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**REPORT**

|   |                                   |
|---|-----------------------------------|
| <br><b>THE NATIONAL ASSEMBLY<br/>PAPERS LAID</b> |                                   |
| DATE: 29 APR 2025   | DAY.<br>Tuesday                   |
| TABLED BY:  | Hon. Julius Mellyimw              |
| CLERK-AT THE-TABLE:   | on behalf on LOM<br>Benson Inzafu |

**THE AUDITOR-GENERAL**

**ON**

**BUSHIANGALA TECHNICAL  
TRAINING INSTITUTE**

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



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## BUSHIANGALA TECHNICAL TRAINING INSTITUTE

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2023

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

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

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## 1. ACRONYMS & GLOSSARY OF TERMS

|                      |  |
|----------------------|--|
| BOG                  | Board of Governors   |
| ICPAK                | Institute of Certified Public Accountants of Kenya                       |
| CPA(K)               | Certified Public Accountant 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   |
| ATUPA                | Association of Technical Universities and Polytechnics in Africa         |
| Fiduciary Management | Key management personnel who have financial responsibility in the entity |

## **2. KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

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

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

In the year 1993, the Ministry of labour took over the Institute and replaced the short-term training courses with Artisan and Craft courses. Later on, The Ministry of Higher Education Science and Technology formally took over the running of Bushiangala Technical Training Institute in 2009. Finally, the institute was registered as a TVET Institution under TVET Act in 2016.

The Institute is located on a parcel of land measuring 12 acres and it is in the process of acquiring more land. Through the support of the Kenya Government, the Board of Governors managed to construct the Administration/Tuition block, Science Laboratory Complex, Building/Mechanical Workshop, an Ultra-Modern Resource Centre (Library), Electrical & Electronics and Clothing & Textile workshop. Currently the institute is constructing a dormitory which will accommodate about 300 students. Equipping of Computer Laboratories and the Workshops is ongoing.

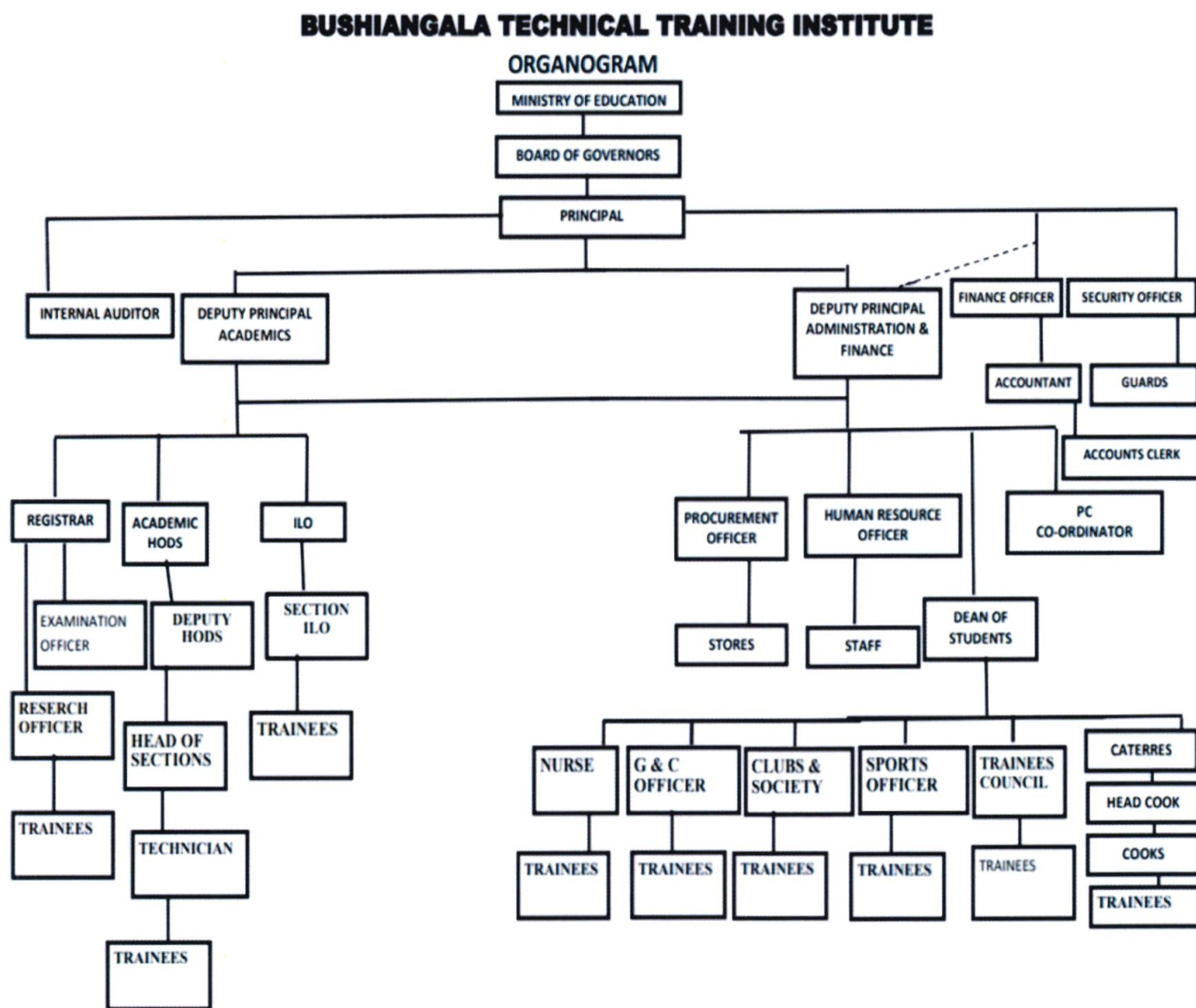
The Institute's current organization structure consists of the Board of Governors appointed by the Cabinet Secretary Ministry of Education. The Principal is the Chief Executive Officer of the Institute. She is supported in the administrative function by: The Deputy Principal Administration & Finance, Deputy Principal in charge of Academics, Registrar, Dean of Students and Finance Officer. There are seven (7) Academic Departmental Heads.

2. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(a) Background information (continued)

Organogram Structure

The current organogram structure of BUSTTI is as below: -



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**2. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)**

**(b) Principal Activities**

The principal activity of the Bushiangala Technical Training Institute is to offer training to Students in Technical and Business Courses as per the industry needs who are examined by Kenya National Examination Council (KNEC), Kenya National Industrial Training Authority (NITA) and Kenya Accountants & Secretaries National Examination Board(KASNEB).

**Our Mission:**

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

**Our Vision:**

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

**(c) Key Management**

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

- Board of Governors
- Accounting officer(Principal)
- Management

**(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               | PROFESSIONAL & QUALIFICATION                             | ACADEMIC |
|-----|---|--------------------|--|----------|
| 1.  | Principal (retired 19 <sup>th</sup> Dec 2023)   | Janet Waswa Otuya  | Bachelor of Education Arts                               |          |
| 2.  | Principal (Took over 19 <sup>th</sup> Dec 2023) | Lucy S. Muhavi     | Master's Degree Education                                |          |
| 3.  | Deputy Principal Administration                 | Alfred Mukhola     | Bachelor of Technology (Building)                        |          |
| 4.  | Deputy Principal Academics                      | Violet Watulo      | Bachelor of Education Arts                               |          |
| 5.  | Head of Finance                                 | Emily Ashihundu    | CPA(K)   |          |
| 6.  | Head of Procurement                             | Duncan Makumba     | Diploma in Supply Chain Management                       |          |
| 7.  | Registrar                                       | Hezekiah Tundo     | Bachelor of Education                                    |          |
| 8.  | Dean of students                                | Samuel T. Shivailu | Bachelor of Science                                      |          |
| 9.  | Internal Auditor                                | Sammy M.K Chege    | CPA (K),   |          |
| 10. | Human Resource Officer                          | Joy Ngaira         | Bachelor's degree in Science (Human Resource Management) |          |

**KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)**

**(e) Fiduciary Oversight Arrangements**

- Finance Committee of the Board of Governors
- QMS ISO Auditors
- Office of the Auditor General
- Audit, Risk Management & Compliance Board Committee
- Academic committee Activities
- Audit and risk committee activities

**(f) Entity Headquarters**

Country : Kenya  
County : Kakamega  
Sub County : Kakamega South  
Constituency : Ikolomani  
Location : Isulu  
Street : Off Sigalagala – Bukura road approximately 10 Kilometres' from Sigalagala  
and about 20 Kilometres from Kakamega Town  
OR  
Chavakali – Eregi - Bushiangala about 12km.

**(g) Entity Contacts**

Telephone: 0702092440, 0722890891  
E-mail: bushiangalatechnical@gmail.com  
OR [info@bushiangalatechnical.ac.ke](mailto:info@bushiangalatechnical.ac.ke)  
Website: [www.bushiangalatechnical.ac.ke](http://www.bushiangalatechnical.ac.ke)

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**KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)**

**(h) Entity Banker**

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

| S.NO | Account No   | Account Function   |
|------|--|--|
| 1.   | Main (Fees) Account-1102702188 (KCB)                     | Main (Students fees) Account                               |
| 2.   | ESP Account- 1121337007 (KCB)                            | Economic stimulus Account                                  |
| 3.   | Recurrent Account -1114264563 (KCB)                      | Recurrent Account  |
| 4.   | Transit Account- 1181740835 (KCB)                        | Transit Account (exam and reserved Funds) A/C              |
| 5.   | Development Account- 1114264709 (KCB)                    | Development Account (Funds for Major Development Projects) |
| 6.   | Production Account-1152187376 (KCB)                      | Production Unit Account                                    |
| 7.   | Equity fees Account – 05002777739208 (EQUITY)            | Fees account   |
| 8.   | Constituency Development Fund Account – 1101707453 (KCB) | Ikolomani CDF. Project Funds                               |

**(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**


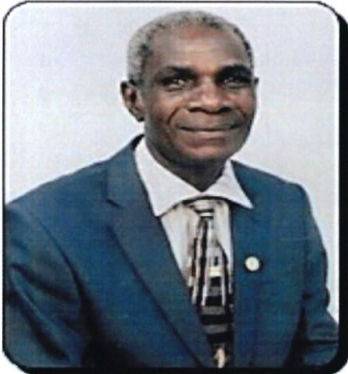
Auditor General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya


3. THE BOARD OF GOVERNORS

The Board members who were in office from 1<sup>st</sup> July 2022 to 30<sup>th</sup> Sept. 2022 were as follows:


| SN. | Member/ Director  | Details  |
|-----|---|--|
| 1.  |    | <p><b>Dorothy Mapenzi Shiroya</b> is the Chairperson of the Board of Governors of Bushiangala Technical. She holds a master's degree in Education Administration and a Bachelor's Degree in Education (Economics &amp; Business Studies) from the university of Nairobi. She also has a certificate in Senior Management from DSE-Germany. She is a renowned lecturer and trainer with more than 30 years' experience. She has worked as a lecturer, Head of Department (HOD), Deputy Principal and Principal. Prior to her retirement, she was a Principal at Ramogi Institute of Advanced Technology (RIAT). She has a wealth of experience in Higher Education Institutions Management.</p>   |
| 2.  |  | <p><b>Moses Mogesi Mokaya</b> is an independent member and the chairperson Human Resource, Research and ICT sub-committee. He holds a masters in Science (Human Nutrition) from the University of Glasgow (UK); Currently he is pursuing a PhD course in Nutrition and Health at Ku Leuven University in Belgium. Mr. Mokaya has Bachelor's Degree in Education (Home Science &amp; Technology) from Maseno University. Mr. Mokaya has also a higher Diploma in psychological counselling from Methodist University &amp; Kenya Institute of Psychological Counselling (KIPC). He has a wealth of experience in management having worked with USAID-AMPATH as Deputy assistant programme manager and project manager cumulatively for 9 years. At USAID-AMPATH, he handled project implementation and monitoring and Human resource. He is currently a lecturer at Kabarak University.</p> |

