificate in ICT, ICTT and Computer Packages).
5. Clothing & Fashion Design (Diploma in Textile technology, Clothing Technology, Fashion Design; Certificate in Clothing and Textiles, Artisan Garment Making, Beauty and Hair Dressing)
6. Automotive and Mechanical Engineering (Diploma in Automotive Engineering; Craft and Artisan courses in Motor Vehicle Mechanics, Welding and Fabrication Driving Courses)
7. Electrical /Electronic Engineering (Craft and Artisan courses in Electrical Installation.)

These courses are demand driven and find application in various sectors of the economy.

STATEMENT OF BOARD OF GOVERNORS AND MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and TVET Act, 2013 (Section 29) requires the Board of Governors to prepare financial statements in respect of that the college, which give a true and fair view of the state of affairs of Bushiangala Technical Training Institute at the end of the financial year/period and the operating results for that year. The Board of Governors are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board of Governors are also responsible for safeguarding the assets of the College.

The Board of Governors are responsible for the preparation and presentation of the College financial statements, which give a true and fair view of the state of affairs of the College for and Financial year ending on June 30, 2020. This responsibility includes:

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

The Board members accept responsibility for the College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the TVET Act). The Board of Governors are of the opinion that the College financial statements give a true and fair view of the state of College's transactions during the financial year ended 30th June 2020, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Board members to indicate that the College will not remain a going concern for at least the next twelve months from the date of this statement.

BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Results

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

BOARD OF GOVERNORS

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

Auditors

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

Approval of the Financial Statements

The Bushiangala Technical Training Institute financial statements were approved by the Board on 28/9/2020 and signed on its behalf by:



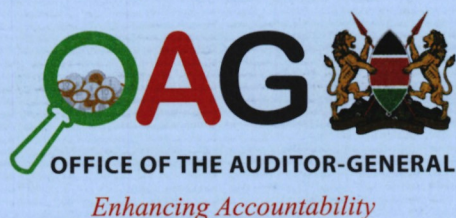
DOROTHY SHIROYA
BOG CHAIRPERSON



JANET WASWA OTUYA
PRINCIPAL/SECRETARY BOG MEMBER

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON BUSHIANGALA TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bushiangala Technical Training Institute set out on pages 1 to 34, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The annual report and financial statements prepared and presented for audit had the following anomalies;

- i. The statement of financial performance reflects revenue from exchange transactions amounting to Kshs.15,384,373 for the comparative year. However, the prior year financial statements for 2018/2019 reflects a balance of Kshs.15,446,396 resulting to an unreconciled variance of Kshs.62,023.
- ii. The statement of cash flows reflects a payment to creditors and payments received in advance amounting to Kshs.7,120,748 and Kshs.304,440, respectively as disclosed in Note 28 to the financial statements. However, the statement of financial position reflects change in trade and other payables and change in

payments received in advance totaling Kshs.3,997,069 and Kshs.98,905, respectively. The variance of Kshs.3,123,679 and Kshs.205,535 for change in trade and other payables and change in payments received in advance was not reconciled.

- iii. The statement of cash flows did not include adjustment for working capital changes for inventory and receivables from exchange and non-exchange transactions amounting to Kshs.420,950 and Kshs.7,854,749, respectively.
- iv. The statement of financial position reflects total assets amounting to Kshs.257,728,509 and total liabilities and reserves amounting to Kshs.257,778,509 resulting to a variance of Kshs.50,000 hence the statement is unbalanced.

Consequently, the accuracy and completeness of the financial statements could not be confirmed.

2. Lack of Land Ownership Documents

The statement of financial position reflects property, plant and equipment balance of Kshs.216,595,411 as disclosed in Note 22 to the financial statements which includes land valued at Kshs.3,225,000. However, 1 parcel of land owned by the institute did not have a title deed.

Consequently, the accuracy, completeness and ownership of land worth Kshs.3,225,000 could not be confirmed.

3. Unconfirmed Inventory Balances

The statement of financial position reflects inventory balance of Kshs.471,477 as disclosed in Note 21 to the financial statements. However, quarterly and annual stock taking procedures were not performed during the year and review of the store records showed that the bin cards did not indicate the amounts and quantities purchased.

Consequently, the accuracy, completeness and valuation of the inventory balance of Kshs.471,477 could not be confirmed.

4. Unsupported Trade and Other Payables from Exchange Transactions

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.7,516,132 as disclosed in Note 24 to the financial statements. However, creditors ledgers in respect of suppliers' records and invoices were not provided for review.

In the circumstances, the accuracy and completeness of the trade and other payables from exchange transactions balance of Kshs.7,516,132 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bushiangala Technical Training Institute Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical

responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.106,641,364 and Kshs.94,222,162 respectively resulting to an underfunding of Kshs.12,419,202 or 11% of the budget. Similarly, the Institute expended Kshs.95,822,108 against an approved budget of Kshs.106,641,364 resulting to an under-expenditure of Kshs.10,819,256 or 10% of the budget.

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

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury and Planning Circular reference No. AG.4/16/3 Vol.1(9) dated 24 June, 2020.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Unconfirmed Statutory Deductions

The statement of financial performance reflects employee costs amounting to Kshs.12,124,630 as disclosed in Note 10 to the financial statements. Review of the payroll records showed that the payroll did not capture Kenya Revenue Authority Staff Personal Identification Numbers (PIN) to support the statutory deductions payments made.

