

REPUBLIC OF KENYA




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REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 MAY 2025	DAY: Thursday
TABLED BY:	Hon. Bena Jari, MP Deputy Speaker of the National Assembly
CLERK-AT THE-TABLE:	Halima Ahmed

THE AUDITOR-GENERAL

ON

**BUNGOMA NORTH TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2023**



STATE DEPARTMENT OF TECHNICAL, VOCATIONAL EDUCATION AND TRAINING
BUNGOMA NORTH TECHNICAL AND VOCATIONAL COLLEGE

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ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2023

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

**BUNGOMA NORTH TECHNICAL AND VOCATIONAL COLLEGE
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1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

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2. Key Entity Information and Management

a) Background information

Bungoma north TVC was established under the TVET Act **TVETA/PUBLIC/TVC/0033/2019** on **07/06/2019**. The institute is under the Ministry of Education.

Currently it has the following departments:

- i) Agriculture and Environmental Studies*
- ii) Mechanical and Automotive Engineering*
- iii) Electrical and electronics Engineering*
- iv) Building and Civil Engineering*
- v) Hospitality, Institutional Management*
- vi) Computing and Informatics*
- vii) Business Studies*
- Viii) Liberal Studies*

b) Principal Activities

The mandates of the Institute are:

1. To implement the curriculum and supervise examinations on behalf of approved examination.
2. To implement and promote TVET policy.
3. To collect, manage and account for funds obtained from the ministry, production units and development partners
4. To recruit, remunerate, discipline, motivate and retain qualified teaching and non-teaching staff
5. To encourage industrial linkages to both staff and students
6. To embrace gender balance and equity in staff recruitment, promotion and student enrolment.
7. To promote innovations, research and income generating projects
8. To develop and improve infrastructural facilities and programmes

Our Vision

To be a renowned centre of excellence in technical training and research in Science, Technology and Innovation.

Our Mission

To train and produce highly qualified personnel, with knowledge, skills and competencies to meet societal and Industrial needs

Our Motto

Re-invent your future.

Core Values

The Institute is guided by the following core values and competencies which form the corporate culture of the Institute:

- a) Passion for results
- b) Good Governance
- c) Respect, Equity and Equality
- d) Customer and Community Focus
- e) Professionalism and Integrity

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c) Key Management

The institution is managed by Board of Governors made up of the Chairman, Secretary (Principal) and other seven professionals.

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	CPA Charles Opiyo Awuor
2.	Deputy principal	Ms Sylvia Wanyonyi
3	Registrar	Nancy Wanyama
4	Dean of students	Mr Kelvin Waya
5	Head of Finance	CPA Constant Simiyu
6	Head of Procurement	Branice Naliaka

e) Fiduciary Oversight Arrangements

The Board of Governors Committees facilitate decision-making to assist the Board of Governors 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 Governors of its duties and responsibilities. Board of Governors Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Board of Governors.

In the financial year 2022-2023 the Board of Governors approved the following committees;

FINANCE COMMITTEE

Mandate

1. Oversight of annual operating plan and budget development including recommendation to the management for Board's approval.
2. Oversight of the structure with assistance of staff to develop the fee structure.
3. To ensure the solvency of the Institute – finance mobilization.
4. To safeguard the Institute assets.
5. To ensure the effective and efficient use of resources.
6. To ensure that the funds provided by GoK and any other funding body are used in accordance with the terms and conditions specified.
7. To ensure that financial control systems are in place and are working effectively.
8. To facilitate the preparation of the Institute Strategic Plan for Board approval.
9. To identify and recommend to the Board the Institutes internal auditors.

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10. Ensuring accurate and timely report to the Board on all administrative and financial issues.
11. Implementation and supervision of Institutions projects and other Institute projects (internal and external).
12. Ensure compliance with all statutory and labor laws in management of staff.
13. Mentor other training institutions on behalf of Gok.

**HUMAN RESOURCE, TRAINING & DEVELOPMENT COMMITTEE
Mandate**

1. Overseeing the implementation of academic programs and standards.
 1. Approval of training programs.
 2. Monitoring, evaluation, and reporting of quality of training programs.
 3. Ensuring the relevance of training to labour market requirements.
 4. Evaluation of the cost and cost effectiveness of various training programs.
 5. Determine the optimum enrolment of training programs.
 6. Evaluation of examination criteria, procedure and results.
 7. Determination and approval of the certificates to be awarded by the Institute and other awards.
 8. Ensuring the overall competence of Institute graduates.
 9. Promoting research and innovation by staff and students.
 10. Promotion and establishment of a culture of excellence in both staff and students.
 11. Ensuring that overall pride in the goals and aspirations of the Institute are embraced and upheld by staff and students.
 12. Enhance/promote linkages/collaborations with industry and other stakeholders
 13. Enhancement and implementation of the Institute Policies and Strategic Plan.
 14. Oversee hiring and promotion of Board of Governors staff.
 15. Discipline of both trainers and Board of Governors staff.
 16. Oversee preparation of Graduation Ceremony

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AUDIT AND RISK COMMITTEE

Mandate

To Examine.

- Compliance with labour laws and regulations.
- Compliance with security, health and safety regulations.
- Compliance with Government of Kenya (GoK) Policy.
- Compliance with Board of Governors Policy.
- Compliance with established professional standards.
- Compliance with ISO guidelines and standards.
- Compliance with contractual obligations and statutory requirements.
- Compliance with approved Procurement Plan and Budget.

To evaluate.

- Achievement of targets and as set in the strategic and work plan.
- The application of ethical standards and core values in the pursuit of vision goals.
- Overall efficiency and effectiveness.
- Financial records and reporting.
- Benefits of the use of technology.
- The level of utilization of existing capacity all round
- Achievement of revenue targets.
- The level of financial discipline.
- Risk associated with non- optimal stock levels.
- Risk associated with non – compliance with statutory and contractual obligations.
- Cash in transit systems.
- Relations with and levels of satisfaction of key stakeholders.
- Spread and diversification of risks.
- Litigation risks and costs.
- And to identify insurable and no insurable risks.

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Website:
- h) **Entity Bankers**

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Kimilili Branch
P.O. Box
KIMILILI
- i) **Independent Auditors**
Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- j) **Principal Legal Adviser**





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Nairobi, Kenya

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3. The Council/Board of Governors




No.	Member/ Governor	Details
1.	 BOG Chairman	NAME: PHILIP KARANI D.O.B: 1957 Key Qualification: Holder of a Bachelor's degree (Law). Work experience: Worked as head of office UNHCR- HONG-KONG.
2.	 Member	NAME: PAMELA WAFULA KONGOTI D. O.B: 1990 Key Qualification: Holder of bachelor of business mgt. Work experience: worked as a marketing executive – Vihiga Sm-station.
3.	 Member	NAME: Mwamzali Shiribwah D.O.B: 1958 Key Qualification: holder of Msc.in Agricultural Machinery Design, BSC. Agricultural engineering. Work experience: A private consultant.
4.	 Member	NAME: Sirengo Wyclife D.O.B: 1947 Key Qualification: Holder of Msc. library & BSc. Information science Work experience: worked as a librarian.
5.	 Secretary to the Board	NAME: Charles Opiyo Awuor D.O.B: 1965 Key Qualification: MBA-Finance Work experience: Thirty-five years as a teacher