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| SN. | Member/ Director  | Details   |
|-----|---|---|
| 3.  |    | <p><b>Sylvia Ashitsa Muhanda</b> is an independent Board member and the Chairperson of Audit, Risk management and Compliance committee. She is a graduate of Moi University with Bachelors in Law (LLB). She also holds a post graduate Diploma in Law from Kenya School of Law (KSL). Sylvia is an advocate of the high Court of Kenya with four-year practice and a member of Law society of Kenya (LSK) in good standing. She is the Vice President of the Law Society of Kenya for Kakamega County. She is currently a legal officer with the County Government of Kakamega. She has a good understanding of government operations, Laws, Regulations and policies.</p>   |
| 4.  |  | <p>Dr. John Messo Raude is an independent board member and currently serves as the Chairperson of the Finance sub-committee. He was born on April 29, 1962, and is a practicing Certified Public Accountant. Dr. Raude has a Ph.D. in Business Administration, an MBA in Finance, and a Bachelor of Business Management from Masinde Muliro University of Science and Technology. He is also a Certified Investment and Financial Analyst (CIFA) and a member of The Institute of Certified Public Accountants of Kenya (ICPAK).</p> <p>Dr. Messo has over 25 years of experience in finance, accounting, and auditing in both the public and private sectors. He has served on Friends College Kaimosi and Bumbe Technical Training Institute boards. He is the managing partner at Messo &amp; Associates, a consultancy firm specializing in accounting, auditing, and management. In addition, he is a part-time lecturer at Masinde Muliro University of Science and Technology.</p> <p>Dr. Messo is an accomplished scholar and publisher with multiple publications. His wealth of board experience and extensive knowledge in accounting and finance make him a valuable asset to the Bushiangala Technical Training Institute.</p> |


| SN. | Member/ Director  | Details   |
|-----|---|---|
| 5.  |    | <p><b>Daniel Amuli Bulali</b> is an independent member of The Board. He was born on 6<sup>th</sup> June 1965. He holds a Diploma in Mechanical Engineering and a Higher diploma in Mechanical Engineering from Mombasa polytechnic and Eldoret Polytechnic respectively. He also holds a certificate Course-Comprehensive Instructor Training course from Kenya Technical Training College (KTTC). Mr. Bulali is currently a senior superintendent (Mechanical Engineering) at West Kenya Sugar Company Limited. He has management and corporate experience having worked in government for a period spanning 14 years as inspector and senior inspector Mechanical- Buildings in Kisumu and Nandi District.</p>      |
| 6.  |   | <p><b>Jael Chepchirchir Sitienei</b> is an independent member of the Board. She was born on 31<sup>st</sup> December 1987. Jael is a holder of Masters in business management (Strategic Management), Bachelor of Commerce (Management), Higher Diploma in Business management and a Diploma in Business management. Currently Jael works with Crown paints as a sales Executive in charge of Western Region. Prior to the engagement at Crown Paints, she worked as a sales and customer representative at Telkom Kenya Ltd-Kakamega Branch. She has a wealth of knowledge and expertise in strategic management which has really benefited the Board during formulation of various corporate strategic pillars.</p> |
| 7.  |  | <p><b>Agnes Ayoma Shikalo</b> is a member of the Board. She has a Bachelor's Degree in Education (Arts), Higher Diploma in Guiding Psychology counseling and a certificate in Play and Art Theory from Kenyatta University. Prior to her retirement in 2016, she was a teacher of English and Literature in several schools including Bishop Njenga Girls Lugari, Kisumu Boys High School, Isinya Girls among others. At Isinya Girls, she was the Head of Department Languages. Upon her retirement in 2016, Agnes established Oak schools in Kajiado. She is a director of the school. Her</p>  |

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| SN. | Member/ Director   | Details   |
|-----|--|---|
|     |  | experience as a trainer in Educational Institutions is a great resource to the Board.   |
| 8.  |  | <p><b>Janet Otuya</b> is Principal and Secretary to the Board. She is a career teacher and trainer with experience of more than 30 years. Janet has Bachelors of Education arts (Business Studies &amp; English. She also has a Diploma in Technical Education (Secretarial &amp; English), Higher Diploma in Human Resources Management (KNEC) She also holds a certificate in senior management course and Strategic Leadership Course (SLDP). She has been a Principal at Bushiangala Technical from January 2016. Prior to her appointment at Bushiangala, she was an acting Principal at Friends College Kaimosi. She had served as a trainer/lecturer, Registrar and Deputy Principal at Friends College Kaimosi.</p> |

**NOTE**

The term of the above board retired in September. 2022 and a new one appointed and inaugurated during quarter two as follows:

| NO. | NAME  | DESIGNATION  |
|-----|---|--|
| 1   |  | <p><b>Mr. Moses Mogesi Mokaya</b> is the Chair, Board of Governors. He holds a masters in Human Nutrition from the University of Glasgow (UK); Currently he is a PhD Candidate in Human Nutrition from the KU Leuven, Belgium. He has Bachelor's Degree in Education (Home Science &amp; Technology) from Maseno University. He also holds higher Diploma in psychological counselling from Methodist University &amp; Kenya Institute of Psychological Counselling (KIPC). Having worked with USAID-AMPATH as Deputy assistant programme manager and project manager cumulatively for 9 years, he has experience in management. Currently he is a lecturer at Kabarak University.</p> |

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| NO. | NAME  | DESIGNATION  |
|-----|---|--|
| 2   |    | <p><b>Eng. Abraham Korir</b> is a member of the Board. He was Born in 1954. He has a Bachelor's Degree in Civil Engineering, Registered with Engineers Board of Kenya (EBK) and Corporate member of the Institution of Engineers Kenya (IEK). Prior to his retirement in 2014, He Worked with the Public Roads sector since graduation from the University of Dares Salaam in 1980.</p> <p>He has carried out technical engineering responsibilities including Roads' planning, design, maintenance and construction. Executed administrative responsibilities as deputy Principal at KIHBT. Represented the PS in coordinating activities of departments of the Ministry at District and Provincial levels. He served one term in the Board of Governors of Mumias West TVC.</p>  |
| 3   |   | <p><b>Dr Josphat Kwasira</b> is a Senior Lecturer in the School of Business and Entrepreneurship, Jomo Kenyatta University of Agriculture and Technology. He holds a PhD in Human Resource Management. He has a Bachelor of Education degree for Moi University, Eldoret. He also has a Diploma in Electrical Engineering- Power Option from JKUAT.</p> <p>He is an educator, curriculum expert, external and internal examiner, a mentor, advisor and a leader, and supervisor to Bachelors, masters and PhD Degree Level Students. DrKwasira has been a Head of Department at JKUAT, Nakuru Campus and Director, Kakamega before relocating to Eldoret Campus as Postgraduate coordinator. He has been a part time lecturer at Egerton University, Kenyatta University, St. Paul University, Laikipia , Kabarak and Management University of Africa.</p> <p>As a consultant, he has undertaken consultancy assignments for various institutions such as Kaiboi Technical, Railway Training Institute, Rift Valley Institute of Science &amp; Technology, among others. He was recently appointed to the Board of Bushiangala Technical Training Institute, where he serves in the Education Committee &amp; Finance Committee and the Chair of Human Resource Committee.</p> |
| 4   |  | <p><b>Dr. John Messo Raude</b> is an independent board member and currently serves as the Chairperson of the Finance sub-committee. He was born on April 29, 1962, and is a practicing Certified Public Accountant. Dr. Raude has a Ph.D. in Business Administration, an MBA in Finance, and a Bachelor of Business Management from Masinde Muliro University of Science and Technology. He is also a certified Investment and Financial Analyst (CIFA) and a member of The Institute of Certified Public Accountants of Kenya (ICPAK).</p> <p>Dr. Messo has over 25 years of experience in finance, accounting, and auditing in both the public and private sectors. He has served on Friends College Kaimosi and Bumbe Technical Training Institute boards. He is the managing partner at Messo &amp; Associates, a consultancy firm</p>   |

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| NO. | NAME  | DESIGNATION  |
|-----|---|--|
|     |   | <p>specializing in accounting, auditing, and management. In addition, he is a part-time lecturer at Masinde Muliro University of Science and Technology.</p> <p>Dr. Messo is an accomplished scholar and publisher with multiple publications. His wealth of board experience and extensive knowledge in accounting and finance make him a valuable asset to the Bushiangala Technical Training Institute.</p>   |
| 5   |   | <p><b>Dr. Janet Margret Omyonga</b> is a member of the Board. She was born on 21st May 1964. She has a Masters in Medicine. She is a specialist Obstetrician/Gynecologist with a lot of clinical and public health experience. She has worked in the Ministry of Health as a Medical Officer 1991-1997, then as Consultant Obstetrician Gynecologist 2002-2010 and in Various International NGOs as a Technical Advisor in family Planning, Maternal, Newborn, Child and Adolescent Health. Currently she is attached to St Mary's Hospital Mumias as a Consultant Obstetrician Gynecologist. She runs a private Clinic in Kakamega Town. She is a part time International Consultant for World Health Organization (WHO) and previously served as a board member in Mumias West TVET.</p> |
| 6   |  | <p><b>Mr. Julias Magige Chacha</b> is an Independent Member. He was born On 1<sup>st</sup> January 1967. He holds a Bachelor's Degree and Master's Degree in Sociology. He is a journalist by profession and a trained Counsellor. He is a Board Chair to Sweet Potatoes organization in Migori County; He vied as a Deputy Governor of Migori County in August 2022 elections;</p>  |
| 7   |  | <p><b>Janet Otuya</b> is Principal and Secretary to the Board. She is a career teacher and trainer with experience of more than 30 years. Janet has Bachelors of Education arts (Business Studies &amp; English). She also has a Diploma in Technical Education (Secretarial &amp; English), Higher Diploma in Human Resources Management (KNEC) She also holds a certificate in senior management course and Strategic Leadership Course (SLDP). She has been a Principal at Bushiangala Technical from January 2016. Prior to her appointment at Bushiangala, she was an acting Principal at Friends College Kaimosi. She had served as a trainer/lecturer, Registrar and Deputy Principal at Friends College Kaimosi.</p>   |

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| NO. | NAME               | DESIGNATION                   |
|-----|--------------------|-------------------------------|
| 10  | Mr. Joseph Sunguti | County Director TVET Kakamega |

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**4. KEY MANAGEMENT TEAM**

| SNO. | Member  | Details   |
|------|---|---|
| 1.   |   | <p><b>Janet Otuya - Principal and Secretary</b> to the Board. She is a career teacher and trainer with experience of more than 30 years. Janet has Bachelors of Education arts (Business Studies &amp; English). She also has a Diploma in Technical Education (Secretarial &amp; English), Higher Diploma in Human Resources Management (KNEC) She also holds a certificate in senior management course and Strategic Leadership Course (SLDP). She has been a Principal at Bushiangala Technical from January 2016. Prior to her appointment at Bushiangala, she was an acting Principal at Friends College Kaimosi. She had served as a trainer/lecturer, Registrar and Deputy Principal at Friends College Kaimosi.</p> |
| 2.   |  | <p>Mr. Alfred Mukhola - <b>Deputy Principal Administration</b></p> <p>Key Qualifications: He holds a Bachelor's Degree in Technology (Building), DTP-Building Technology, and Diploma in Technical Education.</p> <p>The Deputy Principal Administration mainly assists in areas of General administration and finance besides teaching in the building and civil Engineering Department.</p>   |
| 3.   |  | <p>Violet Watulo - <b>Deputy Principal Academics</b></p> <p>Key Qualifications: Bachelors in Education (Arts). The Deputy Principal Academics mainly assists in areas of Academics and curriculum implementation besides teaching in the Business Department.</p>   |

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| SNO. | Member  | Details  |
|------|---|--|
| 4.   |    | <p>Emily Ashihundu - <b>Head of Finance</b><br/>Key Qualifications: A Certified Public Accountant of Kenya (CPA-K), Certificate in Information Technology &amp; Member of the Institute of Certified Public Accountant Of Kenya (ICPAK). Currently pursuing Bachelor's Degree – Finance at Masinde Muliro University.</p>                      |
| 5.   |   | <p>Duncan Makumba - <b>Head of Procurement department.</b><br/>key qualification: Diploma in Supplies Chain Management, member of the Kenya Institute of Supplies management (KISM)</p>  |
| 6    |  | <p>Mir. Samuel Shivailu<br/><b>Dean of Students</b></p>  |
| 7.   |  | <p>CPA Sammy M.K Chege - <b>Internal Auditor.</b><br/>Head of Internal Audit and Secretary Audit, Risk Management and Compliance committee of the Board.<br/>Key qualifications: A Certified Public Accountant of Kenya, Certificate in Information Technology. A member of the Institute of certified Public Accountants of Kenya (ICPAK)</p> |
| 8.   |  | <p>Joy Ngaira - <b>Human Resource Officer.</b><br/>Key Qualifications: Bachelor's degree in Science (Human Resource Management), A member of the Institute of Human Resource Management (IHRM)<br/>Head of Human Resource Department.</p>  |

## **5. CHAIRMAN'S STATEMENT**

It is with great pleasure that I present the Bushiangala Technical Training Institute's financial Statements for the year ended 30 June, 2023.

In the year under review, the institute signed a performance contract agreement with the Government of Kenya through the Cabinet Secretary Ministry of Education. The purpose of this performance contract (PC) was to establish the basis for ensuring that efficient and effective services delivery in line with the provisions of the constitution. Through the PC, Bushiangala Technical Training Institute adopted systems that enable innovativeness and adaptability of public services to the needs of users, according special attention to strategies and initiatives that fast tracked post COVID-19 recovery.

Through my leadership, we made plans and strategies that contributed to high and sustainable social-economic development. We ensured that Bushiangala Technical Training Institute has a credible strategic plan and performance contract that delivered the desired goals. We performed our responsibilities diligently and to the best of our abilities to support the achievement of the agreed performance targets.

In the year 2022-2023, the Board reviewed the strategic plan, aligned it to MTP III and incorporating the "Big Four" agenda, incorporating the COVID-19 recovery strategies, plans and other national priorities.

### **We have also enhanced strategic Objectives as follows;**

Expanding training opportunities and producing well trained, skilled and competent manpower, undertaking active and continuous transfer of Technology through collaborative approach between TVET institutions and relevant industries, the community and the society at large. We have continuous upgrading of skills and knowledge for the labour market, conducting research in appropriate emerging technologies, applying ICT in improving training and Management systems and providing extension services to the community.

When we fulfil the above-mentioned objectives among other pillars and issues, we will fulfil our vision which is; *"To be a Centre of Excellence in Technical and scientific Training for social-economic development"*. We shall also undertake Science, Technology and innovation (STI) mainstreaming by developing STI strategic plan, implement STI strategy by documenting research programs/projects and ensuring annual budgetary allocation for Research and Development.

We also achieved the following in year under review

- Establish a Data Bank for Graduates,
- Review of Strategic Plan
- Increase Enrolment in Science, &Technology.
- Enhance Good Performance in KNEC Examinations & Increase Gross Enrolment
- Integrate ICT in Teaching and Learning & Road Safety Mainstreaming
- Disability and Gender Mainstreaming.

