

REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY

THE NATIONAL ASSEMBLY	
<b>REPORT</b>	
DATE: 25 JUL 2023	DAY: TUESDAY
TABLED BY: DEPUTY MAJORITY WHIP	
OF: HON. NAOMI WAQO	
CLEAR THE TABLE: ANNE STIBUKO	

**THE AUDITOR-GENERAL**

**ON**

**BURETI TECHNICAL TRAINING  
INSTITUTE**

**FOR THE YEAR ENDED  
30 JUNE, 2022**





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**BURETI TECHNICAL TRAINING INSTITUTE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2022**

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



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**BURETI TECHNICAL TRAINING INSTITUTE**  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2022

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

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

The *institution* was incorporated/ established under the TVET Act 2013 of 25<sup>th</sup> January, 2013. The entity is domiciled in Kenya. The institute is under the Ministry of Education.

The institute currently has five functional departments namely;

1. Electrical and electronics engineering
2. Building and mechanical engineering
3. Agriculture and social sciences
4. Information communication technology
5. Business studies

### **(b) Principal Activities**

The principal mandate of the *Bureti TTI* is captured in our vision and mission statements as well as our strategic objectives guided by our core values as stated below.

#### **(a) Vision**

To develop a human resource that skilful, flexible and dynamic

#### **(b) Mission**

To objectively meet the needs of the dynamic socio-economic challenges with innovation and creativity

#### **(c) Strategic objectives**

- I. Enhance equity and access
- II. Improve institutes governance
- III. Promote effective application of ICT
- IV. Institutionalize effective research and development
- V. Ddiversify sources and increase funding
- VI. Develop effective communication internally and externally
- VII. Enhance collaboration and linkages
- VIII. Enhance competitiveness
- IX. Upgrade infrastructure

#### **d) Core Values**

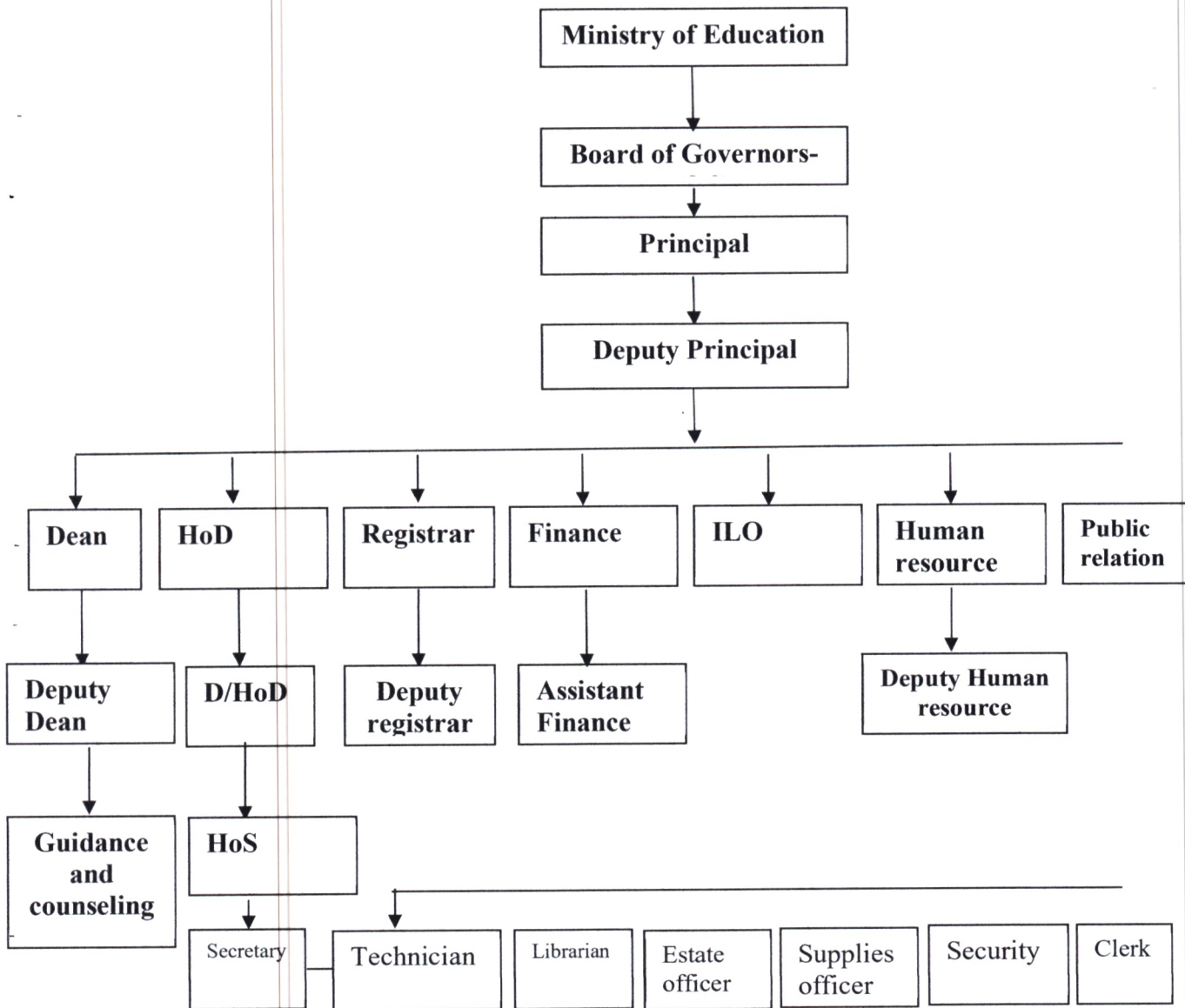
Professionalism  
Integrity  
Accountability  
Efficiency  
Teamwork  
Discipline and hard work  
Respect

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**(c) Key Management**

Bureti TTI day-to-day management is under the following key organs:



**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Principal	<b>Sammy K. Cheruyot</b>
2.	Deputy Principal Administration	<b>Frederick C. Keter</b>
3.	Deputy Principal Academics	<b>Antony A. Agesa</b>
4.	Registrar	<b>Naomi Odira</b>
5.	Ag. Dean of Students	<b>Alphina Cheruiyot</b>
6.	Head of Finance	<b>Gilbert Ngeno</b>
7.	Head of Procurement	<b>Eddah Chebet</b>

**(e) Fiduciary Oversight Arrangements**

The board of governors has three committees in place name;

1. Audit committee with the membership as follows

- i. Dr. Nyakwara Simon    chairman    HR
- ii. Beatrice Wanjiru    member    ICT
- iii. Irine Ngeno    member    Education

The responsibility of the committee is to receive and consider reports, make recommendations and advise the Board on:

- ✓ Internal and external audit reports
- ✓ Internal Audit annual plan
- ✓ Internal controls
- ✓ Risk management
- ✓ Compliance to laws, regulations and standards.
- ✓ Governance
- ✓ Governance Audit Reports

2. Finance and human resource committee with the membership as follows

- i. Dorris Tochiu    Chairperson    Accountant
- ii. Zachary Ooko    member    Education
- iii. Jep Lentoijoni    member    Development specialist
- iv. Engineer Richard Bett    member    Engineering and technology

The committee is in charge of oversight activities involving hiring and management of human resource personnel within the institution.