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6.	 Member	NAME: Venga Nakuvanahali D.O.B: 1967 Key Qualification: Holder of Bachelor's degree in civil engineering. Work experience: Works as an entrepreneur
7.	 Member	NAME: Eng. Leonard Masafu D.O.B :1958 Key Qualification: Holder of BSc. Geology MSc. Hydrogeology. Work experience: Works as private consultant
8.	 Member	NAME: Julia Bella D.O.B: 1983 Key Qualification: Holder of bachelor of science in Disaster Management and International Diplomacy. Work Experience: Works as a consultant.
9.	 Member	NAME: Martha Wekesa DOB: 1966 Qualifications: MSC FSC and Tech Bsc FSC and Tech Work experience: 25 years in civil service County Director TVET

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4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.		<p>NAME: Charles Opiyo Awuor D.O.B: 1965 Key Qualification: MBA-Finance Work experience: Thirty-five years as a teacher</p>
2.		<p>NAME: Sylvia Wanyonyi D.O. B 10/03/1981. Joined Bungoma North TVC in 2022 as a Deputy Principal. Served as a QMS management representative for eleven years at Siaya Institute of Technology. Holds a Master of Science in procurement and logistics</p>
3.		<p>NAME: Nancy Wanyama Registrar D.O.B 15/11/1978 Bachelors in Agricultural Engineering. Worked from 2019 to date at Bungoma North TVC as Registrar. Worked at county government Village polytechnic Bungoma County for 8 years.</p>
4.		<p>NAME: KELVIN WAYA Dean of students Born on 7th /07/1987. Joined Bungoma North TVC in Feb 2019. Appointed as Dean of Students in July 2020. Holds a Bachelor of Science Degree in Information Technology (JKUAT), Advanced Diploma in Technical Teacher Education (KTTC)</p>

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5.		<p>NAME: CPA Constant Simiyu In charge of Finance <i>Worked at Maeni girls for 10years from 2011 up to 2021.</i> <i>Worked as an accounts clerks at construction company.</i> <i>Holds Bachelor's Degree (Accounting option) from MMUST</i> <i>A CPA-K Finalist</i></p>
6.		<p>NAME: Branice Naliaka Holder of Bachelor's Degree in Procurement and Supply Chain management from UON. Worked at Lake Basin Kisumu as an intern one year. In charge of Procurement since June 2021</p>

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5. Chairman's Statement



During the financial year 2022/2023, I continued with my support towards Bungoma North Technical and Vocational College in meeting its core and National Values by promoting good governance, inclusive of decision making, respect of rule of law and moral uprightness, transparency and accountability, equity and fairness in performance of all activities of the Institute. All these were upheld during my service as the Chair of the Board in the financial year under review.

In this year, the Board managed to employ an accounts assistant, a store keeper and an administrative assistant purposely to fill vacant positions with qualified personnel and ease the work at the finance office and procurement office. The board also employed a clerk in the registry office on contractual basis and confirmed the farm hand who had been on casual basis.

Students' enrolment has improved significantly from last year's population of around 667 to the current figure of 1095. Due to this, the Board employed more trainers on contractual basis in order to assist in training; the PSC also transferred a new deputy principal and one trainer. We are looking forward for the Ministry to send us more PSC trainers to enable us offer quality training to the growing number of trainees.

During the year under review the PSC transferred a new principal Mr. Charles Opiyo Awuor.

Although the college is going through financial challenges, we have managed to construct a building technology department workshop shed for trainer's practical purposes and continuation in construction of a college cafeteria.

Among the notable achievements reported in this financial year include an increase in students' enrolment and good results from our students, who excelled in their KNEC examinations.

My gratitude and appreciation go to the Government of Kenya that has relentlessly funded the institution through capitation, and various NG-CDFs for supporting our trainees through bursaries.

On behalf of the Board, I would like to thank the parents, guardians and other funders, investors and all the BNTVC partners for their support. I also extend my appreciation to Bungoma North TVC Management and staff for their continued dedication to the college.



PHILIP KARANI
BOG CHAIRMAN

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6. Report of the Principal



I take this opportunity, on behalf of the trainers, staff, trainees and the management team to present the financial report for the FY 2022/2023 for Bungoma North TVC which ended on 30th June, 2023.

The vision of our college is: To be a renowned Centre of excellence in technical training and research in Science, Technology and Innovation.

During the year under review, our core mandate was to impart our trainees with the necessary knowledge, skills and competencies for them to meet societal and industrial needs.

So far, we are achieving a reasonable level of diversity among trainees, thanks to a market campaign to widen our trainee applicant pool. I'm pleased to report that our student enrolment has increased. Figures also show that Bungoma North TVC continues to attract higher enrolment in Science Engineering and Technology (SET) courses which make our college a real TVET Institution.

The College takes into account the key goal of Kenya's education policy that every Kenyan participates in education and training up to their potential.

I am hereby committed to:

Implement Competency-based education and training through skills, instructive design, development and delivery to rebranding the College to attract trainees.

Developing and implementing a standard for identification and recognition as a Centre of Excellence.

Institutionalizing Institute's industry inputs into training

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Pursuing expansion of programs at all levels to accelerate a sustainable gross enrolment ratio, at least 1,500 trainees by 2024

Provide adequate and quality competency-based training opportunities.

Ensure that courses are market driven and address workplace needs and promote soft generic life skills in partnership with relevant private sectors and professional bodies for employability alumni.

In the FY 2022/2023 Bungoma North TVC carried out the functions under its budget and mandate through various training and support departments. The achievements during this FY among others include:

Training and presenting for national Examinations candidates at various levels of training.

Continuation of the construction of a college cafeteria

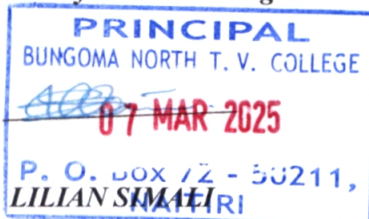
Constructed a Building and Construction workshop shade

Participation in sports and recreation-athletics.

Participation in drama up to national level.

Special thanks go to my relentless trainers and all the support staff of BNTVC at large. It has been a wonderful journey and I'm also grateful for the unstinting support of my Board of governors and lastly, to the entire community around the college for their positive attitude towards to college.

It is my wish that Bungoma North TVC continues to grow from strength to strength.



PRINCIPAL/BOG SEC

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7. Statement of Performance against Predetermined Objectives

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

BNTVC has two strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2022/2023. These strategic pillars are as follows:

Pillar/ theme/issue 1: Education and training opportunities

Pillar/ theme/ issue 2: Institutional Governance and Management

BNTVC develops its annual work plans based on the above two pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2022/2023 period for its two strategic pillars, as indicated in the diagram below:

Strategic Pillar	Theme /strategy	Objectives	Key performance indicator	Activities	Achievements	
1. Educational and Training opportunities	Expand facilities based on emerging needs and government priorities	To enhance equitable access to education and training opportunities	Enough tuition rooms.	Expand training facilities	Enough space for practical and theory lessons enhanced	
			Workshops			
	Support training through industrial attachment internships		Number of trainers who have undergone industrial attachment	Enhancing attachment of trainers in industry		Quality of the skills of practical subject trainers enhanced
	Career guidance office		Reports on admission trends per intake	Development of the academic policy to promote the entry and retention of more learners with special needs including females in STEM related training		Academic policy document in place
2. Institutional Governance	Develop and implement Institutional policies,	To enhance Institutional corporate governance	Number of policies developed and approved by	Reviewing training programs to be in line with	Relevant policies in place	