**5. CHAIRMAN'S STATEMENT (CONTINUED)**

On supporting the government's efforts in addressing the challenges of climate change, Bushiangala Technical Training Institute has planted not less than 8,000 trees within its land and in collaboration with schools in the neighbourhood and community at large. This initiative will assist in increasing the forest cover to a minimum of 10%.

I wish to appreciate and acknowledge the support we have received from the Government and other entities like The National Government Constituency Development Fund (NG-CDF), Higher Education Loans Board (HELB) and other sponsors and well-wishers for continuing to support our students in paying their fees.

The Board of Governors specifically thanks the Ministry of Education (MOE) for releasing funds for construction and of Dormitory. We hope to complete the Dormitory by end of the next financial Year.

Lastly, I thank the Board of Governors of Bushiangala Technical Training Institute, the staff, students, parents, guardians and other stakeholders for the confidence that they have shown in our college. Your input and support have made the Institute fulfil its Mission.

SIGNATURE: .....

**MOSES M. MOKAYA**

**CHAIRPERSON BOARD OF GOVERNORS**

DATE. 25/03/2025 .....

## **6. REPORT OF THE PRINCIPAL**

It is with great delight that these financial statements for year 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2023 are presented. The accounts have been maintained and presented under the accrual basis as required by the International Public Sector Accounting Standards. (IPSAS).

The preparation and presentation of these financial statements is in line with the provisions of the Public Finance Management Act 2012 and the Public Finance Management Regulations of 2015. We also followed regulations and policy circulars as issued by the National Treasury, Ministry of Education-State Department for Vocational and Technical Training (TVET)) from time to time.

We have fostered a culture of professionalism, excellence, accountability, productivity, integrity, equity and transparency. This culture together with team work, commitment and honesty have made our college to be competitive in the region. Our training programmes have been chosen in a way that encourages lifelong learning to facilitate:

- Innovativeness and creativity.
- Continuation of training for improvement of professional qualifications, updating of knowledge, skills and understanding.
- Complimentary Education for those receiving technical, vocational and Educational Training in the form of on-the-job training.
- Accommodating of marginalized groups which include women, youth and persons living with disability.

Our staff have undergone the internal Quality assurance training initiated by Technical and Vocational Education and Training authority (TVETA). After the training, we established the College Internal Quality Assurance Committee headed by the Internal Quality assurance champions. We endeavour to continue establishing systems and processes geared towards the improvement of standards and quality assurance.

### **Achievements in the year under review.**

#### **1. Linkages and Collaborations**

We have linkages and collaborations with firms and organizations in both public and private sector. Through these partnerships, we have sourced for attachment opportunities for our trainees and provided short term training for KCB Foundation 2Jijiri programme which aims at formalizing the informal sector skilling for self-employment.

#### **2. Hostels Block (Dormitory)**

In July 2021 we did a proposal for a hostel block to the Ministry of Education, through the Department of TVET which was accepted. The procurement process was done completed and the site was handed over to the contractor and ground broken on 25<sup>th</sup> March 2022. The project is ongoing and is at 78% complete it will go a long way in assisting new students to have accommodation as they get used to the environment around the college.

## **6. REPORT OF THE PRINCIPAL (CONTINUED)**

### **Achievements in the year under review (continued)**

#### **3. Improvements**

In the year under review, we procured, had trainings done and installed three new modules of the Enterprise Resource Planning System. (ERP)

#### **4. The Students' Portal**

The student portal acquired in 2021 /22 has been very helpful in assisting the students access their reports cards and fees statement.

#### **5. Solar Installation**

Solar system installed in FY 2021/2022 on the administration block has continued to help us mitigate the problems of power outage experienced in many parts of the county.

#### **6. Internet Connectivity**

We have continued to make improvements in this area. Most of our buildings /offices are now internet connected with Wi-Fi and fibre. This helps in training and affords our trainees uninterrupted accessibility to internet learning resources.

#### **7. Other Achievements**

- a) Developed Human Resource Policy
- b) Developed the ICT Policy
- c) Developed the Alcohol and Drug Abuse Policy

### **CORPORATE SOCIAL RESPONSIBILITY**

- 1) We fabricated the two flag posts currently being used at Imulama Police Post in Idakho North Ward.
- 2) We have continued to supply water to the community for function such as funerals, whenever they have requested.
- 3) We visited the SOS children's Centre in Eldoret and donation several assorted items worth Kshs. 10,000.

### **CHALLENGES**

#### **1. Land Acquisition**

In the previous financial year, we obtained three (3) title deeds Kakamega Shikulu 1446, 1447. However, we have Kakamega Shikulu 1463 for which we are yet to acquire a title deed. This parcel, of approximately one acre was acquired by NG - CDF in February 2010 from Livingstone Mukala who was/ is holding it in trust after the demise of his late father. He has taken about turn and claims that we are intermeddling with his land. We have discussed with NG - CDF who are pursuing the matter.

**6. REPORT OF THE PRINCIPAL (CONTINUED)**

**CHALLENGES (CONTINUED)**

**2. Phase of Perimeter Wall**

Phase two (2) of the perimeter wall site was handed over the contractor, Dynamic Green Technologies, on 19<sup>th</sup> January 2022. Unfortunately, there is very little progress on the works.

**3. Public Service Staffing**

As at the close of the FY 2020/2021 we had 40 Public Service Trainers. This number has gone down in the FY2021/2022 and FY 2022-2023 due to transfers and secondment to Vihiga County. In addition, we have had to release three (3) new employed trainers to go for the mandatory pedagogical training at the Kenya Technical Trainers College. (KTTC).

As a result, we have had to employ more BOG trainers to cover the deficit

**4. Government capitation**

During the year under review, we received Government Capitation of sh 13000 instead of 30,000 per student. This decline has made it difficult for the College to achieve Financial targets set out in the Budget. The institution ended up closing the year with too much pending bills.

SIGNATURE.....  ..... DATE..... 25/03/2025 .....

**LUCY MUHAVI**

**PRINCIPAL/SECRETARY**

## 7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

### Strategic Objectives

- i. To expand training opportunities and produce well educated, skilled and competent manpower.
- ii. To undertake active and continuous transfer of technology through collaborative approach between TVET Institutions and relevant Industries, Communities and Society.
- iii. To provide continuous upgrading of skills and knowledge for the labour market.
- iv. To conduct research in appropriate emerging technologies.
- v. To apply ICT in improving training and management systems.
- vi. To provide extension services to the community.
- vii. To improve Institutional Human Resource and Governance

Bushiangala Technical Training Institute has 17 Strategic pillars/issues/themes and objectives within current Strategic Plan for FY 2020 – FY 2025. These strategic pillars are as follows:

Pillar/theme/issue 1: **Improve training programs**

Pillar/theme/issue 2: **Expand facilities based on government priorities**

Pillar/theme/issue 3: **Promote affirmative action for TVET trainees**

Pillar/theme/issue 4: **Develop a framework for improving and increasing physical facilities**

Pillar/theme/issue 5: **Improving TVET equipment, information and communication systems**

Pillar/theme/issue 6: **Establish collaboration and linkages**

Pillar/theme/issue 7: **Strengthen existing collaboration and linkages**

Pillar/theme/issue 8: **Establish benchmarks and joint cooperation networks both with national and international**

### TVET Institutions

Pillar/theme/issue 9: **Improve and sustain relevance of skills**

Pillar/theme/issue 10: **Promote innovativeness in TVET**

Pillar/theme/issue 11: **Promote R&D collaboration among TVET and other Institutions**

Pillar/theme/issue 12: **Promote the use of Research findings in technology development and transfer.**

Pillar/theme/issue 13: **Community outreach**

Pillar/theme/issue 14: **Develop adequate ICT capacity and infrastructure**

Pillar/theme/issue 15: **Institutionalize Management Information System (MIS)**

Pillar/theme/issue 16: **Promote the use of ICT in curriculum delivery and management systems**

Pillar/theme/issue 17: **Develop and implement institutional policies, strategies and programs**

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

| <b>Strategic Pillar</b>   | <b>Objective</b>   | <b>Key Performance Indicators</b>  | <b>Activities</b>   | <b>Achievements</b>   |
|---|--|--|---|---|
| <b>Pillar/theme/issue 1:</b><br><i>Improve training programs</i>  | To expand training opportunities and produce well educated, skilled and competent manpower | Curriculum in place  | To develop and implement market oriented curriculum                         | Market oriented courses introduced  |
| <b>Pillar/theme/issue 2:</b><br><i>Expand facilities based on government priorities</i>                     | To expand training opportunities and produce well educated, skilled and competent manpower | Expanded infrastructure  | To develop and implement expansion plans for existing infrastructure        | New workshops constructed   |
| <b>Pillar/theme/issue 3:</b><br><i>Promote affirmative action for TVET trainees</i>                         | To expand training opportunities and produce well educated, skilled and competent manpower | Gender equity  | To develop and implement affirmative action mechanism                       | Gender equity in training ensured by sensitizing female enrolment in SET Courses.     |
| <b>Pillar/theme/issue 4:</b><br><i>Develop a framework for improving and increasing physical facilities</i> | To expand training opportunities and produce well educated, skilled and competent manpower | New physical infrastructure developed and maintained                                   | To develop and maintain infrastructure and completed plan                   | Workshops constructed and equipped.   |
| <b>Pillar/theme/issue 5:</b><br><i>Improve TVET equipment, information and communication systems</i>        | To expand training opportunities and produce well educated, skilled and competent manpower | Equipment improvement and maintenance plan developed equipment improved and maintained | To develop and implement plans for improvement and maintenance of equipment | More equipment procured   |
| <b>Pillar/theme/issue 6:</b><br><i>Improve students welfare</i>   | To expand training opportunities and produce well educated, skilled and competent manpower | Data base for graduated students and establishment of OCS Office                       | To establish follow ups programs for our graduates                          | Office of Career Services formed and data base for students exceeding college created |
| <b>Pillar/theme/issue 7:</b><br><i>Establish</i>  | To undertake active and continuous transfer of   | Number of forums organized   | To organize forum for TVET awareness events and                             | College established linkages with KCB   |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

| <b>Strategic Pillar</b>   | <b>Objective</b>  | <b>Key Performance Indicators</b>                 | <b>Activities</b>   | <b>Achievements</b>                                    |
|---|---|---|---|--|
| <i>collaborations and linkages</i>  | technology through collaborative approach between TVET Institutions and relevant Industries, Communities and Society. |   | exhibition of products  | Foundation in sponsoring students in the Industry.     |
| <b>Pillar/theme/issue 8:</b><br><i>Improve quality of work</i>  | To improve institutional Human Resource and governance  | Service Charter developed and implemented 100%    | To develop and implement Service Charter  | Service Charter developed and implemented.             |
| <b>Pillar/theme/issue 9:</b><br><i>Improve and sustain relevance of skills</i>                                      | To provide continuous upgrading of skills and knowledge for the labour market   | M&E of quality assurance and standards undertaken | To undertake M&E of quality assurance and standards with relevant government authorities. | Monitoring and evaluation of skills upgrading done.    |
| <b>Pillar/theme/issue 10:</b><br><i>Promote innovativeness in TVET</i>  | To provide continuous upgrading of skills and knowledge for the labour market   | Number of innovations                             | To improve and sustain relevance of skills  | Number of innovations done and displayed in TVET Fare. |
| <b>Pillar/theme/issue 10:</b><br><i>Promote innovativeness in TVET</i>  | To provide continuous upgrading of skills and knowledge for the labour market   | Number of innovations                             | To improve and sustain relevance of skills  | Number of innovations done and displayed in TVET Fare. |
| <b>Pillar/theme/issue 11:</b><br><i>Promote R&amp;D collaboration among TVET and other Institutions</i>             | To conduct research in appropriate emerging technologies  | R&D Collaboration Policy in place                 | To develop and implement collaboration policy in R&D                                      | Policy documentation in progress                       |
| <b>Pillar/theme/issue 12:</b><br><i>Promote the use of Research findings in technology development and transfer</i> | To conduct research in appropriate emerging technologies  | Number of forums organized                        | To promote the use of research results in technology development and transfer             | Forums held annually                                   |
| <b>Pillar/theme/issue 13:</b><br><i>Improve community extension services</i>  | To provide extension services to the community  | Number of solutions to community problems         | To identify and solve community problems via  | Community outreach programs in place                   |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

| Strategic Pillar  | Objective   | Key Performance Indicators   | Activities   | Achievements   |
|---|---|--|--|--|
|   |   |  | developed technology   |  |
| <b>Pillar/theme/issue 14:</b><br><i>Develop adequate ICT capacity and infrastructure</i>                      | To apply ICT in improving training and management systems | Number and type of ICT equipment procured  | To integrate ICT in training   | ICT integrated in training   |
| <b>Pillar/theme/issue 15:</b><br><i>Institutionalize Management Information System (MIS)</i>                  | To apply ICT in improving training and management systems | Number of Management Information Systems procured and administered   | To develop adequate ICT Capacity and infrastructure                      | Management Information Systems for finance, procurement and student admission in place |
| <b>Pillar/theme/issue 16:</b><br><i>Promote the use of ICT in curriculum delivery and management systems</i>  | To apply ICT in improving training and management systems | Tests and test results online.<br>Teaching/learning data base.<br>Customized lesson planning. ICT in teaching. | To develop and install ICT Systems                                       | ICT Systems developed  |
| <b>Pillar/theme/issue 17:</b><br><i>Develop and implement institutional policies, strategies and programs</i> | To improve Institutional Human Resource and Governance    | Number of Policies developed and approve by BOG  | To develop Human Policy Manual, ADA Policy, and Institutional ICT Policy | The following policies developed: ADA Policy, Academic Policy, ICT Policy              |

In the Performance Contract for 2022/2023 the following were achievements: -

- i. Construction and completion of Students' Hostel/Dormitory: - The construction of the Work shop is now at 78% completion rate.
- ii. Science and Technology Innovation Mainstreaming: - Students prepared innovations in Mechanical and Civil Engineering and presented to TVET Fare Exhibitions.
- iii. Collaboration linkage with KCB Foundation: - The College has established linkages with KCB Foundation to train local students for six months in Electrical, Masonry, Clothing, and Textile. So far 43 students are enrolled.