Further, there was no documentary evidence that all statutory deductions including PAYE, NSSF, NHIF were remitted since there were no acknowledgement receipts from relevant authorities.

In the circumstances, the accuracy and completeness of the employee costs amounting to Kshs.12,124,630 could not be confirmed.

2. Lack of Ethnic Diversity

Review of the staff data as at 30 June, 2020 showed that 98% of the workforce were from one dominant ethnic community. This is contrary to the provisions of Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which stipulates that no public establishment shall have more than one third of its staff from the same ethnic community.

Consequently, the Institute was in breach of the law.

3. Lack of Risk Management Policy and Disaster Recovery Plan

The Institute did not have an approved Risk and Fraud Management Policy. This is contrary to section 165(1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to develop risk management strategies, which include fraud prevention mechanism and internal control that builds robust business operations.

In the absence of a Disaster Recovery Plan and Risk Management policy, the Institute lacks a blue print for identifying, preventing and mitigating against risks and disasters and ensuring that its operations are not interrupted.

4. Lack of Information Communication Technology Policy

Review of the ICT environment showed that there was no Approved ICT Policy, Approved IT Strategic Committee and Information Technology Continuity Plan in place to enable the Institute to manage business processes for the delivery of services to the public in an effective and efficient manner.

Failure to have in place ICT Policy may expose the Institute to loss of data and other key ICT assets.

5. Lack of Approved Staff Establishment and Human Resource Policy Manual

During the year under review, the audit showed that the Institute did not have in place an Approved Staff Establishment, Scheme of Service and Human Resource Policy Manual. The Institute may therefore face challenges in undertaking human resource functions such as recruitment, training, promotions and remuneration of its staff.

To this extent, the Institute was in breach of the law.

6. Lack of an Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.216,595,411. However, the values were not supported by an up to date assets register, indicating the nature, dates of acquisition, cost, unique identification number, current value, current location/user, accumulated depreciation and net book value.

Consequently, the Management did not comply with Section 143(1 & 3) of the Public Finance Management (National Government) Regulations 2015 requiring the Accounting Officers to ensure register of assets is maintained.

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 processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 February, 2022

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**

**I. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE
2020**

| Description | Notes | 2019-2020 | 2018-2019 |
|--|-------|-------------------|-------------------|
| | | Kshs | Kshs |
| REVENUE: | | | |
| Revenue from non-exchange transactions: | | | |
| Transfers from the National Government – grants/ gifts in kind | 4(a) | 33,180,000 | 26,615,000 |
| Transfers from other levels of government | | - | 18,380,020 |
| Sub – Total | | 33,180,000 | 44,995,020 |
| Revenue from exchange transactions: | | | |
| Rendering of services- Fees from students | 5 | 55,051,126 | 10,705,599 |
| Sale of goods | 6 | 31,060 | 2,025,805 |
| Rental revenue from facilities and equipment | 7 | 972,080 | 1,900,965 |
| Other income | 8 | 936,256 | 752,004 |
| Revenue from exchange transactions | | 56,990,522 | 15,384,373 |
| Total revenue | | 90,170,522 | 60,379,393 |
| EXPENSES | | | |
| Use of goods and services | 9 | 2,569,831 | 1,114,079 |
| Employee costs | 10 | 12,124,630 | 15,635,672 |
| Remuneration of directors | 11 | 985,200 | |
| Depreciation and amortization expense | 12 | 8,489,384 | 6,943,957 |
| Repairs and maintenance | 13 | 1,509,321 | 1,756,542 |
| Contracted services | 14 | 438,000 | 346,008 |
| General expenses | 15 | 36,210,271 | 39,920,522 |
| Finance costs | 16 | 201,528 | 208,041 |
| Provision for Audit Fee | 17 | 150,000 | 150,000 |
| Total expenses | | 62,678,165 | 66,074,821 |
| Impairment loss | | - | - |
| Total other gains/(losses) | | - | - |
| Net Surplus for the year | | 27,492,357 | -5,695,428 |

The Financial Statements set out on pages 1 to 2 were signed on behalf of the Institute Board of Governors by



CHAIRLADY BOG.

DATE: 5TH AUG. 2021



FINANCE OFFICER

ICPAK NO. 22795



PRINCIPAL /SECRETARY.

DATE: 5TH AUG. 2021

5TH AUG. 2021

DATE

BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

II. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

| Description | Notes | 2019-2020 Kshs | 2018-2019 Kshs |
|---|-------|--------------------|--------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 18 | 38,836,520 | 27,691,232 |
| Receivables from exchange transactions | 19 | 287,101 | 8,291,850 |
| Receivables from non-exchange transactions | 20 | 150,000 | - |
| Inventories | 21 | 471,477 | 892,427 |
| Total Current Assets | | 39,745,098 | 36,875,509 |
| Non-current assets | | | |
| Property, plant and equipment | 22 | 216,595,411 | 192,056,852 |
| Intangible assets | 23 | 1,388,000 | 1,072,000 |
| Total Non-current Assets | | 217,983,411 | 193,128,852 |
| TOTAL ASSETS | | 257,728,509 | 230,004,361 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables from exchange transactions | 24 | 7,516,132 | 11,513,201 |
| Refundable deposits from customers | 25 | 564,065 | 485,750 |
| Payments received in advance | 26 | 304,440 | 205,535 |
| Total Current Liabilities | | 8,384,637 | 12,204,486 |
| Non-current liabilities | | | |
| Total liabilities | | 8,384,637 | 12,204,486 |
| NET ASSETS | | | |
| Capital reserves | | 138,107,206 | 138,107,206 |
| Accumulated surplus | | 36,620,601 | 9,128,244 |
| Capital Fund | | 74,616,065 | 70,564,425 |
| Total Reserves | | 249,343,872 | 217,799,875 |
| Total Liabilities and Reserves | | 257,728,509 | 230,004,361 |