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and Management	strategies and programs such as HIV/AIDS, drug abuse, health, safety, environment , covid 19 and emerging issues.	and management based on principles of best practice	BOG for implementation	the current Government policies	
	Fast track Institutional expenditure reviews		Number of collaborations entered	Co-financing of applied research	Collaboration with industry in solving real problems in place
	Developing succession plans for Board of Governors and students' council		Number of student council inducted	Train students' council on leadership skills	Good leadership
	Promote equality and respect for diversity through appropriate leadership culture		Number of gender Mainstreaming issues streamlined	Set up gender mainstreaming unit	Gender Mainstreamed

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8. Corporate Governance Statement

The Board of Governors consists of nine members inclusive of the PRINCIPAL as the secretary. The Board of Governors members and their meeting attendance is as indicated below;

NO.	NAME	1 ST QUARTER		2 ND	3 RD	4 TH
		DATE		QUARTER	QUARTER	QUARTER
		26/9/2022		21/10/22	12/1/23	
1.	Philip Karani(Chair)	✓		✓	✓	
2.	Pamela Kongoti	✓		✓	✓	
3.	Julia Bella	✓		✓	✓	
4.	Mwamzali Shiribwah.	✓		✓	✓	
5.	Leonard Masafu	✓		✓	✓	
6.	Sirengo Wycliffe	✓		✓	✓	
7.	Venga Nakuvanahally.	✓		-	-	
8.	Elisha Nyamu	✓		✓	✓	
9.	Martha Wekesa (CDTVET)	✓		✓	✓	

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

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FINANCE COMMITTEE

Membership is as below listed:

NO	NAME	1 ST QUARTER		2 ND QUARTER	3 RD QUARTER	4 TH QUARTER
		Date	Date	Date	Date	Date
		24/9/22		12/10/22	9/01/23	
1	Pamela Kongoti (Chair)	-			✓	
2	Venga Nakuvanahally	✓		-	-	
3	Elisha Nyamu	✓		✓	✓	
4	Eng., Leonard Masafu	✓		✓	✓	
5	Martha Wekesa	✓		✓	✓	

HUMAN RESOURCE, TRAINING & DEVELOPMENT COMMITTEE

Membership is as below:

NO.	NAME	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER
		DATE	DATE	DATE	DATE
			14/11/22		
1.	Wycliffe Mutaki		✓		
2.	Julia Bella(Chair)		✓		
3.	Elisha Nyamu		✓		
4.	Nakuvanahally Venka		-		
5.	Martha Wekesa		✓		

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AUDIT AND RISK COMMITTEE

Membership is as follows:

N O.	NAME	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER
		DATE	DATE	DATE	DATE
				8/01/2023	
1	Mwamzali Shiribwah(Chair)			✓	
2	Wycliffe Mutaki			✓	
3	CPA Janet Barasa (Internal Auditor)			✓	

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9. Board and Management Succession

The Board will put in place a succession plan for both the Board and Management and review the same regularly.

Existence of the Board Charter

Bungoma North TVC Board of Governors has developed its Board charter. The Board of Governors Charter defines the Board's roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight function. It provides provide the Board members with an opportunity to think creatively and critically about how their strategic and operational plans align with the organization's strategic direction and expectations, with respect to governance. The Charter will help the Board in directing Bungoma North Technical and Vocational College to maximize the long-term value of services provided for all stakeholders.

The Charter has been adopted by the Institute, acting in accordance with Mwongozo, Code of Governance for State Corporations ('the Code'), and be complementary to the requirements regarding the Board and Board members contained in applicable Kenyan laws and regulations.

The Board of Governors will review the Charter at least annually and, if appropriate, revise it from time to time. The Charter will be available to all members of the Board for application.

Process of Appointment and removal of Board Members

- i. The relevant appointing authority shall select and appoint Board members. Every appointment shall be by name and by notice in the Kenya Gazette but shall cease if the Board member:
 - a) Serves the appointing authority with a written notice of resignation; or
 - b) Is absent, without the permission of the Chairperson, from three consecutive meetings; or
 - c) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings; or
 - d) Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Board; or
 - e) Conducts himself in a manner deemed by the appointing authority to be inconsistent with membership of the Board.
 - i. Any removal of a Board member under (i) above, shall be through formal revocation.

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- ii. The record of the appointment letter, gazette notice and written acceptance by the Board member shall kept in the personal file of the Board member.

Evaluations are conducted to review the Board’s role, Board processes and committees to support that role and the performance of the Board and each governor. This is undertaken using a variety of techniques including external consultants, and Board discussion. The Board is yet to conduct a performance review for the previous year.

OVERVIEW OF THE THREE STANDING COMMITTEES OF THE BOARD

An overview of the role and responsibilities, membership and meetings of the Board’s three standing Committees is provided in the table below.

Committee meetings are scheduled to coordinate with the Board meeting cycle. Each Committee reports to the Board at the subsequent Board meeting and makes recommendations to the Board for consideration as appropriate.

	RESEARCH, TRAINING AND HUMAN RESOURCE COMMITTEE	PLANNING, FINANCE, DEVELOPME T AND ENTERPRISE COMMITTEE	AUDIT AND RISK ASSURANCE COMMITTEE
ROLES AND RESPONSIBILI TIES	<p>Provide assurance (or otherwise) to the Academic Board that academic oversight assures the quality of research and research training effectively, including by: developing, monitoring and reviewing academic policies and their effectiveness.</p> <p>To formulate policy on all research related matters which impact on the strategic objectives of the College.</p>	<ol style="list-style-type: none"> 1. Provide direction to the Board for fiscal responsibility. Alongside this is the responsibility for future long-term planning and the development of strategies to back up the plan. 2. Ongoing review of institute’s revenue and 	<ol style="list-style-type: none"> 1. Overseeing, reviewing and advising the Board on Bungoma North TVC’s risk management policy and processes; (which includes oversight of Health & Safety assurance and climate related risks and opportunities); 2. Internal control mechanisms and internal and external audit functions; compliance policies and processes; and financial information

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	<p>2.2: To consider and make recommendations on matters of policy relating to research including matters referred to it by the Board and other College committees</p> <p>2.3 To review and oversee the implementation on College’s policy on research ethics.</p> <p>2.4 To monitor, primarily through the feedback mechanism of the Research Forum², the relevance and efficacy of established policy – addressing shortcomings and anomalies so as to facilitate high quality research activities within the College structures.</p> <p>2.5 To oversee quality assurance and improvement measures in respect of research activity, including the efficacy of research quality measures.</p> <p>2.6 To advise the Dean of Research in his role in reporting internally and externally on research and related matters.</p>	<p>expenditure, balance sheet, investments and other matters related to its continued solvency.</p> <p>3. Approve the annual budget and submit it to the Board for approval.</p> <p>4. Ensure the maintenance of an appropriate capital structure.</p> <p>5. Oversee the maintenance of Institutional-wide assets, including prudent management of Bungoma North TVC’s assets and risk exposure.</p>	<p>prepared by management for publication.</p> <p>3. Management retains responsibility for the implementation and operation of adequate risk assurance, internal control and audit systems. The Board has delegated to the Audit and Assurance, to oversee and monitor these activities.</p>
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**BUNGOMA NORTH TECHNICAL AND VOCATIONAL COLLEGE
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	<p>2.7 To review Annual Reports relating to research matters and to make recommendations to the Board</p> <p>2.8 To approve procedures for allocating research funds and monitor their implementation.</p> <p>2.9 To establish Advisory Committees and Working Groups as required to develop and oversee policy in respect of research matters.</p>		
Meetings	At least three times annually. During the reporting period, the Committee met twice.	At least three times annually. During the reporting period, the Committee met four times.	At least annually. During the reporting period, the Committee met twice.

Resignation from the Board

A Board member may resign at any time by giving notice, in writing, to the appointing authority, copied to the Chairperson of the Board and the CEO/Principal of the Institute.