## **8. CORPORATE GOVERNANCE STATEMENT**

Corporate governance is the process and structure implemented to direct and manage the business affairs of Bushiangala Technical Training Institute towards enhancing prosperity and corporate accounting with the ultimate objective of realizing Stakeholders' long-term value while taking into account the interests of all stakeholders. The Board of Governors is committed to ensuring complying with all those guidelines on corporate governance of best practices as issued by Mwongozo and also adhering to all the government circulars that are appropriate to the circumstances of the institute and adherence generally to best practice in corporate governance.

The Board of Governors acknowledges their responsibility of maintaining internal controls, systems to safeguard the assets of the Institute and ensure reliability of the financial information. Whilst these controls are considered to be appropriate to the circumstances of the Institute, they can only provide reasonable assurance against material misstatement or loss. The full Board meets at least four times a year and for scheduled meetings and on other occasions as may be necessary to deal with specific matters that require attention between the scheduled meetings.

The Bushiangala Board of Governors operates on Board Charter that stipulates the Board functions and the almanac. The functions of the Board are follows: -

- i Overseeing the conduct of education and training in the institutions in accordance with the provisions of technical and Vocational and Education and training Act 2013.
- ii Promoting and Maintaining standards, quality and relevance in education and training in the college.
- iii Administering and managing the property of the college.
- iv Preparing annual estimates of revenue and expenditure for the Institute and incurring expenditure on behalf of the college.
- v Receiving on behalf of Institute fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institute or other bodies or persons.
- vi Mobilizing Resources for the college.
- vii Preparing comprehensive annual reports on all areas of their mandate and submit the same to the relevant authorities and government departments and Ministries when required.

**BOARD OF GOVERNORS.**

There are ten members of the Board, including the chairpersons who are non-executive members. This ensures that the decision-making process is objective and takes into account the rights and expectations of the body of stakeholders as a whole. All the Board members have experience and expertise which is considered relevant to the requirements of the college. All Board members, other than the Principal who is exempted, are required to retire and seek nomination once every three years for a second and final term of three years. At every expiry of three years, at least a third of the Board of Governors is supposed to retire. The Ministry of Education should ensure that a succession plan is put in place so that the appointments to the Board are staggered to ensure proper and effective succession.

The Board has delegated authority for the day-to-day operations of the college to the Principal who is the Chief Executive Officer as well as the Accounting Officer and senior Management. The principal responsibilities of the Board of Governors are to define the mission and strategy of the college and to ensure that the college complies with statutory and regulatory requirements and with its responsibilities to its stakeholders. Other functions include;

- a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of technical and Vocational and Education and training Act 2013.
- b) Promoting and Maintaining standards, quality and relevance in education and training in the college.
- c) Administering and managing the property of the college.
- d) Preparing annual estimates of revenue and expenditure for the Institute and incurring expenditure on behalf of the college.
- e) Receiving on behalf of Institute fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institute or other bodies or persons.
- f) Mobilizing Resources for the college.
- g) Preparing comprehensive annual reports on all areas of their mandate and submit the same to the relevant authorities and government departments and Ministries when required.

The full Board meets at least four times a year and for scheduled meetings and on other occasions as may be necessary to deal with specific matters that require attention between the scheduled meetings.

The Board of Governors are provided with full and timely information to enable them to discharge their responsibilities effectively. The independent Board members are encouraged to develop their

Knowledge of the operation of the college by visits to the various departments of the college and interaction with senior personnel.

**COMMITTEES OF THE BOARD.**

There are three standing committees of the Board with written terms of reference.

**1. The Audit, Risk Management and Compliance Committee:**

| No. | NAME                        | TITLE                       |
|-----|-----------------------------|-----------------------------|
| 1   | Governor Sylvia Muhanda     | Chair person                |
| 2   | Governor Dr. Janet Omyonga  | Member                      |
| 3   | Governor Eng. Abraham Korir | Member                      |
| 4   | CPA.Sammy Chege             | Internal Auditor(Secretary) |

The Committee' mandate is to;

1. Support the accounting officer with regard to her responsibility for issues of risk, control and governance and associated assurance.
2. Follow up on the implementation of the recommendations of internal and external auditors.
3. To prepare risk mitigation plans
4. To ensure checks and balance in the institution
5. To oversee financial expenditure of the institute
6. To ensure compliance of the applied laws and regulations. The committee holds four formal meetings each year. The committee may also meet as and when required.
7. The internal Auditor is the secretary to the committee.

**2. The Human Resources, Education, Research and ICT Committee**

| No. | NAME                         | TITLE                             |
|-----|------------------------------|-----------------------------------|
| 1   | Governor Dr. Josphat Kwasira | Chair person                      |
| 2   | Governor Dr. Janet Omyonga   | Member                            |
| 3   | Governor Julius Chacha       | Member                            |
| 4   | Joy Ngaira                   | Human Resource Officer(Secretary) |

**The Mandate:**

1. To advice the Board on matters of personnel requirements
2. To propose ways of skills upgrading of staff
3. To facilitate research activities

The committee meets formally at least quarterly and as when required between the scheduled meetings.

### **3. The Finance and Infrastructure & Development Committee**

| No. | NAME                                    | TITLE                     |
|-----|---|---------------------------|
| 1   | Governor Dr.CPA John Odwako Messo Raude | Chair person              |
| 2   | Governor Dr. Josphat Kwasira            | Member                    |
| 3   | Governor Julius Chacha                  | Member                    |
| 4   | CPA. Emily Ashihundu                    | Finance Officer/Secretary |

The Mandate:

1. To advice the Board on the financial practices, Funding, cost reduction, monitor production units
2. To oversee preparation of financial reports and annual budget.
3. To advice the Board on matters concerning infrastructure and development

The committee meets formally at least quarterly and as per the need.

All committees and full Board meetings are either done in person meeting or through electronic means as may be necessary from time to time.

## **9. MANAGEMENT DISCUSSION AND ANALYSIS**

During the period ended 30 June 2023, the Institute was able to generate Kshs. 58,805,984 from two spheres, i.e., Revenue from Non-Exchange Transaction and Revenue from Exchange Transactions. Revenue from Exchange Transaction amounted to Kshs. 44,179,984 while Revenue from Non-Exchange Transaction amounted to Kshs. 14,626,000. Total Recurrent expenditure was Kshs 54,886,882 resulting to a surplus of Kshs3,919,102. The Institute received only Kshs. 5,250,000 as capitation for Quarter One, Ksh 4,688,000 for Quarter Two and Three for FY2022-2023 and Ksh 7,500,000 as capital Grant. Total capitation Grant received for the year amounts to Ksh 14,626,000. And Development Grant amounts to Kshs. 17,500,000.

## **10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT**

Bushiangala Technical Training Institute 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 Bushiangala TTI strategic objectives.

### **Sustainability strategy and profile**

The management of Bushiangala Technical, led by the Principal, has made tireless efforts to ensure that our trainees have access to quality education. In order to achieve quality education, training is offered under seven academic departments namely: Business, Applied Sciences, Building & Civil Engineering, Clothing & Textiles, Electrical & Electronics, Mechanical and ICT department. For quality management, each department is headed by a competent HOD, assisted by course tutors and section heads. The courses offered are market oriented and tailored to the needs of Industry. Each department has qualified trainers to take the trainees through theoretical and practical lessons. Each trainer ensures adequate syllabus coverage and effective monitoring of evaluation systems within specified time limits. The trainees are taken through well-developed practical projects equipping the students with necessary skills for the industry. The training programs are punctuated with industrial attachment sessions of three months. The Institute is offering modular courses that are evaluated by KNEC at every stage. Most of our graduates are absorbed by the industries, County Governments, and Public Institutions.

### **Environmental performance**

The Institute has developed a number of policies that guide the Institute to achieve quality education and training. Among the policies developed include: Academic Policy, HR Policy Manual, Drug Abuse Policy, Road Safety Policy, ICT Strategic Policy, Attachment Policy, Environmental Policy, among others. These Policies have been approved by the Board of Governors. They were subjected to Public Participation. All these policies have put the Institute on a forward projectile. Proper implementation of these policies has resulted in more efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the Institute's training products.

## **10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT**

### **Employee welfare**

The Institute has developed a comprehensive Human Resource Policy Manual addressing all the necessary employee requirements. These range from recruitment, remuneration, training opportunities, disciplinary procedures, leave, and healthy issues, up to retirement. Also in place are Gender Policy. These policies have a direct bearing on the efforts made in improving skills and Managing careers, appraisal and reward systems. The Institute has tailored its policies on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

### **Market place practices-**

The Institute has developed a comprehensive Human Resource Policy Manual addressing all the necessary employee requirements. These range from recruitment, remuneration, training opportunities, disciplinary procedures, leave, and healthy issues, up to retirement. Also in place are Gender Policy. These policies have a direct bearing on the efforts made in improving skills and Managing careers, appraisal and reward systems. The Institute has tailored its policies on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

### **Corporate Social Responsibility / Community Engagements**

During the Financial Year under review, Bushiangala Technical Training Institute extended CSR to the community by:

- Supply of water to the neighbouring schools, community for domestic use and during functions such as funerals and church conferences whenever they have requested.
- Providing dust bins, litter bins and a Bus Stage Shade
- Fabricated the two flag posts currently being used at Imulama Police Post in Idakho North Ward.
- The institute also visited the SOS children's Centre in Eldoret and donated several assorted items worth Kshs. 10,000

## **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 shows the state Bushiangala Technical Training Institute affairs.

### **Principal activities**

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

- 1) Business Studies (Diploma in Supplies Chain Management, Community Development; Certificate in Supplies Chain Management, Single and group secretarial, Community Development; Artisan in Store Keeping Human Resource Management Human Resource Management) CPA & ATC. etc.
- 2) Building Department (Diploma in Civil Engineering & Building Construction; Certificates in Building Construction, Plumbing & Masonry

**11. REPORT OF THE BOARD OF GOVERNORS (Continued)**

**Principal activities (Continued)**

- 3) Applied Science Department (Diploma in Applied Biology and Certificate in Science laboratory technology).
- 4) Computer and Information Communications Technology: (Diploma in ICT, Computer Science; Certificate in ICT, ICTT and Computer Packages).
- 5) Clothing & Fashion Design (Diploma in Textile technology, Clothing Technology, Fashion Design; Certificate in Clothing and Textiles, Artisan Garment Making, Beauty and Hairdressing)
- 6) Automotive and Mechanical Engineering (Diploma in Automotive Engineering; Craft and Artisan courses in Motor Vehicle Mechanics, Welding and Fabrication Driving Courses)
- 7) Electrical /Electronic Engineering (Craft and Artisan courses in Electrical Installation.)

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

**Results**

The results of the entity for the year ended June 30, 2023 are set out on page 1-5

**Board of Governors**

The members of the Board who served during the year are shown on page ix - xiv. During the year the term of the existing Board expired and a new one appointed and inaugurated with effect from September 2022.

**AUDITORS**

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

By Order of the Board



.....  
**Secretary of the Board**

Date: 25/03/2025  
.....

## **12. STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES**

Section 83 of the Public Finance Management Act, 2012 and Section 14 Of TVET Act, 2013 (Section 29) requires the Board of Governors to prepare financial statements in respect of that the college, which give a true and fair view of the state of affairs of Bushiangala Technical Training Institute at the end of the financial year and the operation results for that year. The Board of Governors are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board of Governors are also responsible for safeguarding the assets of the College.


The Board of Governors are responsible for the preparation and presentation of the College financial statements, which give a true and fair view of the state of affairs of the College for and financial year ending on June 30, 2023. This responsibility includes:

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

The Board members accept responsibility for the College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the TVET Act). The Board of Governors are of the opinion that the College Financial statements give a true and fair view of the state of College's transactions during financial year ended 30 June 2023, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Board members to indicate that the College will not remain a going concern for at least the next twelve months from the date of this statement.

### **Approval of the financial statements**

The Bushiangala Technical Training Institute financial statements were approved by the Board on 28<sup>th</sup> September 2023 and signed on its behalf by:

  
.....  
**Moses M. Mookaya**  
Chairperson of the BOG

  
.....  
**LUCY MUHAVI**  
Accounting Officer/Principal

# REPUBLIC OF KENYA

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*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON BUSHIANGALA TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2023

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### 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

The accompanying financial statements of Bushiangala Technical Training Institute set out on pages 1 to 37, which comprise the statement of financial position as at

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*Report of the Auditor-General on Bushiangala Technical Training Institute for the year ended 30 June, 2023*

30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by Enos Auch and Associates Consulting, auditors appointed under Section 23 of the Public Audit Act, 2015 and in accordance with the provisions of Article 229 of the Constitution of Kenya. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit were obtained.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bushiangala Technical Training Institute 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 Vocational Education and Training Act, 2013.

### **Basis for Qualified Opinion**

#### **Unconfirmed Property, Plant and Equipment Balance**

The statement of financial position reflects property, plant and equipment balance of Kshs.225,904,274 which, as disclosed in Note 23 to the financial statements includes Kshs.3,457,000 being the value of six (6) parcels of land owned by the Institute. However, valuation reports for the parcels of land and the title deed for one (1) parcel of land referenced Kakamega/Shikulu 1463 were not provided for audit review.