To receive and consider reports, make recommendations and advise the Board on:

- ✓ The College planning and financial strategy
- ✓ Annual budget and medium Term Expenditure Framework;
- ✓ Resource Mobilization
- ✓ Purchase and sale of property and disposal of idle assets.
- ✓ The College investment and borrowings;
- ✓ The progress of the implementation of plans and policies as outlined in the strategic plan.
- ✓ Approval of new construction projects;

## BURETI TECHNICAL TRAINING INSTITUTE

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- ✓ The progress of projects;
- ✓ Maintenance and development of buildings and land;
- ✓ Development, investment and enterprise.
- ✓ Collaboration and Partnerships
- ✓ Memorandum of Understanding
- ✓ College Legal and ICT Status
- ✓ Human Resource Strategy, Policies and Procedures and standards.
- ✓ Terms and conditions of employment for the college staff
- ✓ To discuss all personnel issues affecting College employees.
- ✓ Staff recruitment, selection, deployment and career development

### 3. Training and Research committee with the membership as follows

- |      |                       |          |                            |
|------|-----------------------|----------|----------------------------|
| i.   | Zachary Ooko          | chairman | Education                  |
| ii.  | Engineer Richard Bett | member   | Engineering and technology |
| iii. | Dorris Tochiu         | member   | Accountant                 |

The committee's role and responsibility is to receive and consider reports, make recommendations and advise the Board on:

- ✓ Issues relating to student's affairs.
- ✓ Establishment of new Campuses.
- ✓ Admissions and examinations.
- ✓ Curriculum development/ Reviews
- ✓ Quality management systems.
- ✓ Sports updates
- ✓ Graduation updates
- ✓ Research Activities
- ✓ Performance Contracting
- ✓ Research and innovation development.

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

**(f) Entity Headquarters**

Bureti Technical Training Institute  
P.O. Box 444, 20406  
Off Cheplanget – Sotik Road  
Sotik, Kenya

**(g) Entity Contacts**

Telephone: (254) 0704 453 337  
E-mail: [buretitechnical@gmail.com](mailto:buretitechnical@gmail.com)  
Website: [www.buretitechnical.ac.ke](http://www.buretitechnical.ac.ke)

**(h) Entity Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Kenya Commercial Bank  
Sotik branch  
P.O Box 264-20406  
Sotik, Kenya

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

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

**II. THE BOARD OF GOVERNORS**

 <p>Dr. Kenneth Chelule, PhD Chairman Board of Governors</p>	<p>Dr. Kenneth Chelule is the Director of Partnership, Strategy, Research, and Resource Mobilization at the Special Economic Zones Authority (SEZA). Previously, he held the positions of Chief Research Scientist and Deputy Director at the Kenya Industrial Research and Development Institute (KIRDI). He has worked for Johnson &amp; Johnson (UK), Summit Medical (UK), and the University of Leeds (UK). Dr. Chelule is an experienced professional with more than 20 years of expertise in industrial research, technology transfer and MSME support. He holds a PhD in Mechanical Engineering and an MSc in Mechanical Engineering from Staffordshire University in the United Kingdom, as well as an Executive MBA from Jomo Kenyatta University of Agriculture and Technology (JKUAT) as well as Bachelor of Education (Technology) EDT, Power Mechanics Technology.</p>
 <p>Mr. Zachary Ooko Chair, Training and Research committee</p>	<ul style="list-style-type: none"> <li>• Date of birth: 1959</li> <li>• Bachelor of education technology</li> <li>• Masters of education</li> <li>• 34 years' experience in field of education and a senior education officer in ministry of education, state department of vocational and technical training.</li> </ul>
 <p>Engineer Richard Bett Member Finance and operations Committee</p>	<ul style="list-style-type: none"> <li>• Date of birth: 27<sup>th</sup> Feb 1961,</li> <li>• Diploma in building civil engineering.</li> <li>• Bsc Civil Engineering. Bangalore University India.</li> <li>• Experienced in building and civil engineering and currently involved in private practice.</li> </ul>
	<ul style="list-style-type: none"> <li>• Date of birth: 01 January 1962</li> <li>• Diploma in agriculture</li> <li>• Hons BA admin development studies</li> </ul>

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 <p>Japi Lentoijoni Finance and operations committee member</p>	<ul style="list-style-type: none"> <li>• Msc in Sustainable Agriculture</li> <li>• Has worked with ministry of agriculture, world vision Kenya and Kenya water towers agency as deputy director sustainable livelihoods.</li> </ul>
 <p>Beatrice Wanjiru Member- Audit and Risk committee</p>	<ul style="list-style-type: none"> <li>• Date of birth: 12 march1981</li> <li>• Diploma in information technology</li> <li>• Degree in information technology             <ul style="list-style-type: none"> <li>○ Works at the Ministry of Immigration and Registrations of Persons as Civil Registrar</li> </ul> </li> </ul>
 <p>Dr. Nyakwara Simon Chair Audit and risk management committee</p>	<ul style="list-style-type: none"> <li>• Date of birth: 1969</li> <li>• Bachelor of business administration and management.</li> <li>• Post graduate diploma in education.</li> <li>• Master's in business administration.</li> <li>• Doctor of philosophy in human resource.             <ul style="list-style-type: none"> <li>○ Works with Mount Kenya University As The Vice Chancellor, Administration Planning And Institutional Advancement Kisii Campus.</li> </ul> </li> </ul>
 <p>Peter cheruiyot County Director DTVET Independent member</p>	<ul style="list-style-type: none"> <li>• Date of birth: 8<sup>th</sup> August, 1972,</li> <li>• Mphil education administration and planning.</li> </ul> <p>Current County Director TVET in the counties of Nakuru,Kericho, Bomet and Narok.</p>