The resignation shall take effect upon receipt of notice by the appointing authority or at any later time specified therein; and unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

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Board Responsibilities

The basic responsibility of the Board members is to exercise their best judgment and to act in a manner that they reasonably believe to be in the best interest of the organization and its stakeholders. In discharging that obligation, the members should be entitled to rely on the honesty and integrity of the Institute's management, staff and its external professional advisors and auditors.

In furtherance of its responsibilities, the Board will:

- a) Determine the Institute's Mission, Vision, Purpose and Core Values;
- b) Review, evaluate and approve, on a regular basis, long-term plans for the Institute;
- c) Review, evaluate and approve the Institute budget and financial forecasts;
- d) Review, evaluate and approve major resource allocations and capital investments;
- e) Ensure that the procurement process is cost-effective and delivers value for money;
- f) Review and approve the operating and financial results of the Institute;
- g) Ensure effective, accurate, timely and transparent disclosure of pertinent information on the Institute operations and performance;
- h) Ensure that effective processes and systems of risk management and internal controls are in place;
- i) Review, evaluate and approve the overall Institute structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- j) Review, evaluate and approve the remuneration structure of the Institute;
- k) Adopt, implement and monitor compliance with the Institute's Code of Conduct and Ethics;
- l) Review on a quarterly basis the attainment of targets and objectives set out in the agreed performance measurement framework with the Government of Kenya;
- m) Review periodically the Institute's strategic objectives and policies relating to sustainability and social responsibility/investment;
- n) Enhance the Institute's organization's public image and ensure engagement with stakeholders through effective communication;
- o) Monitor compliance with the Constitution, all applicable laws, regulations and standards;
- p) Review, monitor and ensure that the Institute is effectively and consistently delivering on its mandate.

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Responsibilities of Individual Board Members

Each Board member shall:

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

Induction and Training

1. In order to provide directions for the effective governance and oversight of the Institution, the Ministry of Education conducts induction and Training of the new board. The induction program runs for three days and covers a variety of areas including; Rationale & Status of On-going Reforms, an Overview of Mwongozo. The Role of Boards & its organs, Legal & Institutional framework for governance of TVET Institutions, Obligations, Accountability & Internal Controls in TVETs, Highlight on Key Policy Issues Governing Board Operations, The Role of Board in Organizational Competency Development, Board Dynamics & Evaluation (including Board tools), Statutory & Legal compliance, Risk Management in State Corporations, Institutionalizing Anti-Corruption Mechanism in TVETs, Ethical Leadership on Boards, Public Procurement and Disposal in TVETs.

Board Performance

The Board will conduct an annual evaluation to appraise its performance. This evaluation will be carried out in accordance with the Board Evaluation Tool.

The Board evaluation provides an opportunity for Board members to identify strengths, collective skill gaps and individual areas of improvement. The Board will also review the performance of each committee against the agreed Terms of Reference.

The Board will also evaluate the performance of the CEO/Principal/Secretary to the Board.

Conflict of Interest

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A conflict of interest may arise where a Board member or close family member such as a spouse, child, parent or sibling has private interests that could improperly influence the performance of the Board member's official duties and responsibilities. Conflict may also arise where a Board member uses their office for personal gain.

Board members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the Institute. However, a Board member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the Board. In so reporting, the Board member is required to provide all relevant information, including information which relates to their immediate family members by blood or marriage which is related to the area of conflict. When declared, the Board member shall abstain from decisions where the conflict exists.

The Board Secretary should keep a record of conflicts of interest declared, for accountability purposes, and as a rule of good practice on appointment and on regular intervals or at any time when circumstances change, all members shall in good faith disclose to the Board for recording, any other business or interest likely to create a potential conflict of interest.

Board Remuneration

Board members shall be remunerated for their services in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. In line with best practice, the remuneration should include base pay, attendance allowances and bonuses.

Ethics and Conduct

Code of Ethics for Board Members Goal aims at establishing a set of principles and practices of the Bungoma North Technical and Vocational College Board of Governors that will set parameters and provide guidance and direction for board conduct and decision-making.

Members of the Board of Directors of the Bungoma North Technical and Vocational College are committed to observing and promoting the highest standards of ethical conduct in the performance of their responsibilities on the board of Bungoma North Technical and Vocational College. Board members pledge to accept this code as a minimum guideline for ethical conduct and shall:

Accountability:

1. Faithfully abide by the Articles of Incorporation, by-laws and policies of Bungoma North Technical and Vocational College
2. Exercise reasonable care, good faith and due diligence in organizational affairs.

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3. Fully disclose, at the earliest opportunity, information that may result in a perceived or actual conflict of interest.
4. Fully disclose, at the earliest opportunity, information of fact that would have significance in board decision-making.
5. Remain accountable for prudent fiscal management to association members, the board, and non-profit sector, and where applicable, to government and funding bodies.
Professional Excellence.
6. Maintain a professional level of courtesy, respect, and objectivity in all Bungoma North Technical and Vocational College activities.
7. Strive to uphold those practices and assist other Bungoma North Technical and Vocational College members of the board in upholding the highest standards of conduct
Personal Gain.
8. Exercise the powers invested for the good of all members of the Institute rather than for his or her personal benefit, or that of the non-profit they represent.

Equal Opportunity:

9. Ensure the right of all association members to appropriate and effective services without discrimination on the basis of geography, political, religious, or socio-economical characteristics of the state or region represented.
10. Ensure the right of all association members to appropriate and effective services without discrimination on the basis of the organization's volunteer or staff make-up in respect to gender, sexual orientation, national origin, race, religion, age, political affiliation or disability, in accordance with all applicable legal and regulatory requirements.

Confidential Information

11. Respect the confidentiality of sensitive information known due to board service.

Collaboration and Cooperation

12. Respect the diversity of opinions as expressed or acted upon by the Bungoma North Technical and Vocational College board, committees and membership, and formally register dissent as appropriate.
13. Promote collaboration, cooperation, and partnership among association members.

Governance Audit

The Board should ensure that a governance audit of the Institute is undertaken on an annual basis. The purpose of the governance audit is to ensure that the Institute conforms to the highest standards of good governance. The governance audit should cover the following parameters among others:

- a) Leadership and strategic management;
- b) Transparency and Disclosure;
- c) Compliance with Laws and Regulations;

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- d) Communication with stakeholders;
- e) Board independence and governance;
- f) Board systems and procedures; and
- g) Consistent stakeholders' value enhancement

Bungoma North TVC's operational and financial performance

Development Grants

The Institute never received any grant from the Government of Kenya in the FY 2022-2023 for infrastructure development.

Capitation Grants

In the financial year 2022-2023, the college received capitation for quarter one (453 students **Ksh. 2,265,000**), quarter two (654 students **Ksh. 2,615,000**) and quarter three (670 students **Ksh. 2,680,000**) The total capitation received during the financial year amounted to **Ksh. 7,560,000**. The college did not receive capitation for quarter four.

Financial Performance

Q22In the year under review, the incomes were **Kshs. 34,860,263** while expenditure was **Kshs. 40,439,498** This resulted to a deficit of **Kshs. 5,579,235**

Entity's compliance with statutory requirements

In the year under review, Bungoma North TVC complied with all the statutory obligations

Key projects and investment decisions Bungoma North TVC is planning/implementing

- Construction of modern staff toilets
- Construction of college's main gate.
- Procurement of library books and other learning materials
- Build new lecture halls
- procurement of e library computers

Students' enrolment

Year	No. of students	Percentage increase
2019/2020	353	
2020/2021	421	19.26
2021/2022	665	57.96
2022/2023	1095	64.67

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10. Environmental and Sustainability Reporting Statement

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

Sustainability strategy and profile

Bungoma North TVC is committed to a future in which all people are living Sustainably within their natural and built environments.