The Financial Statements set out on pages 1 to 2 were signed on behalf of the Institute Board of Governors by:



CHAIRLADY BOG.

DATE 5TH Aug. 2021



FINANCE OFFICER

ICPAK NO. 22795



PRINCIPAL /SECRETARY.

DATE 5TH Aug. 2021

5TH Aug. 2021

DATE

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**

III. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30TH JUNE 2020

| Description | Capital Reserves | Fair value adjustment reserve | Retained earnings | Capital/Development Grants/Fund | Total |
|--|--------------------|-------------------------------|-------------------|---------------------------------|--------------------|
| Balance b/f at July 1, 2019 | 138,107,206 | | 14,823,672 | 45,967,388 | 198,898,266 |
| Revaluation gain | | | | | - |
| Fair value adjustment on quoted investments | | | | | - |
| Total comprehensive income | | | -5,695,428 | | -5,695,428 |
| Capital/Development grants received during the year | | | | 24,597,037 | 24,597,037 |
| Transfer of depreciation/amortisation from capital fund to retained earnings | | | | | - |
| Balance c/d as at June 30, 2019 | 138,107,206 | - | 9,128,244 | 70,564,425 | 217,799,875 |
| Balance b/f at July 1, 2019 | 138,107,206 | - | 9,128,244 | 70,564,425 | 217,799,875 |
| Revaluation gain | | | | | |
| Fair value adjustment on quoted investments | | | | | |
| Total comprehensive income | | | 27,492,357 | | 27,492,357 |
| Capital/Development grants received during the year | | | | 4,051,640 | 4,051,640 |
| Transfer of depreciation/amortisation from capital fund to retained earnings | | | | | |
| Balance c/d as at June 30, 2019 | 138,107,206 | - | 36,620,601 | 74,616,065 | 249,343,872 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**

IV. STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30th JUNE 2020

| DESCRIPTION | NOTE | 2019-2020 | 2018-2019 |
|---|------|---------------------|-------------------|
| Cash flows from operating activities | | Kshs | Kshs |
| Receipts: | | | |
| Government grants and subsidies-State department of TVET | 4(a) | 33,180,000 | 26,615,000 |
| Transfers from other governments | | | 18,380,020 |
| Rendering of services | 5 | 55,051,126 | 10,705,599 |
| Sale of goods | 6 | 31,060 | 2,025,805 |
| Rental revenue from facilities and equipment | 7 | 972,080 | 1,900,965 |
| Fees arrears collected | | 5,275,945 | |
| Refundable deposits from customers | 25 | 78,315 | |
| Payments received in Advance | 26 | 304,440 | |
| Other income | 8 | 936,256 | 752,004 |
| Sub-Total-Receipts | | 95,829,222 | 60,379,393 |
| Payments | | | |
| Goods and Services | 9 | 2,569,831 | 11,014,079 |
| Employee costs | 10 | 12,124,630 | 15,635,672 |
| Remuneration of directors | 11 | 985,200 | |
| Repairs and maintenance | 13 | 1,509,321 | 1,756,543 |
| Contracted services | 14 | 438,000 | 346,008 |
| General expenses | 15 | 36,210,271 | 38,870,465 |
| Finance costs | 16 | 201,528 | 208,041 |
| Payment to creditors | 28 | 7,120,748 | 946,573 |
| Sub-Total-Payments | | 61,159,529 | 58,877,381 |
| Net cash flows from operating activities | | 34,669,693 | 1,502,013 |
| Cash flows from investing activities | | | |
| Purchase of property, plant, equipment (-) | 27 | (27,076,045) | 15,107,017 |
| Purchase of Intangible Asset (-) | 23 | (500,000) | |
| Net cash flows used in investing activities | | (27,576,045) | 15,107,017 |
| Cash flows from financing activities | | | |
| MOE. Capital Grants | 4(b) | 4,051,640 | 24,597,037 |
| Net cash flows used in financing activities | | 4,051,640 | 24,597,037 |
| Net Increase/decrease in cash and cash equivalents (B) | | 11,145,287 | 10,992,033 |
| Cash and cash equivalents at the beginning of the year(A) | 18 | 27,691,232 | 16,699,199 |
| Cash and cash equivalents at end of the year C=(A+B) | | 38,836,519 | 27,691,232 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**