# BURETI TECHNICAL TRAINING INSTITUTE

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 <p>Irine Chelangat Ngeno Representing The County Government</p>	<ul style="list-style-type: none"> <li>• Date of birth: 27<sup>th</sup> July, 1976</li> <li>• MBA Strategic Management</li> <li>• BED Maseno University.</li> </ul> <ul style="list-style-type: none"> <li>○ Works with county government of kericho has the head of youth affairs technical and vocational training.</li> </ul>
 <p>Dorris Tochiu Imaria Chair, Finance and Human resource committee</p>	<ul style="list-style-type: none"> <li>• Date of Birth: 9th December 1984</li> <li>• 2007: Bachelor of Commerce (Finance Option) – University of Nairobi</li> <li>• 2014: ACCA – Accredited Chartered Certified Accountants. London</li> <li>• Feb 2019 – Present – Consulting Chief Finance Officer and audit manager – SoProCFO and Kawai Consultants (Related parties)</li> <li>• Aug 2018- July 2019 – Independent Financial Reporting Consultant – National Treasury through Deloitte &amp; Touchie Kenya</li> <li>• Dec 2017- July 2018- Audit Consultant - RSM US LLP –</li> <li>• Jan 2009 – Nov 2017 External Auditor – PKF Kenya</li> </ul>
 <p>Sammy K. K. Cheruiyot – (Principal/BOG Secretary)</p>	<ul style="list-style-type: none"> <li>• Date of Birth: 12<sup>th</sup> May 1972</li> <li>• Master’s in Education (M. ED BED ARTS)</li> <li>• 4 and half years of experience as Principal TTI..</li> </ul>

### III. MANAGEMENT TEAMS

 <p>Sammy K. Cheruiyot</p>	<p>Principal</p> <ul style="list-style-type: none"> <li>• Date of Birth: 12<sup>th</sup> May 1972</li> <li>• Master’s in Education (M. ED BED ARTS)</li> <li>• 4 and half years of experience as Principal TTI.</li> </ul>
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 Anton Agesa		Deputy Principal academics B.ED science Egerton university
 Fredrick Keter		Deputy principal administration B.ED (Technology) Moi university
Alpina Cheruiyot		Ag. Dean of students <ul style="list-style-type: none"><li>• Bachelor of Technology in Electrical Engineering, Technical University of Mombasa, Kenya</li><li>• Diploma in Technical Education, KTTC, Nairobi Kenya</li></ul>
 Gilbert Ngeno		Finance officer Certified Public Accountant of Kenya (CPA-K) KASNEB.
 Eddah Chebet		Procurement officer Bachelor of Business Administration Supply chain management, St Pauls University. Kenya

## **BURETI TECHNICAL TRAINING INSTITUTE**

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building in line with Vision 2030 and the Big4 Agenda (i.e. food security, affordable housing, universal health and manufacturing).

### **Challenges Faced**

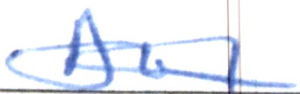
The Technical Training sector presents plenty of opportunities as well as risks, both of which need to be analysed in order to deliver sustainable long-term returns, without compromising training outcomes. During the year, the college faced the following challenges:

- Significant student debtors
- Cancellation of quarter four capitation by the ministry
- Sufficient boarding facilities
- Reliable and sustainable water supply

### **Outlook**

I am indeed deeply indebted to the members of the Board of Governors for their unwavering support, commitment and futuristic outlook towards realising the institute's objectives in line with its strategic plan and core mandate of training market-driven technical manpower. Noteworthy is the Board's diverse qualifications and experience. I unreservedly assure all our Stakeholders we at Bureti T.T.I, shall remain focussed, committed and consistent in the delivery of opportunities and accountably availing of resources to both trainers and trainees within the Government framework of accountability, corporate governance and ethical sustainability. Going forward Bureti T.T.I is committed to working closely in collaboration with other like-minded entities, institutions, agencies and any other bi-lateral & multi-lateral agencies involved in technical and vocational training to ensure that our trainees continue to receive Competency Based Training.

Lastly, I would like to whole-heartedly thank my fellow members of the Board of Governors, Management, Trainers, Trainees – and all other stake-holders for their co-operation, collaboration, continued support and commitment during this period under review.



Dorris Tochiu

**For Chairperson, Board of Governors**

22<sup>nd</sup> May, 2023.

**V. REPORT OF THE PRINCIPAL**

**Introduction**

Bureti TTI is a young public TVET institution in South Rift region with a promising future in offering skills for growth, as enshrined in its Vision. Through the welcome support of the area MP Hon Japhet Mutai and Kericho County Governor His Excellency Prof Paul Chepkwony.

The institution was registered by TVETA Authority as a public institution in 2016 and is offering market driven programs approved by TVETA and Examined by KNEC in line with actualizing the Big Four Agenda. The institution currently offers 44 programs with more expected once Mechanical workshop is complete.

❖ **Campuses**

We now have two campuses namely; Main campus and - Chebwagan campus, with a total combined enrollment of 2,600 students.

❖ **Staffing**

Our Training staff number 63 currently, 33 being employed by the Public Service Commission (PSC). However due to an increase in student population and more programs we are in the process of recruiting more PSC staff once positions are advertised.

**Projects Undertaken**

During the Financial Year under review, The Board was able to successfully complete and hand over Kericho TTI, Total TTI and Belgut TTI which was under her mentorship.

The Board was also able to undertake the following projects:

❖ **Projects**

We are glad to report that during the year 2021/2022 the management carried out the following projects

Tuition units

Ablution block

Water pan

**Future**

Our future plans in relation to expansion and well-being of the institutes are as follows;

- Increase student enrolment to 5000 students
- Acquire National Polytechnic status

## **BURETI TECHNICAL TRAINING INSTITUTE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2022**

- To construct student hostels
- To Acquire an executive vehicle for principal

Under my leadership, we were able to Kick-start the development of Human resources manual the finance, risk management and procurement manuals which will be completed in the year 2022/2023.

I have confidence that the trainees are well equipped with the necessary skills that strategically aligns them with opportunities within the country, regionally and globally at the same time contributing to the realization of the Big 4 Agenda: Health, Manufacturing, Affordable Housing and Food security.

Technical Training Institute being a Tertiary institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition. To do so, however the Institute requires a lot of support from the Government and other stakeholders in this crucial transitional stage to a National Institute in terms of funding, material support and other contributions. We shall continue to appeal for such support for several years to come.

On behalf of the Institute Board and Management, I take this opportunity to thank the Government for its unequivocal support during the year under review.

I also appreciate the financial, material and moral support of our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as the cooperation of the Management team, all staff and our students that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

I look forward to their continued support in the new financial year and the years ahead.

Thank you.