It will focus on sustainability as a key driver in its own activities. The most importance issue is to be committed to improving the environmental performance of our overall activities, and focus to be leaders in best practice environmental management. This forms a key component of our commitment to demonstrate good environmental practice in our college.

This can only be done by establishing appropriate procedures and practices to minimise the consumption of energy, water, paper and other material inputs, and minimise the generation of waste, associated with our college activities. These will include:

- reducing energy, water and paper intensity of our office operations.
- installation of Green Power if possible
- reducing the amount of waste we produce, and maximising the amount reused and recycled.
- separating our office waste into reusable, recyclable, compost and true waste components.

Environmental performance

For proper environmental performance, Bungoma North TVC has put in place the following:

TARGET	ACTIVITY	INDICATORS
Waste management initiatives that include sewerage management, other waste and by products	-Reducing, Recycling, Reusing, Refusing, Rejecting, Returning, Refilling. -Install waste bins and segregation of waste -Hiring Waste collectors -Procurement of goods and services that are environmentally	-Segregated bins in place and in use -Disposal of waste as per the waste management regulations -Evaluation criteria incorporating green purchases in the evaluation

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	friendly (Green product purchase that gives environmental consideration in the evaluation criteria	
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Employee welfare

Bungoma North TVC hires its employees competitively from qualified candidates, by advertising for the vacant positions by use of print media and other affordable means of communication.

This is undertaken only after the Board of Governors are informed by management on the need to recruit the needed staff in departments with deficits.

The policy of the college is to hire the best staff for the right job, in order to get maximum output from our staff.

As a young institute, the board of management is working hard in order to attain the gender ratio in placement of its employees.

All employees after being appointed are inducted on their job, after being given job responsibilities and will normally work close with an immediate senior employee for better results and in that process, will gain experience.

Employees in sensitive areas are normally taken to other colleges for benchmarking, and also attending Ministry seminars and workshops.

In the future, Bungoma TVC will put in place an appraisal mechanism and reward schemes for its employees.

In the process, we are working on our policy on safety and compliance with Occupational Safety and Health Act of 2007.

Market place practices-

Bungoma North TVC procures its goods and services competitively by following all the laid down procurement procedures.

All procurement committees are constituted upon request for all the procurement activities.

All bidders are selected fairly and incidences of corruption are not tolerated. All suppliers are treated fairly and payment to supplies are made immediately when cash is available.

Corporate Social Responsibility / Community Engagements

As an upcoming college, our approach to corporate social responsibility (CSR) shall reflect the steps that we shall be taking to ensure we are, and be, a good corporate citizen. Social responsibility encompasses everything we do that has an impact on society around us – it is our values and behaviour as a Public Entity.

Our role in supporting education, training and research makes a valuable contribution to the continuing development of a training society. As a TVET Institution that champions competency based for our trainees, and online research and learning resources and services, we shall also support our members to deliver against their environmental priorities.

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We are committed to ensuring that Bungoma North Technical and Vocational College is a responsible corporate citizen. To do this, we:

- Shall minimise the environmental impact of our corporate activities;
- Have been participating in village functions like funerals and give support
- Identify and address issues of equality, diversity and inclusion amongst our current and future workforce;
- Ensure that employees are supported in their mental and physical health and treated with dignity, respect and in accordance with basic human rights;
- Understand our suppliers' commitments to CSR issues and practices and ethical approaches to business in our investment strategy.

As part of the corporate social responsibility, during the year under audit the college had been participating mostly in funerals within the community. The college in such cases provides tents and chairs to the bereaved families for visitors use. The college also offers water for the residents living around the college.

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11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of Bungoma North TVC 's affairs.

Principal activities

The principal activities of Bungoma North TVC are (continue to be)

1. To promote positive corporate image;
2. To enhance capacity in TVET and research;
3. To inculcate entrepreneurial culture in trainees;
4. To improve institutional corporate governors; and
5. To promote strategic collaboration and linkages with industry and other institutions.

Results

The results of Bungoma North TVC for the year ended June 30 are set out on pages 1-5.

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page vii-viii. During the year under review, the board expired on 13TH January 2023 and nomination was done on 20th January 2023. There was a request for extension of some board members' tenure which was granted for two: MR. KARANI PHILIP and MS. PAMELA WAFULA KONGOTI, Effective from 23rd June 2023

Auditors

The Auditor General is responsible for the statutory audit of Bungoma North TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2023.

By Order of the Board
PRINCIPAL
BUNGOMA NORTH TECHNICAL AND VOCATIONAL COLLEGE

07 MAR 2025
Ms. Lilian Simali
P. O. BOX 72 - 30211,
Secretary to the Board
Date: 07/03/2024

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12. Statement of Board of Governors/ Council's Responsibilities

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

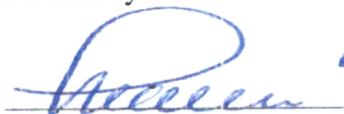
The Board members are responsible for the preparation and presentation of BNTVC's financial statements, which give a true and fair view of the state of affairs of the *BNTVC* for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial 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 *BNTVC*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for BNTVC'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 the TVET Act. The Board members are of the opinion that the BNTVC's financial statements give a true and fair view of the state of *BNTVC*'s transactions during the financial year ended June 30, 2023, and of BNTVC's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for BNTVC, which have been relied upon in the preparation of BNTVC'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 BNTVC 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 BNTVC's financial statements were approved by the Board on 22ND SEPT 2023 and signed on its behalf by:



.....
Dr. Wati Henry

Chairperson of the Board



Accounting Officer/Principal

REPUBLIC OF KENYA



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Website: www.oagkenya.go.ke

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

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON BUNGOMA NORTH TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bungoma North Technical and Vocational College set out on pages 1 to 37, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of

Report of the Auditor-General on Bungoma North Technical and Vocational College for the year ended 30 June, 2023

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 Bungoma North Technical and Vocational College as at 30 June, 2023 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. Unsupported Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 15 to the financial statements reflects receivables from exchange transactions balance of Kshs.48,554,840 in respect to student fee debtors. However, an ageing analysis report indicating the period the debts have been outstanding was not provided for audit review. Further, the College did not have a debt management policy.

In the circumstances, the accuracy, completeness and recoverability of the student debtors balance of Kshs.48,554,840 could not be confirmed.

2. Unrecognized Donated Assets

The statement of financial position reflects property, plant and equipment balance of Kshs.143,170,574 as disclosed in Note 12 to the financial statements. However, the balance excludes undetermined value of five (5) donated tractors and four (4) corn harvesters.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.143,170,574 could not be confirmed.

3. Inaccuracy in the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.39,694,000 and Kshs.34,860,263 respectively. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.39,694,000 and Kshs.23,683,316 respectively. However, the statement was prepared on accrual basis of accounting instead of cash basis of accounting as required by accounting standards.

In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual amounts could not be confirmed.

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

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 Matter

Unresolved Prior Year Matters

In the audit report of the previous year, various issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, although Management has indicated that several issues have been resolved in appendix 1 to the financial statements under implementation status of Auditor-General recommendations, no documentary evidence was provided for audit review indicating how the issues were resolved.

In the circumstances, the issues remain unresolved.