In the circumstances, the accuracy, completeness and ownership status of the property, plant and equipment balance of Kshs.225,904,274 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects receipts budget and actual on a comparable basis of Kshs.139,356,254 and Kshs.76,305,984 respectively, resulting to an under-funding of Kshs.63,050,270 or 45% of the budget. Similarly, the statement reflects actual expenditure of Kshs.91,386,656 against the approved budget of Kshs.147,764,824 resulting into an under-expenditure of Kshs.56,378,168 or 38% of the budget.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Information**

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

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 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, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

### **Responsibilities of the Management and 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 controls, risk management and governance.

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

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

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

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

and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

**09 April, 2025**

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

**13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023**

| DESCRIPTION   | NOTES | FY. 2022-2023     | AUDITED               |
|---|-------|-------------------|-----------------------|
|   |       | Kshs              | FY 2021 -2022<br>Kshs |
| <b>REVENUE:</b>                                     |       |                   |                       |
| <b>Revenue From Non-Exchange Transactions:</b>      |       |                   |                       |
| Transfers from MOE- Capitation                      | 6(a)  | 14,626,000        | 21,165,000            |
| <b>Total Revenue from non-exchange transactions</b> |       | <b>14,626,000</b> | <b>21,165,000</b>     |
| <b>Revenue From Exchange Transactions:</b>          |       |                   |                       |
| Rendering of services- Fees from students           | 8     | 40,890,631        | 30,971,133            |
| Sale of goods                                       | 9     | 32,190            | 45,750                |
| Rental Revenue from Facilities and Equipment        | 10    | 2,038,281         | 1,669,590             |
| Other income  | 11    | 1,218,882         | 966,008               |
| <b>Revenue from exchange transactions</b>           |       | <b>44,179,984</b> | <b>33,652,481</b>     |
| <b>TOTAL REVENUE</b>                                |       | <b>58,805,984</b> | <b>54,817,481</b>     |
|   |       |                   |                       |
| <b>EXPENSES:</b>                                    |       |                   |                       |
| Use of goods and services                           | 12    | 27,146,784        | 36,149,433            |
| Employee costs                                      | 13    | 14,582,446        | 14,732,966            |
| Remuneration of Board of Governors                  | 14    | 2,239,767         | 2,024,480             |
| Depreciation and amortization expense               | 15    | 9,249,463         | 7,586,586             |
| Repairs and maintenance                             | 16    | 1,287,911         | 2,345,635             |
| Finance costs                                       | 17    | 126,951           | 164,634               |
| Other Expenses                                      | 18    | 253,560           | 308,638               |
| <b>Total expenses</b>                               |       | <b>54,886,882</b> | <b>63,312,372</b>     |
| <b>Net Surplus period</b>                           |       | <b>3,919,102</b>  | <b>(8,494,891)</b>    |

The notes set out on pages 7 to 39 form an integral part of the Annual Financial Statements

The Financial Statements set out on pages 1 - 6 were signed by:

.....  
 Chairman of Board

Date 25/3/2025

.....  
 Finance Officer

ICPAK No. 22795

Date 25/03/2025

.....  
 Principal

Date 25/3/2025

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

**14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023**

| DESCRIPTION   | NOTES | FY. 2022-2023      | AUDITED<br>FY. 2021 -2022 |
|---|-------|--------------------|---------------------------|
|   |       | Kshs               | Kshs                      |
| <b>ASSETS</b>                                       |       |                    |                           |
| <b>CURRENT ASSETS</b>                               |       |                    |                           |
| Cash and cash equivalents                           | 19    | 4,607,813          | 19,245,341                |
| Current Receivables from exchange transactions      | 20    | 61,513,792         | 51,366,119                |
| Receivables from non-exchange transactions          | 21    | 0                  | 50,000                    |
| Inventories   | 22    | 2,063,455          | 2,000,077                 |
| <b>TOTAL CURRENT ASSETS</b>                         |       | <b>68,185,060</b>  | <b>72,661,537</b>         |
| <b>NON- CURRENT ASSETS</b>                          |       |                    |                           |
| Property, plant and equipment                       | 23    | 225,904,274        | 200,917,428               |
| Intangible assets                                   | 24    | 4,469,873          | 2,475,831                 |
| <b>TOTAL NON-CURRENT ASSETS</b>                     |       | <b>230,374,147</b> | <b>203,393,259</b>        |
| <b>TOTAL ASSETS</b>                                 |       | <b>298,559,207</b> | <b>276,054,796</b>        |
| <b>LIABILITIES</b>                                  |       |                    |                           |
| <b>CURRENT LIABILITIES</b>                          |       |                    |                           |
| Trade and other payables from exchange transactions | 25    | 11,825,804         | 6,059,385                 |
| Refundable deposits from Students                   | 26    | 1,081,065          | 890,065                   |
| Payments received in advance                        | 28    | 10,799,576         | 14,535,690                |
| <b>Total Current Liabilities</b>                    |       | <b>23,706,445</b>  | <b>21,485,140</b>         |
| <b>TOTAL LIABILITIES</b>                            |       | <b>23,706,445</b>  | <b>21,485,140</b>         |
| <b>NET ASSETS</b>                                   |       |                    |                           |
| Capital and Reserves                                | SCNA  | 157,546,837        | 157,546,837               |
| Revenue Reserves                                    | SCNA  | 55,466,458         | 52,683,352                |
| Capital Fund  | SCNA  | 61,839,467         | 44,339,467                |
| <b>TOTAL CAPITAL AND RESERVES</b>                   |       | <b>274,852,762</b> | <b>254,569,656</b>        |
| <b>TOTAL</b>  |       | <b>298,559,207</b> | <b>276,054,796</b>        |

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

.....  
Chairman BOG.

Date 25/3/2025

.....  
Finance Officer

ICPAK No 22795

Date 25/03/2025

.....  
Principal

Date 25/3/2025

15. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2023

| Description  | Revaluation Reserve | Accumulated Fund  | Capital Grants/Fund | Total              |
|--|---------------------|-------------------|---------------------|--------------------|
| Balance b/f at July 1st 2021                           | 157,542,572         | 62,363,078        | 34,039,467          | 253,945,117        |
| Other Reserve/Adjustment from previous years           | -                   | (1,184,835)       | -                   | (1,184,835)        |
| Total comprehensive income                             | -                   | (8,494,891)       | -                   | (8,494,891)        |
| Capital/Development grants received during the year    | 4,265               |                   | 10,300,000          | 10,304,265         |
| <b>Balance c/d as at June 30 2022</b>                  | <b>157,546,837</b>  | <b>52,683,352</b> | <b>44,339,467</b>   | <b>254,569,656</b> |
| <b>Balance b/f as at 1st July 2022</b>                 | <b>157,546,837</b>  | <b>52,683,352</b> | <b>44,339,467</b>   | <b>254,569,656</b> |
| Capitation of old assets                               | -                   | -                 | -                   | -                  |
| Other Reserves /adjustment during the year             | -                   | (1,135,996)       | -                   | (1,135,995)        |
| Total comprehensive income                             | -                   | 3,919,102         | -                   | 3,919,102          |
| Capital/Development grants received during the quarter | -                   | -                 | 17,500,000          | 17,500,000         |
| <b>Balance c/d as at 30 June 2023</b>                  | <b>157,546,837</b>  | <b>55,466,458</b> | <b>61,839,467</b>   | <b>274,852,762</b> |

**NOTE:**

The figure for 'adjustment during the year of Kshs 1,135,995 refers to adjustments done to students' accounts due to overbilling or under billing in previous financial years.

16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

| DESCRIPTION   |           | FY. 2022-2023       | AUDITED<br>FY. 2021 -2022 |
|---|-----------|---------------------|---------------------------|
|   | NOTE      | KSHS                | KSHS                      |
| <b>Cash flows from operating activities</b>             |           |                     |                           |
| <b>RECEIPTS</b>   |           |                     |                           |
| Transfers from MOE –Capitation                          | 6         | 14,626,000          | 21,165,000                |
| Rendering of services- Fees from students               | 8         | 40,890,631          | 30,971,133                |
| Sale of goods   | 9         | 32,190              | 45,750                    |
| Rental revenue from facilities and equipment            | 10        | 2,038,281           | 1,669,590                 |
| Other Revenues collected                                | 11        | 1,218,882           | 966,008                   |
| Increase /decrease in payables                          | 31        | 2,221,305           | 5,260,830                 |
| Decrease/increase in debtors                            | 31        | 50,000              | 35,000                    |
| Increase/decrease in inventory                          | 31        | (63,378)            | 1,402,613                 |
| Increase /decrease in student and other Debtors         | 31        | (10,147,673)        | (10,543,543)              |
| <b>Total Receipts</b>                                   |           | <b>50,866,238</b>   | <b>50,972,381</b>         |
| <b>PAYMENTS</b>   |           |                     |                           |
| Use of goods and services                               | 12        | 27,146,784          | 36,149,433                |
| Employees Costs   | 13        | 14,582,446          | 14,732,966                |
| Remuneration of Board of Governors                      | 14        | 2,239,767           | 2,024,480                 |
| Repairs & Maintenance                                   | 16        | 1,287,911           | 2,345,635                 |
| Other expenses  | 17        | 253,560             | 308,638                   |
| Finance cost  | 18        | 126,951             | 164,634                   |
| <b>Total Payments</b>                                   |           | <b>45,637,419</b>   | <b>55,725,786</b>         |
| <b>Net cash flows from operating activities</b>         | 31        | <b>5,228,819</b>    | <b>( 4,753,405)</b>       |
| <b>Cash flows from investing activities:</b>            |           |                     |                           |
| Purchase of property, plant, equipment intangible asset | 29        | (33,504,352)        | (19,499,187)              |
| Purchase intangible asset assets                        | 30        | (2,726,000)         | -                         |
| <b>Net Cash flows used in investing activities</b>      |           | <b>(36,230,352)</b> | <b>(19,499,187)</b>       |
| <b>Cash flows from financing activities:</b>            |           |                     |                           |
| MOE. Capital Grants                                     | 6         | 17,500,000          | 10,304,265                |
| Other Adjustments on Revenue Reserve                    | SCNA      | (1,135,995)         | (1,184,835)               |
| <b>Net cash flow from Financing Activities</b>          |           | <b>16,364,005</b>   | <b>9,119,430</b>          |
| Net (decrease) in cash and cash equivalents             |           | (14,637,527)        | (15,133,162)              |
| <b>Cash and cash equivalents at 1 July 2022</b>         | <b>19</b> | <b>19,245,341</b>   | <b>34,378,503</b>         |
| <b>Cash and cash equivalents at 30 June 2023</b>        | <b>19</b> | <b>4,607,813</b>    | <b>19,245,341</b>         |

17. STATEMENT OF COMPARISON OF BUDGET ACTUAL AMOUNTS FOR YEAR ENDED 30 JUNE 2023

| Description                               | Original budget    | Adjustments | Final budget       | Actual on comparable basis | Performance difference | Utilization Difference |
|---|--------------------|-------------|--------------------|----------------------------|------------------------|------------------------|
| <b>REVENUE</b>                            |                    | <b>Kshs</b> | <b>Kshs</b>        | <b>Kshs</b>                | <b>Kshs</b>            | <b>%</b>               |
| Transfers from MOE Dev Grant              | 40,107,104         |             | 40,107,104         | 17,500,000                 | 22,607,104             | 56%                    |
| Transfers from MOE Capitation Grant       | 48,300,000         |             | 48,300,000         | 14,626,000                 | 33,674,000             | 70%                    |
| Rendering of services- Fees from students | 47,469,150         |             | 47,469,150         | 40,890,631                 | 6,578,519              | 14%                    |
| Sale of goods                             | 334,000            |             | 334,000            | 32,190                     | 301,810                | 90%                    |
| Other Incomes                             | 1,110,000          |             | 1,110,000          | 1,218,882                  | - 108,882              | -10%                   |
| Income from hire of Facilities            | 2,036,000          |             | 2,036,000          | 2,038,281                  | - 2,281                | 0%                     |
| <b>Total income</b>                       | <b>139,356,254</b> |             | <b>139,356,254</b> | <b>76,305,984</b>          | <b>63,050,270</b>      | <b>45%</b>             |
| <b>EXPENSES</b>                           |                    |             |                    |                            |                        |                        |
| Compensation of employees                 | 15,570,768         |             | 15,570,768         | 14,582,446                 | 988,322                | 6%                     |
| Use of Goods and services                 | 48,686,694         |             | 48,686,694         | 27,146,784                 | 21,539,910             | 44%                    |
| Finance costs                             | 220,000            |             | 220,000            | 126,951                    | 93,049                 | 42%                    |
| Repair maintenance                        | 3,822,666          |             | 3,822,666          | 1,287,911                  | 2,534,755              | 66%                    |
| Remuneration of directors                 | 4,024,000          |             | 4,024,000          | 2,239,767                  | 1,784,233              | 44%                    |
| Other Expenses                            | 107,200            |             | 107,200            | 253,560                    | - 146,360              | -137%                  |
| Depreciation                              | 10,021,092         |             | 10,021,092         | 9,523,435                  | 497,657                | 5%                     |
| Other Capital Expenditures                | 25,205,300         |             | 25,205,300         | 4,898,100                  | 20,307,200             | 81%                    |
| Capital Expenditures                      | 40,107,104         |             | 40,107,104         | 31,327,702                 | 8,779,402              | 22%                    |
| <b>Total expenditure</b>                  | <b>147,764,824</b> |             | <b>147,764,824</b> | <b>91,386,656</b>          | <b>56,378,168</b>      | <b>38%</b>             |

**Budget notes: Variance Explanation**

- Development grant was not disbursed as expected i.e. sh 17,500,000 was disbursed instead of Kshs. 40,107,104 that was budgeted. This underfunding makes it hard for the Management to create financial commitments which can result in adverse legal implications.
- Capitation Grant for quarter 1 was reduced from Ksh 7,500 to sh 5,000. We expected to receive Ksh7,875,000 for quarter 1 but we received Ksh 5,250,000. We also expected Ksh 7,875,000 for Quarter 2 but only Ksh 4,688,000 was disbursed for Quarter Two and Quarter Three. Capitation for Quarter Four not yet disbursed.
- Most of our students heavily rely on capitation and HELB Grants to pay fees. The delayed and unpredictable funding makes it hard for the Institute to engage into financial commitments which might give rise to adverse legal implications.