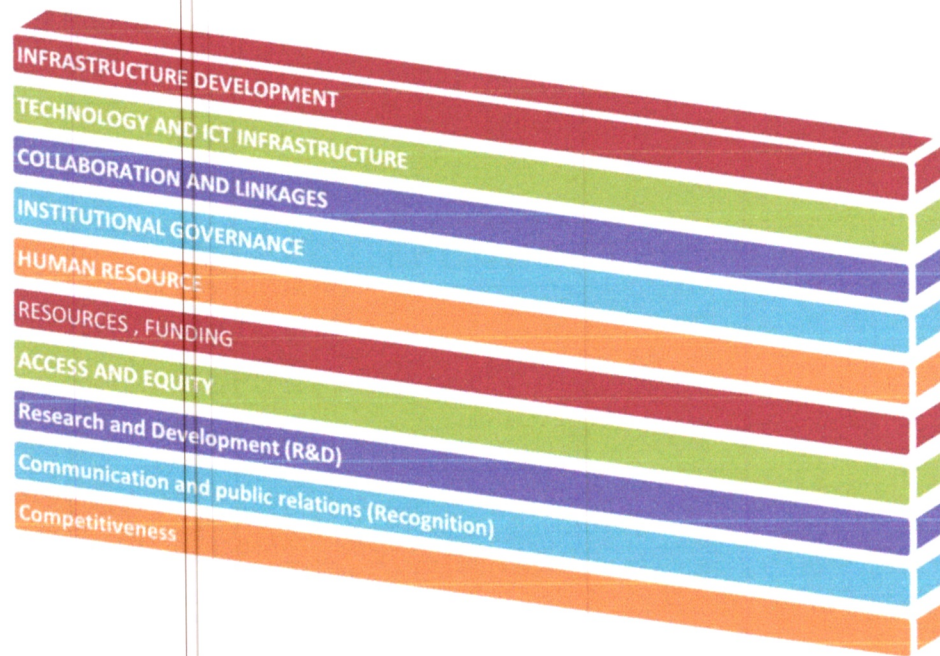


Sammy K Cheruiyot

**Principal/BOG Secretary**

**VI. REVIEW OF BURETI TECHNICAL TRAINING INSTITUTE'S PERFORMANCE FOR FY 2021/2022**

*Bureti Technical Training Institute* has 9 strategic pillars and objectives within its Strategic Plan for the FY 2021/2022- 2025/2026. These strategic pillars are as follows:



*Bureti Technical Training Institute* develops its annual work plans based on the above 9 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *Institute* achieved its performance targets set for the FY 2020/2021 period for its 9 strategic pillars, as indicated in the diagram below:

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Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
<b>Pillar Infrastructure</b>	<b>1:</b>	Improving and increasing physical facilities	<ul style="list-style-type: none"> <li>❖ Completion of buildings under construction,</li> <li>❖ Successfully complete the projects for institutions being mentored</li> </ul>	<ul style="list-style-type: none"> <li>❖ Develop a framework for improving and increasing physical facilities</li> <li>❖ Improve TVET equipment, information and communication systems</li> </ul>	Various blocks have been constructed including classrooms and hospitality Annex.
<b>Pillar Technology and ICT Infrastructure</b>	<b>2:</b>	Promote effective application of ICT	<ul style="list-style-type: none"> <li>❖ Complete ICT infrastructures,</li> <li>❖ Installation of Management Information System</li> <li>❖ ICT courses</li> </ul>	<ul style="list-style-type: none"> <li>❖ Develop adequate ICT capacity and infrastructure</li> <li>❖ Institutionalized Management Information System (MIS)</li> <li>❖ Promote the use of ICT in Curriculum delivery and management systems</li> </ul>	ICT courses are being offered in the institution MIS is in the process of being installed
		Enhance Equipment and Technology	<ul style="list-style-type: none"> <li>❖ Institution incubator and use of modern equipment and Technology</li> </ul>	<ul style="list-style-type: none"> <li>❖ Develop institution incubator</li> <li>❖ Promote use of modern equipment and Technology</li> </ul>	To be implemented
<b>Pillar 3: Research and Development (R&amp;D)</b>		Institutionalize effective research and development	<ul style="list-style-type: none"> <li>❖ Research and development infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>❖ Develop mechanisms for R&amp;D collaboration among TVET institutions.</li> <li>❖ Promote the use of research results in technology development and transfer</li> <li>❖ Develop R&amp;D infrastructure.</li> </ul>	To be implemented
			❖	❖	
<b>Pillar COLLABORATION AND LINKAGES</b>	<b>4:</b>	Enhance collaboration and linkages	<ul style="list-style-type: none"> <li>❖ Development partners on board</li> <li>❖ Mentorship</li> </ul>	<ul style="list-style-type: none"> <li>❖ Establish collaborations and linkages</li> <li>❖ Strengthen existing collaboration and linkages</li> <li>❖ Establish benchmarks and joint cooperation networks with</li> </ul>	The Institute has got several collaborations and linkages:

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			international TVET institutions	
<b>Pillar 5: Competitiveness</b>	Enhance competitiveness	❖ Increased students' numbers	❖ Strengthen existing competitiveness benchmarks ❖ Establish new competitiveness benchmarks	❖ Student numbers have continued to increase
<b>Pillar 6: INSTITUTIONAL GOVERNANCE</b>	❖ Improve institutional corporate governance ❖ Develop and Implement M&E Systems	❖ Constant review of courses offered ❖ Improved resultbased management in the training system ❖ Improved budget accuracy level	❖ Develop and implement institutional policies, strategies, and programmes (E.g. HIV/AIDS, Alcohol and drug abuse and health and safety, and environment) ❖ Embrace results based management in the training system ❖ Develop and implement M&E systems ❖ Fast track institutional expenditure review	❖ New courses being offered ❖ Improved budget accuracy
<b>Pillar 7: HUMAN RESOURCE</b>	❖ Harness Human resource	❖ Increased number of staff to match the increasing number of students	❖ Increase staff at TSC and BoG levels ❖ Develop competencies in staff	❖ New BoG staff have been employed
	❖ Improve and sustain relevance of skills		❖ Ensure quality assurance and standards ❖ Promote innovativeness in ST&I ❖ Establish the Center of excellence ❖ Improve the quality of work culture Strategy ❖ Encourage investment in the development and commercialization of TVET products and services including ICT	
<b>Pillar 8: FINANCIAL RESOURCES</b>	❖ Diversify sources and increase funding	❖ New development partners ❖ Enhanced existing	❖ Increase GoK funding ❖ Exploit external funding possibilities through developed criteria	❖ There are development partners funding