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

| DESCRIPTION | NOTE | ORIGINAL BUDGET | ADJUSTMENTS | FINAL BUDGET | ACTUAL ON COMPARABLE BASIS | PERFORMANCE DIFFERENCE | %VARIANCE |
|--|---------|--------------------|-------------|--------------------|----------------------------|------------------------|-----------|
| | | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 |
| REVENUE: | | | | | | | |
| Transfers from the National Government – grants/ gifts in kind | 4 | 4,051,64 | - | 4,051,640 | 4,051,640 | - | 0 |
| Rendering of services- Fees from students | 4 & 5 | 99,684,725 | | 99,684,725 | 88,231,1 | 11,453,599 | 11 |
| Sale of goods | 6 | 31,743 | | 31,743 | 31,06 | 68 | 2 |
| Rental revenue from facilities and equipment | 7 | 1935000 | | 1,935,000 | 972,08 | 962,920 | 49 |
| Other income | 8 | 938,256. | | 938,256 | 936,256 | 2,000 | 0 |
| Total income | | 106,641,364 | | 106,641,364 | 94,222,162 | 12,419,202 | 11 |
| EXPENSES: | | | | | | | |
| Use of goods and services | 9 | 3,404,204 | 0 | 3,404,20 | 2,569,831 | 834,373 | 24 |
| Employee costs | 10 | 11,806,740 | | 11,806,740 | 12,124,630 | (317,890) | -3 |
| Remuneration of directors | 11 | 1,527,000 | | 1,527,000 | 985,200 | 541,800 | 35 |
| Repairs and maintenance | 13 | 2,916,000 | | 2,916,000 | 1,509,321 | 1,406,678 | 48 |
| Contracted services | 14 | 750,000 | | 750,000 | 438,000 | 312,000 | 41 |
| Purchase of Intangible asset & Property Plant & Equipment | 22 | 33,400,500 | | 33,400,500 | 33,343,943 | 56,556 | 0 |
| General expenses & Depreciation | 12 & 15 | 52,616,920 | | 52,616,920 | 44,649,654 | 7,967,265 | 15 |
| Finance costs | 24 | 220,000 | | 220,000 | 201,528 | 18,472 | 8 |
| Total expenses | | 106,641,364 | | 106,641,364 | 95,822,108 | 10,819,255 | 10 |

BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTES TO THE BUDGET

Generally, the Institute revenue collected was less by ksh 12,419,202 with total performance variance of 11%. This was due to COVID-19 pandemic effects as from March 2020 where all institutions were required to close down their operations. This in turn affected our performance in terms of revenue collection since all students were away and could not afford paying fee. Regarding Expenditure, the Institute actual expenditure was less by ksh 10,819,255. with total performance variance of 10%. This variance is /was within the recommended performance difference 10 %.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Bushiangala Technical Training Institute is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to train and produce Knowledgeable and skilled innovative graduates for Social Economic Development

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION -IPSAS 1

The Bushiangala Technical Training Institute financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Institute. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

ADOPTION OF NEW AND REVISED STANDARDS

Early adoption of standards

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

3. 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 - IPSAS 9

Rendering of services

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

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

Sale of goods

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

Rental income

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

b) Budget information

The original budget for FY 2019/2020 was approved by the Council or Board on 28/6/2019. No revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section IV of these financial statements.

c) Taxes

The entity is exempt from paying taxes

NOTES TO THE FINANCIAL STATEMENTS (Continued)

d) Investment property

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

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

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

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

e) Property, plant and equipment

The Bushiangala Technical Training Institute has been using cash basis of accounting that does not recognize the actual cost of property plant and equipment within the college.

For the college to fully disclose the values of total Property Plant and Equipment, a valuer must be brought in to do valuation of all property plant and equipment to enable the finance department to incorporate them in the accounts. We wish to incorporate the cost of valuation which is quite huge in the next financial year budget for the work to be done to fully comply with the IPSAS Accrual basis of accounting.

The institute has the following Non-Current Assets that need to be valued for actual values to be incorporated into the accounts;

- Land
- Workshops
- Laboratories
- Workshop and laboratory Equipment
- Staff houses

NOTES TO THE FINANCIAL STATEMENTS (Continued)

- Motor vehicles
- Kitchen and kitchen Equipment
- Computers and Accessories
- Farm

The figures in the accounts as Non-Current Assets represent those acquired in the last Four years only as their cost could be easily ascertained but total number of Non-Current Assets acquired over a long period of time would only be ascertained upon valuation as stated above.

f) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The intangible asset recognition is at cost and no amortisation nor impairment is being done until when the finance policy will be made.

g) Inventories

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

Costs incurred in bringing each product to its present location and conditions are accounted for, as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Borrowing costs- IPSAS 5

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank value. Bank account balances include amounts held 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.

j) Comparative figures

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

k) 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, 2019.