Other Information

Management is responsible for the other information set out on page v to xxxvi which comprise of Key Entity Information and Management, the Council/Board of Governors, Key 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 College's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-compliance with Law on Ethnic Composition

Review of employee records maintained by Management revealed that during the year under review the College had a total of thirty-one (31) employees out of which twenty-eight (28) or 90.3% were from one dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.

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

2. Lack of Non-Current Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.143,170,574 as disclosed in Note 12 to the financial statements. However, during the year under review, the College did not maintain non-current assets register. This was contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

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

Weaknesses in Information Communication Technology (ICT) Internal Controls

Review of the College's Information Communication Technology (ICT) control environment revealed that the College did not have an ICT strategy committee and ICT steering committee. In addition, policies in respect of physical access to ICT environment were not in place. Further, the College did not have disaster management and recovery policies in place, including fire suppression systems, business continuity plan and ICT continuity plan, including an off-site back-up plan.

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

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

Responsibilities of Management and the Board of Governors

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for 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

14 March, 2025

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

14. Statement Of Financial Performance For The Year Ended 30 June 2023

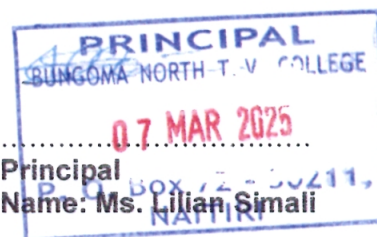
	Notes	2022/2023	2021/2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government –	1a	7,560,000	11,130,000
Public contributions and donations		0	
Total Revenue from non-exchange transactions		7,560,000	11,130,000
Revenue from exchange transactions			
Rendering of services- Fees from students	2a	25,798,422	23,288,297
Sale of goods	3	0	
Other incomes	5b	528,622	214,307.00-
Rental revenue from facilities and equipment	4	973,219	707.770.00
Revenue from exchange transactions		27,300,263	24,210,374
Total revenue		34,860,263	35,340,374
Expenses			
Use of goods and services	6	17,717,537	16,318,664
Employee costs	7	4,758,190	4,241,252
Remuneration of directors	8	578,794	829,422
Depreciation and amortization expense	9	16,756,182	16,756,182
Repairs and maintenance	10	628,795	2,398,014
Total expenses		40,439,498	40,543,534
Net Surplus/deficit for the year		(5,579,235)	(5,203,160)

Wati Henry

Juma Benjamin

Chairman of Board/Board
Name : Dr. Wati Henry

Finance Officer
Name : CPA Juma Benjamin
ICPAK No 29020



Date: 07/03/2025

Date: 07/03/2025


Date: 07/03/2025


**BUNGOMA NORTH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2023**

15. Statement of financial position as at 30 June 2023

	Notes	2022/2023	2021/2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	11	775,490	2,086,363
Receivables from exchange transactions	15	48,554,840	33,756,637
Inventories	16	355,359	571,530
Total Current Assets		49,685,689	36,414,530
Non-current assets			
Property, plant and equipment	12	143,170,574	159,926,756
Total Non-current Assets		143,170,574	159,926,756
Total assets		192,856,263	196,341,286
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	13	2,236,482	709,777
Payments received in advance	14	49,520	38,836
Total Current Liabilities		2,286,002	748,613
Non-current liabilities			
Borrowings	21	-	-
Total Non-current liabilities		-	0
Total liabilities		2,286,002	748,613
Capital and Reserves			
Reserves		194,480,000	194,480,000
Accumulated surplus		- 4,729,567	292,845
Capital Fund		819,828	819,828
Total Capital and Reserves		190,570,261	195,592,673
Total Liabilities and Capital & Reserves		192,856,263	196,341,286

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


 Chairman of Board/Board
 Name : Dr. Wati Henry


 Finance Officer
 Name: CPA Juma Benjamin
 ICPAK No 29020

PRINCIPAL
 BUNGOMA NORTH T. V. COLLEGE
 07 MAR 2025
 Principal Name: Ms. Lilian Simani 211,
 NAITIRI

Date: 07/03/2025

Date: 07/03/2025

Date: 07/03/2025

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023


16. Statement of changes in net assets for the year ended 30th June 2023

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
Balance c/d as at June 30, 2021	194,480,000	-	5,496,005		199,976,005
Balance b/f as at July 1, 2021	194,480,000	-	5,496,005		199,976,005
Fair value adjustment on quoted investments					
Total comprehensive income			-5,203,160		-5,203,160
Capital/Development grants received during the year				819,828	819,828
Transfer of depreciation/amortization from capital fund to retained earnings					
Balance c/d as at June 30, 2022	194,480,000	0	292,845	819,828	195,592,673
Balance b/f as at July 1, 2022	194,480,000	0	292,845	819,828	195,592,673
					0
Fair value adjustment on quoted investments					0
Total comprehensive income			-5,579,235		-5,579,235
Capital/Development grants received during the year				0	0
Transfer of depreciation/amortization from capital fund to retained earnings					0
Balance c/d as at June 30, 2023	194,480,000	0	-4,729,567	819,828	190,570,261

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023


17. Statement Of Cash Flows For The Year Ended 30th June 2023

		2022/2023	2021/2022
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	1a	7,560,000	11,130,000
Rendering of services- Fees from students	2B	11,049,739	9,878,914
Rental revenue from facilities and equipment	4	973,219	707,770
Consultancy income			
Other income, rentals and agency fees	5a	315,750	214,307
Total Receipts		19,898,708	21,930,991
Payments			
Employee costs	7	4,758,190	4,241,252
Use of goods and services	6B	16,061,064	15,230,065
Repairs & Maintenance	10	628,795	2,398,014
Remuneration of Directors	8	578,794	829,422
Total Payments		22,026,843	22,698,753
Net cash flows from operating activities	18	-2,128,135	-767,762
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	17	0	869,328
Net cash flows used in investing activities		0	869,328
Cash flows from financing activities			
Capital Development Grants		0	819,828
Repayment of borrowings		0	
Increase in deposits			
Net cash flows used in financing activities		0	819,828
Net increase/(decrease) in cash and cash equivalents		-2,128,135	817,262
Cash and cash equivalents at 1 July 2022		2,903,625	2,903,625
Cash and cash equivalents at 30 June 2023		775,490	2,086,363



Chairman of Board/Board
Name : Dr. Wati Henry

Date: 07/03/2025



Finance Officer
Name : CPA Juma Benjamin
ICPAK No 29020

Date: 07/03/2025

PRINCIPAL
 BUNGOMA NORTH T. V. COLLEGE
 07 MAR 2025
 Principal. BOX 12 - 30211,
 Name: Ms. Lilian Simali

Date: 07/03/2025

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

18. Statement of comparison of budget actual amounts for year ended 30 June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% variance	explanation of material variance
	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023		
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs		
Transfers from other Govt entities Govt grants	21,000,000	0	21,000,000	7,560,000	13,440,000	64	Not all student received capitation The rate of capitation amount per student was reduced and one quarter was not received.
Rendering of services- Fees from students	18,494,000	0	18,494,000	25,798,422	-7,304,422	-43	Increase in student population
Sale of goods	0	0	0	1	0	-	
Rental income from equipment	200,000	0	200,000	973,219	-773,219		There was unexpected increase in demand for services
Other incomes	0	0	0	528,622	-528,622		There was increase in enrolment
Gains on disposal, rental income and agency fees	0	0	0	0	0		
Total income	39,694,000	0	39,694,000	34,860,263	4,833,737		
Expenses							
Employee Costs	8,050,000	0	8,050,000	4,758,190	3,291,810	41	Staff establishment still on going
Use of Goods and services	27,632,548	0	27,632,548	17,717,537	9,915,011	33	Poor fee collection
Remuneration of directors	1,211,452	0	1,211,452	578,794	632,658	52	The term of the board expired mid-stream
Repairs and maintenance	2,800,000	0	2,800,000	628,795	2,171,205	78	Minimal repairs due to lack of finances
Grants and subsidies paid	0	0	0	0	0		
Total expenditure	39,694,000	0	39,694,000	23,683,316	16,010,684		
Surplus for the period	0	0	0	11,176,947	-11,176,947		

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

19. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

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

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

ii. Early adoption of standards

Bungoma north TVC did not early-adopt any new or amended standards in year 20 23.