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		<p>partners' relationship</p> <ul style="list-style-type: none"> <li>❖ Increase in government development funds</li> </ul>	<ul style="list-style-type: none"> <li>❖ Expand income at generation institutional level</li> </ul>	<p>development projects.</p> <ul style="list-style-type: none"> <li>❖ The institution continues to receive development funds from the government.</li> </ul>
<p><b>Pillar 9: Communication and public relations (Recognition)</b></p>	<ul style="list-style-type: none"> <li>❖ To develop an effective and efficient communication system internally and externally at all levels and to enhance the image and visibility of Bureti TTI.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Improved institution</li> </ul>	<ul style="list-style-type: none"> <li>❖ Improve the image of TVET</li> </ul>	<ul style="list-style-type: none"> <li>❖ Objective achieved</li> </ul>
<p><b>Pillar 10: ACCESS AND EQUITY</b></p>	<p>Enhance Access and equity</p>	<ul style="list-style-type: none"> <li>❖ Improved training programmes in MSE sector.</li> <li>❖ Expansion of facilities</li> </ul>	<ul style="list-style-type: none"> <li>❖ Expand facilities based on government priorities</li> <li>❖ Support TVET trainees</li> <li>❖ Promote affirmative action for TVET trainees</li> <li>❖ Reform and enhance education, training, and guidance services.</li> <li>❖ Improve training programmes in MSE sector.</li> <li>❖ Offer higher level programmes</li> <li>❖</li> </ul>	<ul style="list-style-type: none"> <li>❖ Expansion of facilities achieved</li> </ul>

**VII. CORPORATE GOVERNANCE STATEMENT**

Technical Training Institute is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens Board and management accountability and helps build public trust in the Institute.

The Board is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, state department of Vocational and Technical Training to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Board serves as the ultimate decision making body of the Institute, except for those matters reserved to or shared with the Government of Kenya. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Institute in line with the Technical, Vocational, Education & Training Act of 2013 and the constitution of the Republic of Kenya.

The board of governors held three Full board meetings and five subcommittee meetings in the financial 2021/2022. The current board was appointed on 17<sup>th</sup> March 2022 and inaugurated on 26<sup>th</sup> April 2022, for a term of three years ending 16<sup>th</sup> March 2025.

On expiry of the tenure of the current board (16<sup>th</sup> March 2025) the process of appointment of a new board of management is as laid out in the TVET act of 2013 shall be followed

Under the TVET act of 2013, the functions of Board of Governors as set out under section 28 (1) shall include -

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
- (c) Administering and managing the property of the institutions;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions; (1) receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;
- (i) Developing and reviewing programmes for training and to make representations thereon to the Board;

**BURETI TECHNICAL TRAINING INSTITUTE****ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2022**

- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;
- (l) Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- (n) Making regulations governing organization, conduct and discipline of the staff and students;
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the Board;
- (p) Providing for the welfare of the students and staff of the institutions;
- (q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- (r) Discharging all other functions conferred upon it by this Act or any other written law.

The board in the period it has been in existence has endeavoured to discharge its functions independently with vigour and passion. Their diligence and prudent management of resources has been result oriented and much has been achieved during their term in office. They have been able to interpret government policies and TVET Act as well as other relevant laws in existence making the institution to move forward as we actualize the strategic plan. Moving forward, the Board is aligning its discharging of duties by improving on its operations while surpassing the set targets where possible.

***Attendance of board meetings***

During FY 2021/2022, there was 98% eligible attendance at all meetings of the Board and Committees. The following table shows the number of meetings held during 2021/2022, the attendance of each Member;

	13/07/2021	16/07/2021	2/10/2021	20/11/2021	26/04/2022	12/5/2022	27/06/2022
KENNETH CHELULE					PRESENT		PRESENT
JONAH LANGAT	PRESENT	PRESENT	PRESENT	PRESENT			
IRENE CHELANGAT	PRESENT	PRESENT	PRESENT		PRESENT	PRESENT	PRESENT
PETER CHERUIYOT	PRESENT	PRESENT	PRESENT		PRESENT	PRESENT	PRESENT
RICHARD BETT	PRESENT	PRESENT	PRESENT		PRESENT	PRESENT	PRESENT
HARRISON MWANGI	PRESENT	PRESENT	PRESENT				
ANTHONY MOSEKA	PRESENT	PRESENT	PRESENT				
LEVINE MOSOTI		PRESENT					
ZIPPORAH KETER		PRESENT	PRESENT				

**BURETI TECHNICAL TRAINING INSTITUTE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2022**

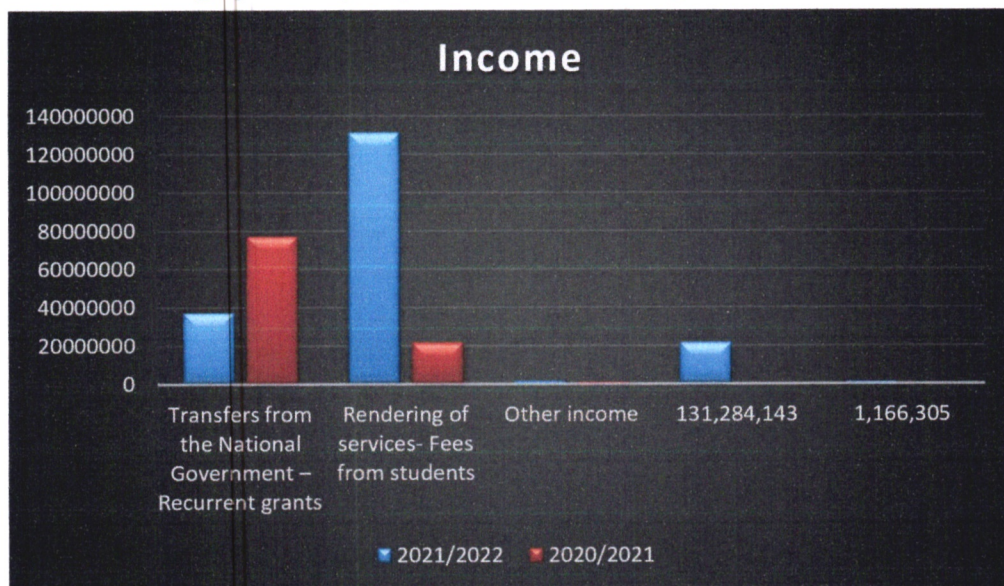
ZACHARY OOKO				PRESENT	PRESENT	PRESENT	
DORRIS TOCHIU					PRESENT	PRESENT	
BEATRICE GATHUMBI					PRESENT	PRESENT	PRESENT
JEPI LENTOJONI					PRESENT	PRESENT	PRESENT
SIMON NYAKWARA						PRESENT	PRESENT

**VIII. MANAGEMENT DISCUSSION AND ANALYSIS**

**Bureti Technical Training Institute operational and financial performance**

During the year ended June 2022, the Institution had 2,600 students compared to 2,300 in year 2020/2021. Total income slightly increased in 2021/2022 which was attributed to increased number of students.

Below are the graphs analysing the revenues and expenses of the institution.