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

| Description | 2019-2020 | 2018-2019 |
|---|-------------------|-------------------|
| | KShs | KShs |
| a) Unconditional grants (no conditions attached to the grant) | | |
| Operational grant-funds for running the -day to day activities. | | 9,500,000 |
| Other grants (capitation) | 33,180,000 | 17,115,000 |
| Sub -Total | 33,180,000 | 26,615,000 |
| b) Conditional grants | | |
| Construction of Twin Workshop "B" | 4,051,640 | 4,051,640 |
| Administration Block Grant | | |
| Laboratory Grant | | |
| Other Organizational – Mungatsi TTI Construction Grant | | 20,545,397 |
| Sb- Total | 4,051,640 | 24,597,037 |
| Total Government Grants and Subsidies | 37,231,640 | 51,212,037 |

5.RENDERING OF SERVICES

| Description | 2019-2020 | 2018-2019 |
|---|-------------------|-------------------|
| | KShs | KShs |
| Tuition fees | | 3,194,254 |
| Students Fees | 4,352,002 | 7,511,345 |
| Government Education support – HELB Grant | 13,070,400 | |
| Bursary | 586,255 | |
| Others – National Youth Service | 37,042,469 | |
| Total Rendering of Services | 55,051,126 | 10,705,599 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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6.SALES OF GOODS

| SALE OF GOODS | KShs | KShs |
|----------------------------|---------------|------------------|
| | 2019-2020 | 2018-2019 |
| College Café foodstuffs | | 1,393,595 |
| Sub Total | | 1,393,595 |
| Sale of farm produce | 31,060 | |
| Accrued sales | | 632,210 |
| Total Sale of goods | 31,060 | 2,025,805 |

7 RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

| Description | 2019-2020 | 2018-2019 |
|-----------------------|----------------|------------------|
| | KShs | KShs |
| Boarding fees | 363,580 | 1,185,565 |
| Mattress Hire fee | 67,000 | |
| Contingent rent (Bus) | 541,500 | 715,400 |
| Total rentals | 972,080 | 1,900,965 |

8.OTHER INCOMES

| Description | 2019-2020 | 2018-2019 |
|---|----------------|----------------|
| | Kshs | Kshs |
| Penalty | 285,185 | |
| KATTI | 25,000 | |
| Surplus from Production Unit (PAYE) | 31,679 | 752,004 |
| Gain from debtors | 524,683 | |
| Sale of Tender | 54,500 | |
| Income from disposal of assets – Old newspapers | 4,500 | |
| Refunds | 10,709 | |
| Total other income | 936,256 | 752,004 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

EXPENSES

9. USE OF GOODS AND SERVICES

| Description | 2019-2020 | 2018-2019 |
|---------------------------------|---------------------|---------------------|
| | KShs | KShs |
| Electricity Water & conservancy | 1,355,770.00 | 1,114,079.00 |
| Consultancy fees | 178,000.00 | |
| Bus hire Expenses | 1,036,061.00 | |
| Total good and services | 2,569,831.00 | 1,114,079.00 |

10. EMPLOYEE COSTS

| Description | 2019-2020 | 2018-2019 |
|---|-------------------|-------------------|
| | KShs | KShs |
| Salaries and wages | 8,862,596 | 12,957,980 |
| Employee related costs-contributions to pensions and medical aids | 3,262,034 | 2,677,692 |
| Employee costs | 12,124,630 | 15,635,672 |

11. REMUNERATION OF DIRECTORS

| Description | 2019-2020 | 2018-2019 |
|------------------------------------|----------------|-----------|
| | KShs | KShs |
| Directors emoluments | 985,200 | |
| Total Directors' emoluments | 985,200 | |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. DEPRECIATION AND AMORTIZATION EXPENSE

| Description | 2019-2020 | 2018-2019 |
|--|------------------|------------------|
| | KShs | KShs |
| Property, plant and equipment | 8,305,384 | 6,809,957 |
| Intangible assets | 184,000 | 134,000 |
| Total depreciation and amortization | 8,489,384 | 6,943,957 |

13. REPAIRS AND MAINTENANCE

| Description | 2019-2020 | 2018-2019 |
|--------------------------------------|------------------|------------------|
| | KShs | KShs |
| Equipment and machinery | 704,671 | 802,041 |
| Vehicles | 804,650 | 954,502 |
| Total repairs and maintenance | 1,509,321 | 1,756,543 |

14. CONTRACTED SERVICES

| Description | 2019-2020 | 2018-2019 |
|---------------------------------------|----------------|----------------|
| | KShs | KShs |
| Other Contracted Services – Marketing | 438,000 | 346,008 |
| Total Contracted Services | 438,000 | 346,008 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. GENERAL EXPENSES

| Description | 2019-2020 | 2018-2019 |
|---------------------------------|-------------------|-------------------|
| | Kshs | KShs |
| Activity Expenses | 2,898,245 | 1,702,740 |
| Administration Costs | 5,353,635 | 5,660,438 |
| Application & Registration | | 3,000 |
| Attachment fees expenses | 525,990 | 375,860 |
| Boarding fees | 834,468 | 1,446,445 |
| Bus hire expenses | | 1,686,988 |
| CAPA | 469,464 | |
| Computer & ICT Maintenance | 733,427 | 695,700 |
| Contingencies | 380,804.00 | 795,255 |
| Development Fund Expense | 800 | |
| Driving School | 426,265 | |
| Electricity Water & Conservancy | | 1,243,043 |
| Employees Welfare | | 142,252 |
| Examination | 5,742,980 | |
| Farm Expenses | 52,300 | |
| HELB Bursary & Loan refund | 123,500 | |
| ISO 9001:2008 | 117,600 | |
| KATTI Workshops & meetings | 905,100 | |
| Library expenses | 270,702 | 25,500 |
| Local Transport & Travel | 761,843 | 1,739,633 |
| Medical Expense | 180,380 | 237,440 |
| NYS Students Expenses | 4,308,128 | |
| Performance Contracting | 1,081,525 | |
| Refunds | 20,000 | |
| Smart Card | 325,000 | |
| Student Council | 540,771 | 381,110 |
| Student ID | | 100,867 |
| Tender | 189,030 | |
| Tuition | 9,044,661 | 9,344,198 |
| Other Payments | | 13,058,597 |
| Inter account transfers | 34,318 | |
| TVET FAIR | 889,335 | 231,399 |
| Sub Total | 36,210,271 | 38,870,465 |
| Accrued General Expenses | | |
| NYS Students Expenses | | 974,149 |
| Tuition | | 13,300 |
| Contingencies | | 62,608 |
| Sub -total | | 1,050,057 |
| | 36,210,271 | 39,920,522 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