## **18. NOTES TO THE FINANCIAL STATEMENTS**

### **1. General Information**

Bushiangala Technical Training Institute was established by and derives its authority and accountability from TVET Act and Public Finance Management Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer training to students in technical courses and business courses as per the industry needs.

### **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, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Bushiangala Technical Training Institute accounting policies. The areas involving a higher degree of judgments or complexity, or where assumptions and estimates significant to the financial statements, are disclosed in Notes to the financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Bushiangala Technical Training.

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 periods presented.

### **3. Adoption of New and Revised Standards**

#### **i. Early adoption of standards**

Bushiangala Technical Training Institute did not early-adopt any new or amended standards in year 2022.

### **4. Summary of Significant Accounting Policies**

#### **a) Revenue recognition**

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

##### **Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Sale of goods**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2022/2023 was approved by the Board of Governors of Bushiangala Technical Training Institute on 21 January 2022. Subsequent revisions or additional appropriations were not made to 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.

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

**c) Taxes**

*Current income tax*

The entity is exempt from paying taxes.

**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.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **Summary of Significant Accounting Policies (Contd...)**

- When receivables and payables are stated with the amount of sales tax included.

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

### **d) Property, plant and equipment**

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

The Institute property plant and equipment includes the following:

1. Land
2. Workshop Buildings and Equipment
3. Staff houses
4. Laboratory Buildings and Equipment
5. Administration Buildings
6. Motor vehicles
7. Kitchen Building and Equipment
8. Computer and Computer Accessories
9. Furniture

### **e) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Summary of Significant Accounting Policies (Continued)**

**f) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. 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.

**g) Research and development costs**

Bushiangala Technical Training Institute expenses research costs as they are incurred. Development costs on an individual project are recognized as intangible assets when the college can demonstrate:

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

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

*Financial asset*

Bushiangala Technical Training Institute does not have financial assets

**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.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **Summary of Significant Accounting Policies (Continued)**

#### **Financial liabilities**

Bushiangala Technical Training Institute does not have financial Liabilities.

#### **h) Inventories**

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

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

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

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

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

#### **i) Provisions**

Provisions are recognized when the Institute 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 Institute 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**

Bushiangala Technical Training Institute 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Summary of Significant Accounting Policies (Continued)**

*Contingent assets*

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

**j) Changes in accounting policies and estimates**

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

**k) Employee benefits**

**Retirement benefit plans**

Bushiangala Technical Training Institute provides retirement benefits for its employees. 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 employees. The contributions and lump sum payments reduce the post-employment benefit obligation.

**l) Foreign currency transactions**

Bushiangala Technical Training Institute does not engage in foreign transactions.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Summary of Significant Accounting Policies (Continued)**

**m) 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.

**n) Related parties**

Bushiangala Technical Training Institute 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 Board of Governors, the Principal and senior managers.

**o) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at various commercial banks at the end of the financial year.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Summary of Significant Accounting Policies (Continued)**

**p) Comparative figures**

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

**q) 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

The preparation of Bushiangala Technical Training Institute 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.

**5. Significant Judgments and Sources of Estimation Uncertainty**

**Estimates and assumptions.**

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

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **Useful lives and residual values**

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

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

### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 13

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.

The college has created provision for Audit fee in the books of accounts.

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6. (a) Transfers from Other National Government Entities**

| Description                                  | PERIOD ENDED<br>30 <sup>TH</sup> JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|--|--|--------------------------|
|  | Kshs                                       | Kshs                     |
| <b>Unconditional Grants</b>                  |  |                          |
| Capitation Grants:                           |  |                          |
| Quarter 1                                    | 5,250,000                                  | 6,645,000                |
| Quarter 2                                    | 4,688,000                                  | 6,645,000                |
| Quarter 3                                    | 4,688,000                                  | 7,875,000                |
| Quarter 4                                    | -  | -                        |
| <b>Total Unconditional grants</b>            | <b>14,626,000</b>                          | <b>21,165,000</b>        |
| <b>Conditional Grants</b>                    |  |                          |
| Dormitory Grant                              | 17,500,000                                 | 10,000,000               |
| Land conveyance grant- CDF.                  | -  | 300,000                  |
| <b>Total Conditional Grants</b>              | <b>17,500,000</b>                          | <b>10,000,000</b>        |
| <b>Total Government Grants and Subsidies</b> | <b>32,126,000</b>                          | <b>31,465,000</b>        |

**NOTE**

- Capitation grant for Q1 disbursed was reduced from Kshs. 7,500 to ksh 5,000 per student.
- Quarter 2 and Quarter 3 capitation received in Jan and June 2023 respectively was further reduced to sh 4,000 per student per Quarter.
- The total reported capitation grant figure for three quarters reduced from ksh 21,165,000 to ksh 14,626,000 as above.
- None was received in Quarter 4 for both the year under review and the previous ye

**(b)Transfers from other Government entities (Categorized)**

| Name of the Entity Sending The Grant | Amount recognized to of Statement Financial performance | Amount deferred under deferred income | Amount recognised in capital fund. | Total grant income during the year | Comparative FY    |
|--------------------------------------|---|---------------------------------------|------------------------------------|------------------------------------|-------------------|
|                                      | Kshs  | Kshs                                  | Kshs                               | Kshs                               | Kshs              |
| Ministry of Education                | 14,626,000  | -                                     | -                                  | 14,626,000                         | 21,165,000        |
| Ministry of Education                | -   | -                                     | 17,500,000                         | 17,500,000                         | 10,000,000        |
| <b>Total</b>                         | <b>14,626,000</b>                                       | <b>-</b>                              | <b>17,500,000</b>                  | <b>32,126,000</b>                  | <b>31,465,000</b> |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Transfers from Other Levels of Government**

| Description                          | FY 2022-2023<br>30 <sup>TH</sup> JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|--------------------------------------|--|--------------------------|
|                                      | Kshs                                       | Kshs                     |
| Student loan and bursary from HELB   | 10,490,800                                 | 9,645,800                |
| Bursary From CDF & County Government | 2,189,970                                  | 1,349,490                |
| KCB. Foundation                      | 3,042,150                                  | -                        |
| <b>Total Transfers</b>               | <b>15,722,920</b>                          | <b>10,995,290</b>        |

The above funds were received as sponsorship Funds under liability Account hence form part of revenue from rendering services on allocation to the beneficiary students.

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**8. Rendering of Services**

| DESCRIPTION   | PERIOD ENDED<br>30 <sup>TH</sup> JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|---|--|--------------------------|
|   | KSHS                                       | Kshs                     |
| Application/registration income                     | 290,230                                    | 232,500                  |
| contingencies income                                | 510,066                                    | 365,420                  |
| Development f income                                | 2,670,406                                  | 2,548,005                |
| Driving School                                      | 48,450                                     | 175,750                  |
| E.W.C income  | 1,068,162                                  | 1,042,152                |
| Exams income  | 4,524,360                                  | 7,378,465                |
| Library income                                      | 854,530                                    | 813,837                  |
| LT &T income  | 1,068,162                                  | 1,018,202                |
| Medical income                                      | 338,356                                    | 329,833                  |
| Personal emoluments income                          | 4,337,933                                  | 4,070,959                |
| RMI income  | 856,530                                    | 814,762                  |
| Student ID income                                   | 56,100                                     | 7,400                    |
| Student Smart card                                  | 269,450                                    | 202,900                  |
| Tuition income                                      | 16,646,162                                 | 4,021,159                |
| Attachment fee                                      | 690,805                                    | 1,148,000                |
| Activity income                                     | 1,333,998                                  | 1,272,048                |
| Administration Income                               | 1,707,922                                  | 1,528,803                |
| Computer & ICT Maintenance Income                   | 1,068,162                                  | 1,029,702                |
| Student Council income                              | 321,947                                    | 305,571                  |
| NYS Tuition fees                                    | 2,220,400                                  | 2,518,500                |
| Computer Packages Income                            | 8,500                                      | 21,950                   |
| Other Fee Payments                                  | -  | 125,215                  |
| <b>Total Revenue from The Rendering of Services</b> | <b>40,890,631</b>                          | <b>30,971,133</b>        |

**NOTE**

- The Institute bills full fees of Kshs. 18,800 per term as per the approved government fee structure regardless of the source of funding. This is done to enhance fee collection from diversified funding sources that include CDF, County Government and NGO. In case where the capitation grant is not released fully as it has been in the previous years, the balance may be funded from the other sources for those students who are aggressive enough to explore the mentioned sources.
- It is also important to note that Bushiangala TTI. receives Capitation grant as a liability and allocates the funds to students to reduce the student receivables for the total accrued fees fully billed to the students. This strategy is done to ensure that all unpaid fee balance remains the obligation of the student/parent to clear.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**8. Rendering of Services (continued)**

- After allocation, Journals are done to students' revenue so as to capture capitation grant as (Revenue from Non –Exchange) as per the Reporting template. This is the main reason as to why some of the reported figures early during the FY may have greater variance at the beginning of the year and tend to reduce later as we receive capitation Grants.
- Tuition income has grater variance because of the admission of KCB Sponsored Students for short courses whose fee was fully received on this vote.
- In addition, Bushiangala TTI is also in a process to have all items in the fees structure merged together as fees from rendering of services.

**9. Sale of Goods**

| Description                                     | PERIOD ENDED<br>30 <sup>TH</sup> JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|---|--|--------------------------|
|   | Kshs                                       | Kshs                     |
| Sale of farm produce(banana, vegetables ,Beans) | 32,190                                     | 45,750                   |
| <b>Total Sale of goods</b>                      | <b>32,190</b>                              | <b>45,750</b>            |

**NOTE**

- The above income was realized from sale of farm produce that include beans, vegetables and bananas.
- During the year, the institute planted maize whose value has not been realized because it had not matured as at 30<sup>th</sup> June 2023
- At the end of the Financial year the firm had some Green maize in the farm which has not been captured as part of the above income.

**10. Rental revenue from facilities and equipment**

| Description              | PERIOD ENDED<br>30 <sup>TH</sup> JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|--------------------------|--|--------------------------|
|                          | Kshs                                       | Kshs                     |
| Rent Income              | 66,000                                     | 50,000                   |
| Hire of Mattresses       | 7,600                                      | 15,050                   |
| Bus Hire fees            | 752,000                                    | 516,500                  |
| Accommodation (Boarding) | 1,212,681                                  | 1088,040                 |
| <b>Grand total</b>       | <b>2,038,281</b>                           | <b>1,669,590</b>         |

**NOTE**

- Rental income refers to fee charged to staff occupying two staff quarter houses and two institute kiosks rented externally.
- Bus hire fee increased due to liberalization of movement as a result of reduced Covid 19 cases in the country

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11. Other Income**

| Description                     | PERIOD ENDED<br>30 <sup>TH</sup> JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|---------------------------------|--|--------------------------|
|                                 | Kshs                                       | Kshs                     |
| Surcharge                       | 16,100                                     | 15,900                   |
| Salary Advance recoveries       | 161,952                                    | 323,812                  |
| Disposal of scrap               | 600  | 54,895                   |
| Loss/ From PAYE(cafeteria)      | (268,532)                                  | -510,088                 |
| KATTI. CO curricular Activities | 1,226,090                                  | 1,048,390                |
| Student unrest charges          | -  | 4,000                    |
| Sale of Old Newspaper           | -  | 2,720                    |
| Sale of Tender                  | 19,050                                     | 12,000                   |
| Graduation fee                  | 43,500                                     | -                        |
| Imprest Refunds                 | 20,122                                     | 14,380                   |
| <b>Total Other Income</b>       | <b>1,218,882</b>                           | <b>966,008</b>           |

**NOTE**

- Refund figure of sh 20,122 refers to balance of Imprest not spent by staff and deposited back to Institute Bank Account.
- Salary Advance Recoveries refers to salary advanced to staff and recovered from their salary on instalment basis.
- KATTI CO-curricular Activities refers to amount received from other colleges every time the Institute hosts KATTI events.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**EXPENSES**