**2021/2022 expenses**

# BURETI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2022



## Bureti Technical Training Institute compliance with statutory requirements

Bureti Technical Training institute complies to deduction and remittance of statutory deductions such NHIF, NSSF and PAYE.

### Major risks facing the organisation.

The institutes' major risks are mainly related to its core business which is training and human resource development. Some of the identified risks include;

- i. Low student enrolment.
- ii. Student turnover
- iii. Inadequate student accommodation and support facilities
- iv. Delayed disbursement of capitation and HELB grants
- v. Staff turnover due to inability to retain them

## Key projects and investment decisions

S/NO.	PROJECTS	DESCRIPTIONS	CONTRACTOR	AMOUNT PAID	DATE	STATUS
1	Tuition units	Retention	Gisal Harlem Holding	1,062,767	19/7/2021	completed
2	Ablution block	Retention	Afriscap Ltd	138,583	21/7/2021	completed
3	Water pan	part payment	Fast & vast ltd	1,897,678	12/1/2022	50%
	TOTAL			3,099,028		

**IX. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

*Bureti 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 brief highlight of our achievements in each pillar*

**1. Sustainability strategy and profile -**

The triple Bottom Line concepts analyses the sustainability of an organization based on three concepts: Profits, people (social) and Planet (environment).

**Profit:**The institute has adopted a transformation strategy aimed at ensuring that she remains financially sound in the face of dwindling funding from the central government. The institutions have expanded its capacity for internally generated income like production of sanitizers and masks.

**Social:**the institute has developed a succession management policy to address the welfare of employees in the future and ensure that the organization is sustainable in the future

**Environment:**The board of governance has plans to undertake an environmental sustainability audit and developed an environmental policy to address the issues of environmental sustainability that will be identified during the audit.

**2. Employee welfare**

At Bureti Technical Training Institute, we value our employees and our many stakeholders, including the wider community where the training of our students has the potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through community consultation process.

We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviors of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We integrate the principles of social responsibility into our training activities externally by minimizing our environmental impact and seeking to enhance the amenity of residential communities.

<b>Activity</b>	<b>Description</b>
Better training	optimizing training operations to meet ongoing social and sustainability objectives.  providing opportunities for us to grow as Institute by becoming involved in our local community.
Enhanced community	focusing on good urban design and empowered members for healthy, happy and  resilient community.

## BURETI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2022

Supported Staff promoting initiatives that support staff and their families, beyond the provision of employment.

promoting initiatives that recognize the contribution of the students to the community.

### a) Policies guiding hiring process

The following are the Bureti Technical Training Institute Board policies that guide hiring process;

S/no	Title	Review Period	Remarks
1	Career Progression	Regularly	Vacant positions are filled competitively both internally and externally.  This largely depends on availability of funds
2	Human Resource Manual	Regularly	Terms and conditions of service governing employees are applied across the board without discrimination
3	Internship Policy and guidelines	Regularly	Intern positions are filled competitively and without discrimination
5	Gender Mainstreaming	Regularly	Bureti TTI observes equal employment opportunities during staff recruitment across all genders
6	Disability Mainstreaming	Regularly	The institute offers equal employment opportunities to officers living with disability. The institute also offers rights and privileges as provided in the PWDs Act and Board employment policies

### 3. Market place practices-

#### Responsible Supply Chain and Supplier relations

The institute has maintained good business practice by complying with the government policy and Section 227 of The Constitution of Kenya.

All procurement activities have continuously been carried out where Supply Chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure. The organization has maintained and continuously updated list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs. Bureti Technical Training Institute has at all-time ensured responsible treatment of the suppliers in various ways as featured below;

- i) Ensuring proper communication channels e.g. Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- ii) Providing customer support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.

## **BURETI TECHNICAL TRAINING INSTITUTE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2022**

- iii) When doing procurement planning the institute has complied with preference and reservation requirements.
- iv) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

#### **4. Community Engagements-**

During the year under review, the institute carried out various CSR activities to impact the society as highlighted below;

- (a) Installation of internet and wifi connectivity which is shared with the local schools within reach, specifically Tiriitab Moita Primary school.
- (b) Tree planting activities in collaboration with Equity bank, wings to fly foundation and Eco-green community self-help group

**BURETI TECHNICAL TRAINING INSTITUTE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2022

**X. REPORT OF THE BOARD OF GOVERNORS**

The Board members submit their report together with for the year ended June 30, 2022 which show the state of Bureti Technical training institute affairs.

**Principal activities**

The principal activities of the entity are training and development of human resource in various fields

**Results**

The results of the Bureti TTI for the year ended June 30, 2022 are set out on page 1 to 22

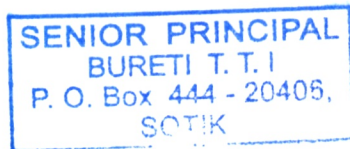
**Board of governance**

The members of the Board who served during the year are shown on pages' vi and vii. During the year none of our directors retired or was appointed into the board

**Auditors**

The Auditor General is responsible for the statutory audit of Bureti TTI in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Sammy Cheruiyot  
Principal/BOG Secretary  
Date:.....

**XI. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES**

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

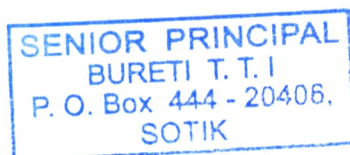
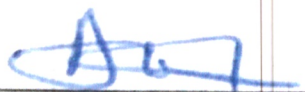
The Board members are responsible for the preparation and presentation of Bureti TTI financial statements, which give a true and fair view of the state of affairs of Bureti TTI for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Bureti TTI (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Bureti TTI 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 State Corporations Act, and the TVET Act of 2013*). The board of governors are of the opinion that Bureti TTI financial statements give a true and fair view of the state of Bureti TTI transactions during the financial year ended June 30, 2022, and of Bureti TTI financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Bureti TTI, which have been relied upon in the preparation of Bureti TTI 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 Bureti TTI 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 *entity's* financial statements were approved by the Board on 22<sup>nd</sup> May 2022 and signed on its behalf by:



.....

For Chairperson of the Board

.....