16.FINANCE COSTS

| Description | 2019-2020 | 2018-2019 |
|----------------------------|----------------|----------------|
| | KShs | KShs |
| Bank charges | 201,528 | 208,041 |
| Total finance costs | 201,528 | 208,041 |

NOTE: As at 30 June 2020 sh 13,990 being bank charges were not included in the finance costs. This amount has already been included in the Finance costs for the FY.2020-2021

17.PROVISION FOR AUDIT FEE

| Description | 2019-2020 | 2018-2019 |
|-------------------------|----------------|----------------|
| | KShs | KShs |
| Provision for Audit Fee | 150,000 | 150,000 |
| Other Payments | | |
| Total | 150,000 | 150,000 |

18.CASH AND CASH EQUIVALENTS

| Description | 2019-2020 | 2018-2019 |
|---|-------------------|-------------------|
| | KShs | KShs |
| 1. College account- 1102702188 | 5,591,946 | 1,974,354 |
| 2. ESP Account- ac.No.1121337007 | 5,936,079 | 11,346,909 |
| 3. Transit account- ac.No.1181740835 | 11,295,258 | 1,166,843 |
| 4. Development account-ac.No.1114264709 | 7,763,386 | 2,415,225 |
| 5. Recurrent account -ac.No.1114264563 | 7,827,384 | 1,248,256 |
| 6. Production account ac.No.1152187376 | 300,549 | 8,847,712 |
| 7. Equity fees account -Ac. No. 05002777739302 | 121,918 | 691,933 |
| Total cash and cash equivalents | 38,836,520 | 27,691,232 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

19.RECEIVABLES FROM EXCHANGE TRANSACTIONS

| Description | 2019-2020 | 2018-2019 |
|---|----------------|------------------|
| | KShs | KShs |
| Current receivables | | |
| Student debtors | | 6,700,498 |
| Other exchange debtors -Trade receivables | 287,101 | 919,311 |
| Less: impairment allowance | | |
| Total receivables | 287,101 | 7,619,809 |

20.RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

| Description | 2019-2020 | 2018-2019 |
|----------------------------------|----------------|----------------|
| | KShs | KShs |
| Current receivables | | 672,041 |
| Imprest debtors | 150,000 | |
| | | |
| Total current receivables | 150,000 | 672,041 |

21.INVENTORIES

| Description | 2019-2020 | 2018-2019 |
|--|----------------|----------------|
| | KShs | KShs |
| Consumable stores | | 581,533 |
| Catering stores | 471,477 | 310,894 |
| Total inventories at the lower of cost and net realizable value | 471,477 | 892,427 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. INTANGIBLE ASSETS-SOFTWARE

| Description | 2019-2020 | 2018-2019 |
|---------------------------------|------------------|------------------|
| | KShs | KShs |
| Cost | | |
| At beginning of the year | 1,340,000 | 1,340,000 |
| Additions | 500,000 | |
| Cost end of the year | 1,840,000 | 1,340,000 |
| Amortization and impairment | | |
| At beginning of the year | 268,000 | 134,000 |
| Amortization | 184,000 | 134,000 |
| Amortization at end of the year | 452,000 | 268,000 |
| Less: Impairment loss | | |
| At end of the year | | |
| NBV | 1,388,000 | 1,072,000 |

24. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

| Description | 2019-2020 | 2018-2019 |
|---------------------------------------|------------------|-------------------|
| | KShs | KShs |
| Trade payables (Institute Creditors) | 6,916,132 | 11,063,201 |
| Accrued Audit Fee | 600,000 | 450,000 |
| Other Payables | | |
| Total Trade and Other Payables | 7,516,132 | 11,513,201 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

| Description | 2019-2020 | 2018-2019 |
|---|----------------|----------------|
| | KShs | KShs |
| Caution money at the beginning of the year | 485,750 | 485,750 |
| Refundable deposits received during the year | 78,315 | |
| Total Refundable deposits at the end of the Year | 564,065 | 485,750 |

26 PAYMENTS RECEIVED IN ADVANCE

| Description | 2019-2020 | 2018-2019 |
|-----------------------|----------------|----------------|
| | KShs | KShs |
| Students Prepaid fees | 304,440 | 205,535 |
| TOTAL ADVANCES | 304,440 | 205,535 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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27. Acquisition of PPE

| Description | 2019-2020 | 2018-2019 |
|--|-------------------|-------------------|
| | KShs | KShs |
| Computers | 2,916,838 | 919,700 |
| w-I-P Perimeter Wall less unpaid VAT & 10% retention Fee | 2,262,265 | |
| Electrical and Clothing Workshop | 4,617,967 | |
| Buildings (5 Classrooms) | 2,531,727 | 500,298 |
| Training Equipment | 629,920 | 1,715,028 |
| Mungatsi TTI Less 10% Retention Fee | 13,778,597 | 11,171,991 |
| Furniture | 338,731 | 800,000 |
| Total | 27,076,045 | 15,107,017 |