**12. Use of Goods and Services**

| Description                        | PERIOD ENDED<br>30 <sup>TH</sup> JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|------------------------------------|--|--------------------------|
|                                    | Kshs                                       | Kshs                     |
| Electricity Water and conservancy  | 978,513                                    | 1,027,098                |
| Bus Hire Expenses                  | 523,000                                    | 986,776                  |
| Administration Expense             | 3,268,730                                  | 4,616,911                |
| Boarding Expense                   | 120,985                                    | 113,228                  |
| Computer & ICT Maintenance Expense | 941,304                                    | 2,578,698                |
| Contingencies Expense              | 432,424                                    | 438,855                  |
| TVET Fair                          | 30,220                                     | 931,130                  |
| VAT. Penalty                       | 2,577                                      | -                        |
| CAPA                               | 100,000                                    | -                        |
| KATTI Expense                      | 769,500                                    | 1,161,800                |
| LT & T Expense                     | 1,799,706                                  | 1,400,054                |
| Medical Expense                    | 180,627                                    | 353,075                  |
| NYS Students Expense               | 539,520                                    | 1,951,240                |
| Activity Expense                   | 2,268,305                                  | 2,521,010                |
| Attachment Expense                 | 394,800                                    | 551,905                  |
| Driving School Expense             | 120,050                                    | 150,757                  |
| Tuition Expense                    | 283,600                                    | 363,045                  |
| Exam Expense                       | 5,180,885                                  | 4,540,233                |
| Student Council Expense            | 339,713                                    | 1,161,795                |
| Audit Fee Provision                | 150,000                                    | 150,000                  |
| Refund                             | 3,000                                      | -                        |
| KATTI. Co-curricular Activities    | 1,067,080                                  | 1,040,236                |
| KNEC Exam Materials                | 938,558                                    | 2,020,998                |
| Library Expense                    | 15,000                                     | 41,780                   |
| Covid Mitigation                   | -  | 18,000                   |
| Performance Contracting            | 429,965                                    | 1,486,571                |
| Marketing                          | 454,080                                    | 338,282                  |
| Staff Capacity building            | 1,155,950                                  | 1,227,250                |
| Staff safety & Welfare             | 880,734                                    | -                        |
| Stationery Expenses                | 1,503,339                                  | 2,699,013                |
| Training Material Expenses         | 2,098,529                                  | 2,007,943                |
| Academic Trips                     | 123,050                                    | 271,750                  |
| Student Identity Card              | 53,040                                     | -                        |
| <b>Total</b>                       | <b>27,146,784</b>                          | <b>36,149,433</b>        |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

- Staff Safety refers to cost of providing cleaning materials, safety wears and uniforms to staff. This amounts were being charged on administration and boarding costs in the previous year, hence the high reported figures on administration and boarding cost.
- The administration costs have also reduced because of travelling costs which were being wrongly charged on this vote hence increase in the reported LT&T costs and decrease in Admin costs in the period under review
- Expenditure on stationery has also been reduced due to internal control measures that include regular stock taking exercise which enable us to monitor departmental stock balances and also control restocking.
- The amount spent on student council reduced because there was no tour for the leaders. This was due to lack of funds.

**13. Employee Costs**

| Description   | PERIOD ENDED<br>30 <sup>TH</sup> JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|---|--|--------------------------|
|   | Kshs                                       | Kshs                     |
| Salaries and wages  | 10,309,978                                 | 10,800,627               |
| Employee related costs –Statutory contributions and staff welfare | 4,272,468                                  | 3,932,339                |
| <b>Total Employee costs</b>                                       | <b>14,582,446</b>                          | <b>14,732,966</b>        |

- Reduction in employees' costs was due to exit of one staff who was not replaced.
- Shift of expenditure on outsourced security services from employee cost to security cost.

**14. Remuneration of the Board of Governors**

| Description                      | PERIOD ENDED<br>30 <sup>TH</sup> JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|----------------------------------|--|--------------------------|
|                                  | Kshs                                       | Kshs                     |
| Board Of Governors Remuneration  | 1,809,967                                  | 1,588,880                |
| Travelling Allowances            | 429,800                                    | 435,600                  |
| <b>Total Director Emoluments</b> | <b>2,239,767</b>                           | <b>2,024,480</b>         |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**15. Depreciation and Amortization expense**

| Description                                | PERIOD ENDED<br>30 <sup>TH</sup> JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|--|--|--------------------------|
|  | Kshs                                       | Kshs                     |
| Property, plant and equipment              | 8,517,505                                  | 7,220,607                |
| Intangible assets                          | 731,958                                    | 365,979                  |
| <b>Total depreciation and amortization</b> | <b>9,249,463</b>                           | <b>7,586,586</b>         |

**NOTE**

- Depreciation Charge reported has increased due to the new other assets purchased and additional Building (Electrical & Clothing Department workshop) of sh 27,682,088 which was brought into use in the current year and subjected to depreciation.
- Depreciation rates on Plant and Furniture has been adjusted from 10% to 12.5 %.
- Depreciation on Computers has been adjusted from 25% to 33.33%
- Amortisation of intangible asset has also been adjusted from 10% to 20%

**16. Repairs and Maintenance**

| Description                                       | PERIOD ENDED<br>30 <sup>TH</sup> JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|---|--|--------------------------|
|   | Kshs                                       | Kshs                     |
| General Repair of Equipment, Machinery & Building | 489,770                                    | 661,880                  |
| Repair of Motor vehicles                          | 798,141                                    | 1,683,755                |
| <b>Total Repairs and Maintenance</b>              | <b>1,287,911</b>                           | <b>2,345,635</b>         |

**NOTE**

The variation in repair costs of motor vehicle was due to major repairs done to KBR 948 U and KBL400G in the previous financial year.

**17. Finance Costs**

| Description                | PERIOD ENDED<br>30 <sup>TH</sup> JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|----------------------------|--|--------------------------|
|                            | Kshs                                       | Kshs                     |
| Bank Charges               | 126,951                                    | 164,634                  |
| <b>Total Finance Costs</b> | <b>126,951</b>                             | <b>164,634</b>           |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**18. OTHER EXPENSES**

| Description                  | PERIOD ENDED 30 <sup>TH</sup><br>JUNE 2023 | FY 2021 -2022  |
|------------------------------|--|----------------|
|                              | Kshs.                                      | Kshs.          |
| Farm Expenses                | 35,270                                     | 39,050         |
| Tender Expenses              | 18,290                                     | 269,588        |
| Annual Subscription to Atupa | 200,000                                    | -              |
| <b>Total Other Expenses</b>  | <b>253,560</b>                             | <b>308,638</b> |

- Tender expenses figure reported in the current year is less as compared to the previous year cost because the college awarded tenders to last for 2 years –the tenders were evaluated in 2021 and awarded to run up to June 2023
- Subscription to ATUPA is a new subscription which came into existence during the year under review

**19. Cash and Cash Equivalents**

| Description                               | PERIOD ENDED<br>30 <sup>TH</sup> JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|---|--|--------------------------|
|   | Kshs                                       | Kshs                     |
| Main account(College)-No. 1102702188      | (1,293,508)                                | 3,466,877                |
| Petty Cash- Kshs. Main account            | 6  | 1,763                    |
| Economic Stimulus Account- No. 1121337007 | 17,810                                     | 53,140                   |
| Transit Account - No. 1181740835          | 149,481                                    | 453,009                  |
| Development Account -No. 1114264709       | 735,205                                    | 14,971,280               |
| Recurrent Account - No. 1114264563        | 4,712,199                                  | 83,508                   |
| Production Unit Account- No. 1152187376   | 82,268                                     | 5,138                    |
| Equity Fees Account - No. 05002777739302  | 3,724                                      | 12,578                   |
| Production Unit Account Cash              | 7,463                                      | -                        |
| Constituency Development Fund             | 193,165                                    | 198,048                  |
| <b>Total cash and cash equivalents</b>    | <b>4,607,813</b>                           | <b>19,245,341</b>        |

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**20. Receivables from Exchange transactions**

**20(a) Current Receivables from Exchange transactions**

| Description                | PERIOD ENDED 30 <sup>TH</sup><br>JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|----------------------------|--|--------------------------|
|                            | Kshs                                       | Kshs                     |
| <b>Current Receivables</b> |  |                          |
| Student Debtors            | 59,856,180                                 | 49,475,876               |
| Rent Debtors               | 11,720                                     | -                        |
| Other Exchange Debtors     | 1,645,892                                  | 1,890,243                |
| Less: Impairment allowance | -  | -                        |
| <b>Total Receivables</b>   | <b>61,513,792</b>                          | <b>51,366,119</b>        |

**20 (b) Ageing Analysis of Receivables from Exchange transactions**

| Description        | PERIOD ENDED<br>30 <sup>TH</sup> JUNE 2023 |                   | AUDITED<br>FY 2021 -2022 |                   |
|--------------------|--|-------------------|--------------------------|-------------------|
|                    | Kshs                                       |                   | Kshs                     |                   |
|                    | Current FY                                 | % of the<br>total | Comparative<br>FY        | % of the<br>total |
| Less than 1 year   | 86,580                                     | 5.22 %            | 37,510                   | 2%                |
| Between 1- 2 years | 5,400                                      | 0.33%             |                          |                   |
| Between 2-3 years  | 1,565,632                                  | 94.45%            | 1,565,632                | 83%               |
| Over 3 years       |  |                   | 287101                   | 15%               |
| <b>Total (a+b)</b> | <b>1,657,612</b>                           | <b>100%</b>       | <b>1,890,243</b>         | <b>100%</b>       |

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**21.(a) Receivables from Non-Exchange transactions**

| Description                      | PERIOD ENDED 30 <sup>TH</sup><br>JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|----------------------------------|--|--------------------------|
|                                  | Kshs                                       | Kshs                     |
| <b>Current Receivables</b>       |  |                          |
| Imprest debtors                  | -  | 50,000                   |
| <b>Total current receivables</b> | -  | <b>50,000</b>            |

**21(b) Ageing Analysis on Receivables from Non-Exchange Transactions**

| Description        | PERIOD ENDED 30 <sup>TH</sup><br>JUNE 2023 |                   | AUDITED<br>FY 2021 -2022 |                   |
|--------------------|--|-------------------|--------------------------|-------------------|
|                    | Kshs                                       |                   | Kshs                     |                   |
|                    | Current FY                                 | % of the<br>total | Comparative<br>FY        | % of the<br>total |
| Less than 1 year   | -  | 0%                | 50,000                   | 100%              |
| Between 1- 2 years | -  | 0%                | -                        | 0%                |
| Between 2-3 years  | -  | 0%                | -                        | 0%                |
| Over 3 years       | -  | 0%                | -                        | 0%                |
| <b>Total</b>       | -  | <b>0%</b>         | <b>50,000</b>            | <b>100%</b>       |

22. Inventories

| Description               | PERIOD ENDED<br>30 <sup>TH</sup> JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|---------------------------|--|--------------------------|
|                           | Kshs                                       | Kshs                     |
| Stationery                | 471,156                                    | 760,165                  |
| Training Materials        | 1,387,085                                  | 951,287                  |
| Health Unit Stores        | 88,476                                     | 112,918                  |
| Farm Stores               | 14,480                                     | 47,614                   |
| Cleaning Materials Stores | 16,602                                     |                          |
| Catering Stores           | 85,656                                     | 128,093                  |
| <b>Total Inventories</b>  | <b>2,063,455</b>                           | <b>2,000,077</b>         |

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**23. Property, Plant and Equipment**

| Description                                   | LAND             | MOTOR VEHICLE     | FURNITURE & FITTINGS | COMPUTERS             | BUILDINGS          | PLANT & EQUIPMENT   | TEXTBOOKS       | WORK IN PROGRESS |                        |                                |                       | TOTAL              |
|---|------------------|-------------------|----------------------|-----------------------|--------------------|---------------------|-----------------|------------------|------------------------|--------------------------------|-----------------------|--------------------|
|   |                  | DEPRECIATION 20 % | (DEPRECIATION 12.5%) | (DEPRECIATION 33.33%) | DEPRECIATION 2 %   | DEPRECIATION 12.5 % | DEPRECIATION 5% | SOLAR SYSTEM     | CONSTRUCTION OF HOSTEL | CONSTRUCTION OF PERIMETER WALL | INSTALLATION OF FIBRE |                    |
| <b>COST</b>                                   |                  |                   |                      |                       |                    |                     |                 |                  |                        |                                |                       |                    |
| Total As At 30th June 2021                    | 3,457,000        | 17,648,591        | 7,012,758            | 7,600,460             | 191,781,352        | 7,977,951           | 919,907         | 965,769          | -                      | 3,328,359                      | 2,983,554             | <b>243,675,701</b> |
| Additions                                     | -                | -                 | 5,000                | -                     | -                  | 614,264             | 6,732           | 1,550,654        | 31,327,702             | -                              | -                     | 33,504,352         |
| At end of the year June 30 <sup>th</sup> 2023 | <b>3,457,000</b> | <b>17,648,591</b> | <b>7,017,758</b>     | <b>7,600,460</b>      | <b>191,781,352</b> | <b>8,592,215</b>    | <b>926,639</b>  | <b>2,516,423</b> | <b>31,327,702</b>      | <b>3,328,359</b>               | <b>2,983,554</b>      | <b>277,180,053</b> |
| <b>Depreciation &amp; Impairment</b>          |                  |                   |                      |                       |                    |                     |                 |                  |                        |                                |                       |                    |
| At the Beginning of the Year                  | -                | 15,381,154        | 2,125,061            | 5,410,296             | 17,182,356         | 2,567,416           | 91,990          | -                | -                      | -                              | -                     | <b>42,758,273</b>  |
| Depreciation for the year                     | -                | 1,304,718         | 876,595              | 1,457,326             | 3,835,627          | 997,244             | 45,995          | -                | -                      | -                              | -                     | <b>8,517,505</b>   |
| <b>Accumulated as at 30th JUNE 2023</b>       | <b>-</b>         | <b>16,685,872</b> | <b>3,001,656</b>     | <b>6,867,622</b>      | <b>21,017,983</b>  | <b>3,564,660</b>    | <b>137,986</b>  | <b>-</b>         | <b>-</b>               | <b>-</b>                       | <b>-</b>              | <b>51,275,779</b>  |
| <b>Net book values</b>                        | <b>3,457,000</b> | <b>962,719</b>    | <b>4,016,102</b>     | <b>732,838</b>        | <b>170,763,368</b> | <b>5,027,555</b>    | <b>788,653</b>  | <b>2,516,423</b> | <b>31,327,702</b>      | <b>3,328,359</b>               | <b>2,983,554</b>      | <b>225,904,274</b> |