Accounting officer/Principal

# REPUBLIC OF KENYA



*Enhancing Accountability*

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Monrovia Street  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON BURETI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Bureti Technical Training Institute set out on pages 1 to 31, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have

obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bureti Technical Training Institute as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Financial Statements**

Review of the financial statements for the year under review revealed variances between comparative balances and audited balances for the year ended 30 June, 2021 as analyzed below:

<b>Balances in Financial Statements</b>	<b>Comparative Figures 2021/22 (Kshs.)</b>	<b>Certified Report 2020/21 (Kshs.)</b>	<b>Variances (Kshs.)</b>
<b>Statement of Financial Performance</b>			
Transfers from National Government	76,942,500	90,447,120	(13,504,620)
Rendering of Services-Fees	21,617,137	2,729,044	18,888,093
Other Income	922,486	1,183,726	(261,240)
Use of Goods & Services	30,799,468	31,679,221	(879,753)
Depreciation & Amortization	17,865,071	15,996,204	1,868,867
Contracted Services	3,000,000	-	3,000,000
Impairment Loss	88,900,000	-	88,900,000
Gain on Sale of Bulls	-	486,000	(486,000)
Revaluation Gain	-	30,648,815	(30,648,815)
<b>Statement of Financial Position</b>			
Receivables from Mentored Institutions	250,000	523,900	(273,900)
Property, Plant & Equipment	505,273,358	310,936,560	194,336,798
Intangible Assets	-	105,560	(105,560)
Trade & Other Payables	15,841,979	16,262,694	(420,715)
Deferred Income	9,417,800	4,948,342	4,469,458

In the circumstances, the accuracy of balances reflected in the financial statements could not be confirmed.

### **2. Unsupported Receivables from Exchange Transactions**

The statement of financial position and as disclosed in Note 17 to the financial statements reflects receivables from exchange transactions balance of Kshs.101,253,192. However, debtors' ageing analysis was not provided to identify long outstanding debtors and to review their collectability. In addition, the Institute did not have an approved policy on debtors' management.

In the circumstances, the accuracy of receivables from exchange transactions of Kshs.101,253,192 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

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

The Institute statement of comparison of budget and actual amounts reflects Kshs.362,107,199 in respect to approved revenue budget and actual revenue of Kshs.169,365,448 resulting to underfunding of Kshs.192,741,751 or 53%. Further, the statement also reflects approved expenditure budget Kshs.194,404,032 and actual expenditure of Kshs.112,997,811 resulting to a budget under-expenditure of Kshs.81,406,221 or 42%.

In the circumstances, the underfunding and under absorption of funds affected the planned activities and may have impacted negatively on service delivery to the public.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Irregular Procurement of Management Information System**

Review of financial records revealed that the Institute entered into a contract with a Computer Systems firm on 25 June, 2021 for supply installation training and implementation of an integrated enterprise resource planning system with four modules namely admissions\registry, financial, procurement and examination management at a cost of Kshs.2,900,000. The method of procurement used was request for quotations. However, the firm was not prequalified as required by Section 93(1) of the Public Procurement and Asset Disposal Act, 2015 and therefore request for quotation should not have been applied in this case. Further scrutiny of the documents revealed that the institute had negotiated with the supplier for additional modules namely human resource and payroll, institute portal, timetable, assets, library and bank integration at an additional cost of Kshs.7,192,000 via minutes dated 23 September, 2021.

However, no evidence was provided to indicate that the additional modules procured were done in accordance with the provisions of the public procurement and assets disposal act 2015 and its regulations in respect to direct procurement.

In addition, as at the time of audit the vendor had been paid a total of Kshs.11,115,000 resulting to an overpayment of Kshs.1,023,000 in respect to total contract amount of Kshs.10,092,000.

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

## **2. Non-Compliance with the Minimum Wages Guidelines**

Review of the payroll revealed that fifteen (15) employees' salaries were below the minimum wage which was in contravention with the Regulation of Wages (General) (Amendment) Order, 2018.

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

## **3. Irregular Increase of Board Allowances**

Review of the board remuneration ledger and board minutes REF: BTTI/BOG/2022-2025/VOL/01 agenda MIN/BTTI/BOG/5/26/04/2022 on Board allowances, revealed that the board members agreed to raise their allowances to Kshs.20,000 exclusive of a transport allowance of Kshs.6,000. The Technical and Vocational Education and Training Act, 2013, Second Schedule, Section 17 states that an approval of the Cabinet Secretary is required with respect of board member services such as remuneration or allowances. The Institute was unable to provide an approval to the same effect.

In the circumstances, the regularity of the expenditure on Board allowances could not be confirmed.

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Prepare Human Resource Plans**

Review of records revealed that the Institute did not maintain a scheme of service for its employees showing clearly the points of entry into employment, academic or

technical requirements, career progression, promotion requirements, establishment requirements per cadres and others. Further during the year under review the Institute did not have an approved staff establishment and thus it was not clear how positions were filled. Therefore, it was not possible to determine whether the Institute had optimum staff or not. This was contrary to the Human Resource Policies and Procedures Manual for the Public Service, 2016 Section B2(1) states that every Ministry/State Department shall prepare Human Resource Plans to support achievement of goals and objectives in their Strategic plans. The plans shall be based on comprehensive job analysis and shall be reviewed every year to address emerging issues and needs.

In the circumstances, the Institute did not have human resource plans to support achievement of its goals and objectives.

## **2. Lack of Risk Management and ICT Policy**

The Institute Management had not put in place risk management policy, strategies, and risk register to mitigate against risk. Therefore, it was not clear how the Management manages risk exposures. This is in contravention of Regulation 165 (1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism; and the county government entity develops a system of risk management and internal control that builds robust business operations.

Further, the Institution did not have an ICT Policy and Business Continuity Plan that stipulates how ICT related risk are identified, managed and how to utilize ICT in monitoring the performance of the Institute.

In the circumstances, the Institute's IT assets may not be efficiently utilized and the Institute may be exposed to ICT security threats.

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

## **Responsibilities of Management and the Board of Governors**

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

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

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

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

The Board of Governors is responsible for overseeing the 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**

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

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

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become

inadequate because of changes in conditions, or that the degree of compliance with the Institute's policies and procedures may deteriorate.

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

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

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**27 June, 2023**

**BURETI TECHNICAL TRAINING INSTITUTE**  
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**FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2022**

**XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2021/2022	2020-2021	STATUS
		Kshs	Kshs	
<b>Revenue from non-exchange transactions</b>				
Transfers from the National Government – Recurrent grants	6	36,915,000	76,942,500	R
<b>Total Revenue from non-exchange transactions</b>		<b>36,915,000</b>	<b>76,942,500</b>	
<b>Revenue from exchange transactions</b>				
Rendering of services- Fees from students	7	131,284,143	21,617,137	R
Sale of goods				
Other income	8	1,166,305	922,486	R
<b>Revenue from exchange transactions</b>		<b>132,450,448</b>	<b>22,539,623</b>	
<b>Total revenue</b>		<b>169,365,448</b>	<b>99,482,123</b>	
<b>Expenses</b>				
Use of goods and services	9	81,673,444	30,799,468	R
Employee costs	10	21,358,868	16,231,845	R
Board allowances	11	2,268,120	1,789,270	
Depreciation and Amortization Expense	12	19,779,610	17,865,071	R
Repairs and maintenance	13	7,697,379	1,967,947	
Contracted services	14	-	3,000,000	R
Impairment loss	15	-	88,900,000	R
Finance cost				
<b>Total expenses</b>		<b>132,777,421</b>	<b>160,553,601</b>	
<b>Others</b>				
gain on sale of bulls	24			R
revaluation gain				R
<b>Net surplus/(deficit) for the year</b>		<b>36,588,027</b>	<b>(61,071,478)</b>	

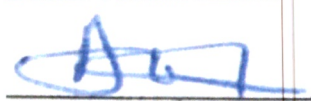
The notes set out on pages 7 to 22 form an integral part of the Annual Financial Statements.