28. PAYMENT TO SUPPLIERS/CREDITORS

| Description | 2019-2020 | 2018-2019 |
|-------------------------------|------------------|-----------|
| | KShs | KShs |
| 10% Retention Library Complex | 2,446,385 | |
| Recurrent Creditors | 4,674,363 | |
| TOTAL | 7,120,748 | |

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

| Project title | Project Number | Donor | Period/ duration | Donor commitment | Separate donor reporting required as per the donor agreement (Yes/No) | Consolidated in these financial statements (Yes/No) |
|----------------------------------|----------------|------------------|------------------|------------------|---|---|
| 1. Construction of Mungatsi TTI. | | MOE.CDF. Nambale | 2015-2020 | 10,000,000 | NO. | YES |

Status of Projects completion

| | Project | Total project Cost | Total expended to date | Completion % to date | Budget | Actual | Sources of funds |
|---|--|--------------------|------------------------|----------------------|--------------|------------|------------------|
| 1 | Mungatsi TTI Construction | 58,910,306 | 48,075,314 | 100% | 8,275,960.00 | 10,834,992 | MOE. |
| 2 | Construction of Twin Workshop 'B'(clothing & Electrical) | 27,682,089 | 3,877,460 | 19% | 3,877,460 | 5,131,074 | MOE. |
| 3 | CONSTRUCTION OF PERIMETER WALL | 8,468,893 | 2,232,420 | 26% | | 2,232,420 | SELF |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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APPENDIX III: INTER-ENTITY TRANSFERS

| ENTITY NAME: BUSHIANGALA TECHNICAL TRAINING INSTITUTE | | | | |
|---|--|----------------------------|----------------------|---------------------------------------|
| Break down of Transfers from the State Department of MOE. FY 2019-2020 | | | | |
| A. | RECURRENT GRANTS | Bank Statement Date | Amount (Kshs) | FY To Which The Amounts Relate |
| | Capitation | 20/7/2019 | 17,115,000 | 2018-2019 |
| | Capitation | 18/10/2019 | 6,712,500 | 2019-2020 Q1 |
| | Capitation | 10/6/2020 | 9,352,500 | 2019-2020 Q2 |
| | | Total | 33,180,000 | |
| B. | DEVELOPMENT GRANTS | | | |
| | Twin -workshop 'B' (Electrical & Clothing Depts) | 5/7/2019 | 4,051,640 | 2019-2020 |
| | | | | |
| | | Total | 4,051,640 | |
| C. | Direct Payments | | -- | |
| | | | | |
| D. | Donor Receipts | | - | |
| | | | | |
| | GRAND TOTAL | | 37,231,640 | |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Name of the MDA/Donor Transferring the funds | Date received as per bank statement | Nature: Recurrent/Development/Others | Total Amount - KES | Where Recorded/recognized | | | | | Total Transfers during the Year |
|--|-------------------------------------|--------------------------------------|--------------------|------------------------------------|------------------|-----------------|-------------|---------------------------|---------------------------------|
| | | | | Statement of Financial Performance | Capital Fund | Deferred Income | Receivables | Others - must be specific | |
| Ministry of Education | 20/7/2019 | Recurrent | 17,115,000 | 17,115,000 | | | | | 17,115,000 |
| Ministry of Education | 18/10/2019 | Recurrent | 6,712,500 | 6,712,500 | | | | | 6,712,500 |
| Ministry of Education | 10/6/2020 | Recurrent | 9,352,500 | 9,352,500 | | | | | 9,352,500 |
| Ministry of Education | 5/7/2019 | Development | 4,051,640 | | 4,051,640 | | | | 4,051,640 |
| TOTAL | | | 37,231,640 | 33,180,000 | 4,051,640 | | | | 37,231,640 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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APPENDIX V: OTHERS

A. PRODUCTION UNIT ACCOUNT- CATERING (PAYE) FOR THE YEAR ENDED 30TH JUNE 2020

| DETAILS | KSH | KSH |
|------------------------------|-----------|--------------------|
| SALES : | | |
| Cash sales | 732,374 | |
| Invoices sales | 4,149,370 | |
| Total Sales | | 4,881,744 |
| | | |
| LESS COST OF SALES : | | |
| Opening stock | 310,894 | |
| Café foodstuffs | 4,722,598 | |
| Less Closing stock | 471,477 | |
| Café expenses | 288,050 | |
| Total Cost of Sales | | (4,850,065) |
| Surplus (Net Profit) | | 31,679 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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B. INVENTORY FOR CATERING(PAYE)