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Summary of Significant Accounting Policies

- a) **Revenue recognition.**
- i) **Revenue from non-exchange transactions**

Transfers from other government entities

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

- ii) **Revenue from exchange transactions**

Rendering of services

BNTVC 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 BNTVC.

Interest income

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

Rental income

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

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2022/2023 was approved by the Board on *7/9/2021*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget.

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

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

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

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule Act

Sales tax/ Value Added Tax

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

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

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

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Investment property

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

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

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 or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized ab in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

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

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

g) Intangible assets

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

h) 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.

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) 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.

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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 BNTVC.

k) Provisions

Provisions are recognized when BNTVC 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

BNTVC 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

BNTVC 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 BNTVC 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.

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

l) Social Benefits

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

BNTVC 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.

p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those

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at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

q) 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.

r) Related parties

BNTVC 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Service concession arrangements

BNTVC 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, BNTVC 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, BNTV also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

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

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u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

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Notes to the Financial Statements (Continued)

5) Significant Judgments and Sources of Estimation Uncertainty

The preparation of BNTVC'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. BNTVC 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 BNTVC. 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:

- a) The condition of the asset based on the assessment of experts employed by the University.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Depreciation is calculated on straight line basis, at annual rates estimated to write off of carrying values of the assets over their expected useful lives. Assets acquired during the year are depreciated from the date of acquisition.

The annual depreciation rates in use are:

- Building 2%
- Plant, machinery and equipment 12.5%

- Furniture and fittings; 12.5%
- Library books 20%

- Motor Vehicles 20%
 - Computers 33.33%
 - Intangible assets – Amortized over useful life
- Freehold land is not depreciated as it is deemed to have an infinite life

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Provisions

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

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

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

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Notes to the Financial Statements (Continued)

Transfers from other National Government

1a Entities

Description	2022/2023	2021/2022
	KShs	KShs
Unconditional grants		
Capitation grant	7,560,000	11,130,000
Conditional grants		
Library grant		
Hostels grant		
Administration block grant		
Laboratory grant		
Learning facilities grant		
Other organizational grants		
Total Government grants and subsidies	7,560,000	11,130,000

Rendering of Services

2a

Description	2022/2023	2021/2022
	KShs	KShs
Tuition fees	6,878,420	11,433,572
Activity fees	1,151,200	1,030,900
Examination fees	1,527,570	1,787,180
Library fees	1,151,200	1,254,942
Administrative income	4,701,130	3,957,545
RMI	1,343,265	2,267,158
COMP MAINT	-	0
Student ID	0	64,900
Student union	591,807	687,400
Attachment and insurance & medical	0	136,350
Local transport and travels	2,422,515	3,184,644
HELB		0
Personal Emolument	4,539,250	6,545,587
Medical	479,865	569,708
EW&C	935,350	1,250,761
Material fee	66,950	221,550
Center fee	9,900	26,100
Less Capitation grant	0	-11,130,000
Total Rendering of Services	<u>25,798,422</u>	<u>23,288,297</u>

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2b	2022-2023	2021/2022
Rendering of Services-Tuition Inflows	KShs	KShs
Rendering of Services-Tuition Fee Recognized in the Statement of Financial Performance	25,798,422	21,008,914
Add:-		
Increase in prepaid fees/Tuition Fee to be Earned in Future But Received During the Year	49,520	
Less:-		
Increase in Revenue Receivable/ Student Debtors/Income Earned During the Year But Not Received	(14,798,203)	
Non-Cash Item-Increase in provision for bad debts	-	
Increase in Receivable from Non Exchange Transaction/Income Earned During the Year But Not Received		
Less:-Incorporated receivables	-	11,130,000
Amount Recognized in the Statement of Cash flows	11,049,739	9,878,914.00

4 Rental Revenue from Facilities and Equipment

Description	2022-20223	2021/2022
	KShs	KShs
Tractor hire	973,219.00	707,770.00
Boarding fees	-	
Total rentals	973,219	707,770.00

5b. Other income for cashflow

Description	2022-2023	2021/2022
Sale of Tender	6,000.00	81,000.00
Admission fee	236,000.00	132,500.00
Students ID	62,750.00	-

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5	Fees arrears	11,000.00	807.00
	total	315,750	214,307

5a. Other income for financial performance.

Description	2022-2023	2021/2022
	KShs	KShs
Sale of Tender	6,000.00	81,000.00
Admission fee	236,000.00	132,500.00
Students ID	62,750.00	-
Fees arrears	11,000.00	807.00
Decrease in provision for bad and doubtful debts	212, 872.00	
Total other income	528,622.00	214,307.00

6a) Use of Goods and Services

Description	2022-2023	2021/2022
	KShs	KShs
Electricity Water & Conservancy	464,971.00	283,375.00
Security	580,440.00	438,480.00
Medical	35,280	24,782.00
Teaching and learning materials	4,363,605	3,478,282.00
Industrial attachment costs	-	69,500.00
Activity	599,025	865,740.00
Administration	3,590,901	3,660,943.00
Students' union	192,075	106,400.00
Students ID	14,950	108,450.00
Subscriptions	-	11,200.00
Admission expenses	400	63,400.00
Examination fees	2,561,930	1,107,900.00
Audit fees	35,000	45,000.00
TVET Fair	10,000	801,870.00
Travelling and accommodation	4,500,920	4,101,550.00

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Tractor expenses	-	-
Oil, fuel and lubricants	158,870	135,540.00
Tender fee	65,900	65,900.00
Provision for Doubtful Debts	0	950,352.00
Production unit	543,270	
Total good and services	<u>17,717,537</u>	<u>16,318,664.00</u>

6b) Use of Goods and Services

Use of goods and services for cash flow statement		
Description	2022-2023	2021/2022
	KShs	KShs
Expenses-Amount Recognized in the Statement of Financial Performance	<u>17,717,537</u>	16,318,664
Add:-		
Inventory	355,359	571,530.00
Less		
Trade Payables	2,011,832	709,777.00
provision for doubtful debts	0	950,532.00
Amount Recognized in the Statement of Cash flows	<u>16,061,064</u>	<u>15,230,065.00</u>

7 Employee Costs

Description	2022-2023	2021/2022
	KShs	KShs
Salaries and wages	4,758,190.00	4,241,252.00
Employee related costs - contributions to pensions and medical aids		
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances		
Overtime payments		
Performance and other bonuses		
Social contributions		
Social contributions		
Total Employee costs	<u>4,758,190</u>	<u>4,241,252.00</u>

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8 Remuneration of Directors

Description	2022-2023	2021/2022
	KShs	KShs
Chairman's Honoraria	137,114.00	112,858.00
Directors emoluments	441,680.00	716,564.00
Other allowances		
Total director emoluments	<u>578,794.00</u>	<u>829,422.00</u>