**NOTE:**

- Depreciation rates on Plant and Furniture has been adjusted from 10% to 12.5 %.
- Depreciation on Computers has been adjusted from 25% to 33.33%.
- In addition, some assets in our PPE. whose netbook value was one year ie 2022-2023 could not be subjected to the new rates and the net book balances were taken as depreciation value for the specific asset. This is clearly reflected in the asset register.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**24. Intangible Assets**

| Description                             | PERIOD ENDED 30 <sup>TH</sup><br>JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|---|--|--------------------------|
|   | Kshs                                       | Kshs                     |
| <b>Cost</b>                             |  |                          |
| At beginning of the year                | 3,659,789                                  | 3,659,789                |
| Additions                               | 2,726,000                                  | -                        |
| <b>Cost end of the year</b>             | <b>6,385,789</b>                           | <b>3,659,789.00</b>      |
| Accumulated Amortization and impairment |  |                          |
| At beginning of the year                | 1,183,958                                  | 817,979.00               |
| Amortization for the year               | 731,958                                    | 365,979                  |
| Amortization at end of the year         | <b>1,915,916</b>                           | <b>1,183,958</b>         |
| <b>NBV</b>                              | <b>4,469,873</b>                           | <b>2,475,831</b>         |

**NOTE**

- Additions for intangible asset refers to the cost of automating Procurement, stores and academic functions.
- Amortization of intangible assets has also been adjusted from 10% to 20%

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**25. Trade and Other Payables**

| Description                           | PERIOD ENDED 30 <sup>TH</sup> JUNE 2023 |                       | AUDITED<br>FY 2021 -2022 |                       |
|---------------------------------------|---|-----------------------|--------------------------|-----------------------|
|                                       | Kshs                                    |                       | Kshs                     |                       |
| 3% withholding Tax                    |   | -                     |                          | 29,849                |
| Trade Payables                        |   | 7,221,474             |                          | 3,307,031             |
| Provision for Audit fee               |   | 1,050,000             |                          | 900,000               |
| Direct Credits                        |   | 19,176                |                          | -                     |
| 2% VAT.                               |   | 83,718                |                          | -                     |
| 10% retention                         |   | 3,277,636             |                          | 1,384,105             |
| HELB Bursary                          |   | 47,800                |                          | 33,900                |
| Unallocated capitation                |   | 22,500                |                          | 360,000               |
| Unallocated Sponsorship (CDF Bursary) |   | 103,500               |                          | 44,500                |
| <b>Total Trade and other payables</b> |   | <b>11,825,804</b>     |                          | <b>6,059,385</b>      |
|                                       |   |                       |                          |                       |
| <b>Ageing analysis:</b>               | <b>Current FY</b>                       | <b>% of the Total</b> | <b>Comparative FY</b>    | <b>% of the Total</b> |
| Under one year                        | 8,548,168                               | 72%                   | 4,675,280                | 77                    |
| 1-2 years                             | 3,277,636                               | 28%                   | 1,384,105                | 23                    |
| 2-3 years                             | -                                       | -                     | -                        | -                     |
| Over 3 years                          | -                                       | -                     | -                        | -                     |
| <b>Total</b>                          | <b>11,825,804</b>                       | <b>100%</b>           | <b>6,029,536</b>         | <b>100%</b>           |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**26. Refundable Deposits from Customers/Students**

| Description                                    | FY2022-2023        |                           | AUDITED<br>FY 2021-2022 |                           |
|--|--------------------|---------------------------|-------------------------|---------------------------|
|  | Kshs               |                           | Kshs                    |                           |
| Caution money at the beginning of the year     | 890,065            |                           | 687,065                 |                           |
| Caution money Collected                        | 191,000            |                           | 203,000                 |                           |
| <b>Total Deposits</b>                          | <b>1,081,065</b>   |                           | <b>890,065</b>          |                           |
| <b>Ageing analysis:</b>                        | <b>FY2022-2023</b> | <b>% of the<br/>Total</b> | <b>FY 2021-2022</b>     | <b>% of the<br/>Total</b> |
| Under one year                                 | 191,000            | 18%                       | 203,000                 | 23 %                      |
| 1-2 years                                      | 203,000            | 19%                       | 124,000                 | 14 %                      |
| 2-3 years                                      | 124,000            | 11%                       | 78,315                  | 9 %                       |
| Over 3 years                                   | 563,065            | 52%                       | 484750                  | 54 %                      |
| <b>Total (to tie to totals deposits above)</b> | <b>1,081,065</b>   | <b>100%</b>               | <b>890,065</b>          | <b>100%</b>               |

**27. Current Provisions**

| Description                                     | Leave provision | Bonus provision | Gratuity Provisions | Other provision | Provision for Audit Fee | Total            |
|---|-----------------|-----------------|---------------------|-----------------|-------------------------|------------------|
|   | Kshs            | Kshs            | Kshs                | Kshs            | Kshs                    | Kshs             |
| <b>Balance at The Beginning of The Year</b>     | -               | -               | -                   | -               | 900,000                 | 900,000          |
| Additional Provisions                           | -               | -               | -                   | -               | 150,000                 | 150,000          |
| Provision Utilised                              | -               | -               | -                   | -               | -                       | -                |
| Change Due To Discount And Time Value For Money | -               | -               | -                   | -               | -                       | -                |
| Transfers From Non -Current Provisions          | -               | -               | -                   | -               | -                       | -                |
| <b>Total Provisions</b>                         | <b>0</b>        | <b>0</b>        | <b>0</b>            | <b>0</b>        | <b>1,050,000</b>        | <b>1,050,000</b> |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**28. Payments received in advance.**

| Description             | PERIOD ENDED 30 <sup>TH</sup><br>JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|-------------------------|--|--------------------------|
|                         | Kshs                                       | Kshs                     |
| Student fee Prepayments | 10,799,576                                 | 14,535,690               |
| <b>TOTAL</b>            | <b>10,799,576</b>                          | <b>14,535,690</b>        |

**29. PURCHASE OF PROPERTY PLANT & EQUIPMENT**

| Description                    | PERIOD ENDED 30 <sup>TH</sup><br>JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|--------------------------------|--|--------------------------|
|                                | Kshs.                                      | Kshs.                    |
| Land                           | -  | 232,000                  |
| Computers                      | -  | 587,700                  |
| Electrical & clothing Workshop | -  | 14,118,337               |
| Construction of Dormitory      | 31,327,702                                 | -                        |
| Training Equipment             | 614,264                                    | 1,300,320                |
| Solar System Installation      | 1,550,654                                  | -                        |
| Furniture                      | 5,000                                      | 131,900                  |
| Installation of LAN            | -  | 761,330                  |
| Textbooks                      | 6,732                                      | -                        |
| <b>Total</b>                   | <b>33,504,352</b>                          | <b>17,131,587</b>        |

**30. PURCHASE OF INTANGIBLE ASSETS (SOFTWARE)**

| Description  | PERIOD ENDED 30 <sup>TH</sup><br>JUNE 2023 | FY 2021 -2022 |
|--|--|---------------|
|  | Kshs.                                      | Kshs.         |
| Procurement, Stores & Academic ERP Modules(Software) | 2,726,000                                  | -             |
| <b>TOTAL</b>   | <b>2,726,000</b>                           | <b>-</b>      |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**31. Cash generated from operations.**

| Description                                    | PERIOD ENDED 30 <sup>TH</sup><br>JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|--|--|--------------------------|
|  | Kshs.                                      | Kshs.                    |
| Surplus for the period before tax              | 3,645,490                                  | (8,494,891)              |
| <b>Adjusted for:</b>                           |  |                          |
| Depreciation                                   | 9,523,435                                  | 7,586,586                |
| Finance cost                                   | -  | -                        |
| <b>Working Capital adjustments</b>             |  |                          |
| Increase in inventory                          | (63,378)                                   | 1,402,613                |
| Increase/decrease in receivables               | (10,147,673)                               | (10,543,543 )            |
| Decrease in non-exchange receivables           | 50,000                                     | 35,000                   |
| Increase in refundable deposits                | -  | -                        |
| Decrease in payables                           | 2,221,305                                  | 5,260,830                |
| <b>Net cash flow from operating activities</b> | <b>5,228,819</b>                           | <b>(4,753,405 )</b>      |

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**32. Financial risk management (continued)**

**Capital Risk Management**

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

| Description                                 | PERIOD ENDED 30 <sup>TH</sup><br>JUNE 2023 | AUDITED<br>FY 2021 -2022 |
|---|--|--------------------------|
|   | Kshs                                       | Kshs                     |
| Retained Earnings                           | 55,192,487                                 | 52,683,352               |
| Capital Reserve                             | 219,386,304                                | 201,886,304              |
| <b>Total Funds</b>                          | <b>274 578 791</b>                         | <b>254,569,656</b>       |
| Total Borrowings                            | -  | -                        |
| Less: Cash and Bank Balances                | (4,607,813)                                | (19,245,340)             |
| Net Debt/(Excess Cash and Cash Equivalents) | 269,970,978                                | 235,324,316              |

**33. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

The Government of Kenya is the principal shareholder of the Bushiangala Technical Training Institute holding 100% of the 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;

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**34. Events After the Reporting Period**

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

**35. Ultimate and Holding Entity**

Bushiangala Technical Training Institute is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**36. Currency**

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

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
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**19. 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.

| Reference No. on the external audit Report | Issue / Observations from Auditor  | Management comments  | Status:<br><i>(Resolved / Not Resolved)</i> | Timeframe:<br><i>(Put a date when you expect the issue to be resolved)</i> |
|--|--|--|---|--|
|  | <p><b>Lack of land ownership Documents:</b><br/>The statement of Financial Position reflects a balance of Kshs. 200,917,428 in respect of property, plant and equipment which, as disclosed in note 24 to the financial statement includes ksh 3,457,000 being the value of six pieces of land owned by the institute. However title deed and valuation reports for the pieces of land were not provided</p> | <ul style="list-style-type: none"> <li>• We agree with your observation that we reflected a figure of sh 3,457,000 being value of six pieces of land owned by the institute.</li> <li>• We also agree that we did not avail valuation report over the same assets. This is because the college has not been able to do the exercise due to the cost involved. The reduced funding by the mother Ministry has made it hard for the institute to comply.</li> <li>• However, we wish to confirm that the institute has a total of six pieces of land whereby five of them have complete ownership title which were provided during audit and have been a availed both in soft and hard copy severally during the previous audits. To date, the sixth piece of land is being processed by CDF. Ikolomani</li> </ul> | Partially resolved                          | By 30 <sup>th</sup> June 2025  |
| <b>Other Matters:</b>                      |  |  |   |  |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
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| Reference No. on the external audit Report | Issue / Observations from Auditor  | Management comments  | Status:<br><i>(Resolved / Not Resolved)</i> | Timeframe:<br><i>(Put a date when you expect the issue to be resolved)</i> |
|--|--|--|---|--|
| 1.Budgetary Control:                       | <p>The statement of comparative budget and actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs. 128,012,602 and Kshs. 65,117,481 respectively, resulting to under-funding of Kshs. 62,895,121 or 59% of the budget. Similarly, the statement reflects actual expenditure of Kshs. 75,224,973 against approved budget of kshs. 128,012,602 resulting to under-performance of Kshs. 52,787,629 or 41% of the budget.</p> <p>The under-funding and under-performance affected the planned activities and may have negatively affected service delivery to the public</p> | <p>We agree with your observation on budget performance and we promise to improve on internal issues affecting our budget implementation. However other matters like government funding are beyond our control since the Government releases funds at its own pace</p> | Not resolved                                |  |
| Unresolved Previous Year matters           | Failure to adhere to Third rule on Salary Deductions   | We agree with your observation on the matter and to date it has been resolved addressed.   | Resolved                                    |  |

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments   | Status:<br><i>(Resolved / Not Resolved)</i> | Timeframe:<br><i>(Put a date when you expect the issue to be resolved)</i> |
|--|-----------------------------------|---|---|--|
|  | Lack of Ethnic Diversity          | The management agree that the matter is not yet resolved. The period of resolving this is unpredictable since the Management cannot terminate employee's services unlawfully or employ more of other communities so as to comply with ethnic diversity. This issue will be addressed with time. | Not resolved                                |  |



.....  
MRS. LUCY MUHAVI  
PRINCIPAL/SEC. BOG.

Date 25/03/2025  
.....

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE  
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**Appendix II: Projects Implemented by Bushiangala Technical Training Institute**

**Projects**

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

| Project title | Project Number                 | Donor | Period/ duration | Donor commitment | Separate donor reporting required as per the donor agreement (Yes/No) | Consolidated in these financial statements (Yes/No) |
|---------------|--------------------------------|-------|------------------|------------------|---|---|
| 1             | Construction of Dormitory      | MOE   | 40 WEEKS         | 40,107,104       | NO  | Yes   |
| 2             | Construction of Perimeter Wall | SELF  | UNKOWN           | NONE             | NO  | YES   |

**Status of Projects completion**

|   | Project                        | Total project Cost | Total expended to date | Completion % to date | Budget     | Actual     | Sources of funds |
|---|--------------------------------|--------------------|------------------------|----------------------|------------|------------|------------------|
| 1 | Construction of Perimeter Wall | 8,468,893          | 3,328,359              | 40%                  | 850,000    | 0          | SELF             |
| 2 | Construction of Dormitory      | 40,107,104         | 31,327,702             | 78%                  | 40,107,104 | 31,327,702 | MOE              |