| ITEM | UNITS | QTY | UNIT COST | AMOUNT |
|-----------------|-------------------|------|-----------|---------|
| Baking Flour | BALES | 21 | 1560 | 32,760 |
| Cooking Oil | 20LTR JERICANS | 14 | 3025 | 42,350 |
| Sugar | 50kg bag | 11 | 5000 | 55,000 |
| Rice | 50kg bag | 8 | 4300 | 34,400 |
| Baking Powder | Doz. | 26.1 | 270 | 7,047 |
| Milk | cartons | 44 | 600 | 26,400 |
| Blue Band | 1kg tin | 43.5 | 350 | 15,225 |
| Bar soap | bars | 20.5 | 110 | 2,255 |
| Salt 1kg | bales | 8 | 30 | 240 |
| Tea leaves 250g | pkts | 42 | 150 | 6,300 |
| Beans | 90kg bag | 13.5 | 7400 | 99,900 |
| Maize | bag | 44 | 3400 | 149,600 |
| TOTAL | | | | 471,477 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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C. TRADE AND OTHER PAYABLES

| No. | NAME | DESCRIPTION | AMOUNT |
|------------|---------------------------------|---|------------------|
| 1 | Dynamics Green Technology | 10% Retention on Perimeter Wall | 253,693 |
| 2 | Commissioner for Domestic Taxes | 2% VAT on Construction of Perimeter Wall | 19,778 |
| 3 | Maier Consultants | ISO 9001:2015 | 210,748 |
| 4 | Abenedala | Lab our Generator House | 23,777 |
| 5 | Finetopes Enterprises | 10 % Retention Mungatsi TTI Construction | 5,895,028 |
| 6 | Nolads Engineering | 10% Retention on Construction of Twin Workshop 'B'(clothing & Electrical) | 513,108 |
| 7 | | Accrued Audit Fee | 600,000 |
| | | TOTAL | 7,516,132 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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D. RECEIVABLE FROM NON –EXCHANGE TRANSACTIONS AT 30TH JUNE 2020

| S/NO | NAME | DESCRIPTION | TOTAL AMOUNT |
|-------------|--|---|---------------------|
| 1. | Margret Miyawa | Imprest | 30,000 |
| 2. | Benson Omukuba | Imprest | 20,000 |
| 3. | stephen Kamanda | Imprest | 30,000 |
| 4. | Amani Kenga | Imprest | 25,000 |
| 5. | Judith Wesonga | Imprest | 10,000 |
| 6. | Agapitus Imbali | Imprest | 35,000 |
| | SUB-TOTAL | | 150,000 |
| 7. | Kakamega County Water & Sewarage co. ltd | Welding and modification secondary lighting Poles | 287,101 |
| | TOTAL | | 437,101 |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT
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E. MAIN ACCOUNT

BANK RECONCILIATION STATEMENT AS AT 30TH JUNE 2020

| DESCRIPTION | CHEQUE NO. | AMOUNT KSH | AMOUNT KSH |
|-------------------------------|------------|------------|----------------|
| Balance as per bank statement | | | 7,470,108.74 |
| LESS; Direct Deposits | | | (1,687,476.00) |
| ADD: Bank charges June | | | 1,109.48 |
| Less Unpresented Cheques: | 2952 | 35,000 | |
| | 2954 | 5,000 | |
| | 2963 | 98,698 | |
| | 2966 | 4,917 | |
| | 2968 | 10,000 | |
| | 2969 | 20,000 | |
| Sub – Total | | | (173,615) |
| Balance as per cash book | | | 5,610,127.22 |

F. DEVELOPMENT ACCOUNT

BANK RECONCILIATION STATEMENT AS AT 30TH JUNE 2020

| DESCRIPTION | CHEQUE NO. | AMOUNT KSH | AMOUNT KSH |
|---------------------------------|------------|------------|----------------------------|
| Balance as per bank statement | | | 7,762,800.26 |
| ADD: Bank charges June | | | 586.00 |
| Balance as per cash book | | | <u>7,763,972.26</u> |

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G. RECURRENT ACCOUNT

BANK RECONCILIATION STATEMENT AS AT 30TH JUNE 2020

| DESCRIPTION | CHEQUE NO. | AMOUNT KSH | AMOUNT KSH |
|---------------------------------|------------|------------|---------------------|
| Balance as per bank statement | | | 7,881,968.45 |
| ADD: Bank charges June | | | 11,611.00 |
| less; Direct Deposits | | | (83,770.00) |
| Balance as per cash book | | | 7,809,809.45 |

H. EQUITY ACCOUNT

BANK RECONCILIATION STATEMENT AS AT 30TH JUNE 2020

| DESCRIPTION | CHEQUE NO. | AMOUNT KSH | AMOUNT KSH |
|---------------------------------|------------|------------|-------------------|
| Balance as per bank statement | | | 466,034.25 |
| ADD: Bank charges June | | | 180.00 |
| less; Direct Deposits | | | (19,296.01) |
| Less: Unpresented Cheques | 002 | | (325,000.00) |
| Balance as per cash book | | | 121,918.24 |

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**I.PRODUCTION UNIT ACCOUNT
BANK RECONCILIATION STATEMENT AS AT 30TH JUNE 2020**

| DESCRIPTION | CHEQUE NO. | AMOUNT KSH | AMOUNT KSH |
|---------------------------------|-----------------------|-----------------------|-----------------------|
| Balance as per bank statement | | | 329,207.00 |
| ADD: Bank charges June 2020 | | | 378.00 |
| | | | |
| LESS: Unpresented cheque | 486 | | (21,600.00) |
| Direct deposit | | | (3,200.00) |
| | | | |
| Balance as per cash book | | | 304,785.00 |