9 Depreciation and Amortization Expense

Description	2022-2023	2021/2022
	KShs	KShs
Property, plant and equipment	16,756,182	16,756,182
Investment property carried at cost		
Intangible assets	-	
Total depreciation and amortization	<u>16,756,182</u>	<u>16,756,182</u>

10 Repairs and Maintenance

Description	2022-2023	2021/2022
	KShs	KShs
RMI	628,795.00	2,398,014.00
Property		
Investment property – earning rentals		
Equipment and machinery		
Vehicles		
Furniture and fittings		
Computers and accessories		
Total Repairs and Maintenance	<u>628,795.00</u>	<u>2,398,014.00</u>

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11 Cash and Cash Equivalents

		2022-2023	2021-2022
Financial Institution	Account number	Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1271255235	774,367	2,082,491
Sub- Total		774,367	2,082,491
b) Others (Specify)			
Cash in Transit			-
Cash in Hand		1,123	3,872
Mobile Money account			-
Sub- Total		1,123	3,872
Grand Total		775,490	2,086,363

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Notes to the Financial Statements (Continued)

**12) PROPERTY, PLANT
AND EQUIPMENT**

	Land and	Motor	Furniture	Computer	Buildings	Library	Plant	Plant and	Total
	Shs	vehicles	and	s		Books	and	equipment	
Cost	Shs	Shs	fittings		Shs	Shs	equipme	Shs	Shs
			nt(WIP)				nt(WIP)		
At 1 July 2021	9,600,000	0	1,100,000	1,047,392	63,000,000	0	0	120,000,000	194,747,392
Additions						49,500	819,828		869,328
Disposals									
Transfer/adjustments									
At 30th June 2021	9,600,000	0	1,100,000	1,047,392	63,000,000	49,500	819,828	120,000,000	195,616,720
Depreciation and impairment									
At 1 July 2021	0	0	137,500	348,782	1,260,000	0	0	17,187,500	18,933,782
Depreciation	0	0	137,500	348,782	1,260,000	9,900	0	15,000,000	16,756,182
Disposals									
Impairment									
At 30th June 2022									
Net book values									
At 30th June 2022	0	0	275,000	697,564	2,520,000	9,900	0	32,187,500	35,689,964
At 30th June 2022	9,600,000	0	825,000	349,828	60,480,000	39600	819,828	87,812,500	159,926,756
At 1 July 2022	9,600,000	0	825,000	349,828	60,480,000	39600	819,828	87,812,500	159,926,756
Additions						0	0	0	0
Disposals									0

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Transfer/adjustments									0
At 30th June 2023	9,600,000	0	1,100,000	1,047,392	63,000,000	49,500	819,828	87,812,500	195,616,720
Depreciation and impairment									0
At 1 July 2022	0	0	275,000.00	697,564.00	2,520,000	9900	0	32,187,500.00	35,689,964
Depreciation	0	0	137,500.00	348,781.54	1,260,000	9,900	0	15,000,000.00	16,756,182
Disposals									0
Impairment									0
At 30th June 2023	0	0	412,500	1,046,346	3,780,000	19,800	0	47,187,500	52,446,146
Net book values									0
At 30th June 2023	9,600,000	0	687,500	1,046	59,220,000	29,700	819,828	40,625,000	143,170,574
At 30th June 2022	9,600,000	0	825,000	349,828	60,480,000	39600	819,828	87,812,500	87,812,500

NOTE: W.I.P –Applies to the college kitchen /cafeteria under construction.

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020. These amounts were adopted in the financial statements for the year ending June 2020

12(b) Property, Plant and Equipment at Cost

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

13 Trade and other Payables from Exchange Transactions

Description	2022-2023	2020-2021
	KShs	KShs
Trade payables (Creditors)	2,011,832.00	517,177.00
Caution money	87,500.00	87,500.00
Excess fees	32,050.00	
KUCCPS FEE	105,100.00	105,100.00
Other payables		
Total trade and other payables	<u>2,236,482.00</u>	<u>709,777.00</u>

14 Payments received in advance

Description	2022-2023	2020-2021
	KShs	KShs
Student Fees	49,520	38,836.00
Others		
	<u>49,520</u>	<u>38,836.00</u>

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Notes to the Financial Statements (Continued)

15.Receivables from Exchange Transactions

Description	2022-2023	2021-2022
	KShs	KShs
Current receivables		
Student debtors	49,292,320.00	34,706,989
Provision for Doubtful Debts	-737,480	-950352
Total current receivables	<u>48,554,840.00</u>	<u>33,756,637.00</u>
Non-current receivables		
Refundable deposits		
Advance payments		
Public organizations		
Less: impairment allowance		
Total non-current receivables	=	-
Total receivables	<u>48,554,840</u>	<u>33,756,637.00</u>

16.Inventories

Description	2022-2023	2021-2022
	KShs	KShs
Consumable stores	355,359.00	571,530
Total Inventories	<u>355,359.00</u>	<u>571,530</u>

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Notes to the Financial Statements (Continued)

17. Intangible Assets Software

Description	2022-2023	2021/2022
	KShs	kshs
Cost		
At beginning of the year	-	
Additions		
Cost end of the year	=	=
Amortization and impairment		
At beginning of the year		
Amortization	-	
Amortization at end of the year	=	=
Less :Impairment loss		
At end of the year	-	-
NBV	=	=

NOTE: During the year 2022-2023 BNTVC started the procurement process of acquiring an ERP system. by the date of reporting the college was yet to sign a contract with the supplier since some departments were not conversant with the system and needed more training. This made it difficult for management to enter into contract, hence the amount of kshs 493,000 reported as pending bills is as a result of initial outlay and monthly payments.

18. Cashflows from operating activities

Surplus for the year before tax	2022-2023	2021-2022
	KShs	KShs
Adjusted for:		
Non-Cash grants received Repairs and maintenance	(628,795)	-
Employee costs	(4,758,190)	-
Remuneration to directors	(578,794)	-
Working Capital Adjustments		
Use of goods and services	(16,061,064)	-
Rendering of services fees from students	11,049,739	-
Transfers from other Government agencies-grants	7,560,000	-
Rental revenue from facilities	973,219	-
Other Income	315,750	-
Net Cash Flow from Operating Activities	(2,128,135)	-

19). Financial Risk Management

BNTVC'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

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

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

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

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with BNTVC'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

BNTVC has put in place an internal audit function to assist it in assessing the risk faced by BNTVC 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.

Bungoma North Technical and Vocational College
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BNTVC's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

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

a) Interest rate risk

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

Management of interest rate risk

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

20) Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;
- v) Tongaren NG-NGAF
- vi) Bungoma County Government

1. Events After the Reporting Period

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

2. Ultimate and Holding Entity

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

3. Currency

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

Bungoma North Technical and Vocational College
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1. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor from the auditor's report for the financial year 2022

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)
1	Unsupported Cash at Hand	The management have complied .Board of survey provided.	Resolved
2.	Unsupported Student Fees Balances	ERP system procured. Approved Excel sheet for student balances provided.	Resolved
3.	Unrecognized donated tractors	The management collected ownership documents i.e registration numbers.	Resolved
4.	Budget control and performance	Budget amendment done and approved and will be the norm	Resolved
5.	Lack of Hand-over-Reports	Hand over report given by mentor institution.	Resolved
6.	Lack of Approved staff Establishment	Management developed the staff establishment and other policies and were Approved by Board of Governors, it was provided to the auditors.	Resolved
7.	Lack of Risk Management Policy	Management prepared the Risk management policy, it was approved by Board of Governors and provided to the Auditors.	Resolved

**Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Basis of Qualified Opinion				

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Name: Lilian Simali
Accounting Officer
Principal
Date 07/03/2025