**XIV. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022**

	Notes	2021-2022	2020-2021	STATUS
		Kshs	Kshs	
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	16	67,548,253	94,647,040	
Receivables from exchange transactions	17	101,253,192	61,669,569	
Receivable from mentored institution	18	4,570,708	250,000	R
Inventories	19	1,959,164	575,037	
Biological assets	20	1,824,462	-	
<b>Total Current Assets</b>		<b>177,155,779</b>	<b>157,141,646</b>	
<b>Non-current assets</b>				
Property, plant and equipment	22	428,757,874	505,273,358	R
Intangible assets	21	9,600,640	-	R
<b>Total Non-current Assets</b>		<b>438,358,514</b>	<b>505,273,358</b>	
<b>Total assets</b>		<b>615,514,293</b>	<b>662,415,004</b>	
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables from exchange transactions	23	5,453,242	15,841,979	R
Refundable balances	24	143,630	143,630	
Deferred income	25	9,417,800	9,417,800	R
<b>Total Current Liabilities</b>		<b>15,014,672</b>	<b>25,403,409</b>	
<b>Total liabilities</b>		<b>15,014,672</b>	<b>25,403,409</b>	
<b>Capital and Reserves</b>				
<b>Revaluation gain</b>				
Accumulated surplus		140,728,412	177,240,386	
Capital grants	27	324,904,035	324,904,035	
Revaluation reserve	28	134,867,174	134,867,174	
<b>Total Reserves</b>		<b>600,499,621</b>	<b>637,011,595</b>	
<b>Total Liabilities and Reserves</b>		<b>615,514,293</b>	<b>662,415,004</b>	

The Financial Statements set out on pages 1 to 22 were signed on behalf of the Institute Board of Governors by:


Dorris Tochiu Imaria



For Board Chair

Date: 22-05-2023

Janeth Chepkirui  
ICPAK No 28183  
Finance Officer

  
28183

Date: 22-05-2023

Sammy K. Cheruiyot.



Principal

Date: 22-05-2023

SENIOR PRINCIPAL  
BURETI T.T.I  
P. O. Box 400-200  
SOLE

**XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022**

	Accumulated surpluses	Capital grants	Revaluation reserve	Total
<b>Balance b/f at July 1, 2018</b>	<b>30,887,015</b>	<b>272,000,000</b>		<b>302,887,015</b>
Surplus for the year	(1,541,612)	-		<b>(1,541,612)</b>
<b>Balance c/d as at June 30, 2018</b>	<b>29,345,403</b>	<b>272,000,000</b>		<b>301,345,403</b>
<b>Balance b/f at July 1, 2018</b>	<b>29,345,403</b>	<b>272,000,000</b>		<b>301,345,403</b>
Surplus for the year	61,311,312			<b>61,311,312</b>
<b>Balance c/d as at June 30, 2019</b>	<b>90,656,715</b>	<b>272,000,000</b>		<b>362,656,715</b>
<b>Balance b/f at July 1, 2019</b>	<b>90,656,715</b>	<b>272,000,000</b>		<b>362,656,715</b>
Surplus for the year	57,798,864	-		<b>57,798,864</b>
Transfer of depreciation from accumulated surpluses to capital grants	956,285	(956,285)		-
<b>Balance c/d as at June 30, 2020</b>	<b>149,411,864</b>	<b>271,043,715</b>		<b>420,455,579</b>
Additions during the year	-	142,760,320	134,867,174	<b>277,627,494</b>
Transfer of impairment on donated land from accumulated surplus to capital grants	88,900,000	(88,900,000)	-	-
Surplus for the year	(61,071,478)	-	-	<b>(61,071,478)</b>
Balance c/d as at June 30, 2021	<b>177,240,386</b>	<b>324,904,035</b>	<b>134,867,174</b>	<b>637,011,595</b>
<b>Balance as at July 1, 2021</b>	<b>177,240,386</b>	<b>324,904,035</b>	<b>134,867,174</b>	<b>637,011,595</b>
Surplus for the year	36,588,027	-	-	<b>36,588,027</b>
Reinstatement of assets included in financial statements	(73,100,000)			<b>- 73,100,000</b>
<b>Balance c/d as at June 30, 2022</b>	<b>140,728,412</b>	<b>324,904,035</b>	<b>134,867,174</b>	<b>600,499,621</b>

**Notes:**

- The assets were revalued during financial year 2020/2021 as a result a revaluation reserve of KShs. 134,867,174 was recognized.
- Land that was initially recorded in the books at an estimated cost of KShs. 225,000,000 was revalued and resulted to an impairment loss of KShs. 88,900,000 which has been recognized in the statement of financial performance.
- Note: since land was donated by the community and is part of the capital grants, the impairment loss of 88,900,000 was transferred from accumulated surplus to capital grant.

## **BURETI TECHNICAL TRAINING INSTITUTE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2022**

- d. The government had donated several equipment to the school whose value was not recognized in the books. These items were valued at KShs. 65,460,320 and included in the fixed assets under statement of financial position and the double entry is under capital grants.
- e. The ministry is constructing a main building on behalf of the institute which is still work in progress. The cost of this building was not included in the books of the institute initially and during the valuation exercise, the work in progress was valued at 77,300,000 which we have recognized under fixed assets and capital grants.

**XVI. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE 2022**

	Notes	2021-2022	2020-2021
		kshs	kshs
<b>Revenue</b>			
Transfers from the National Government – Recurrent grants	6	36,915,000	90,447,120
<b>Total Revenue from non-exchange transactions</b>		<b>36,915,000</b>	<b>90,447,120</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	131,284,143	12,581,935
Sale of goods			
Other income	8	1,166,305	922,486
<b>gain on sale of bulls</b>	24	-	(486,000)
<b>Revaluation gain</b>			
<b>Revenue from exchange transactions</b>		<b>132,450,448</b>	<b>13,018,421</b>
<b>Total revenue</b>		<b>169,365,448</b>	<b>103,465,541</b>
<b>Payments</b>			
Use of goods and services	9	81,673,444	30,799,468
Employee costs	10	21,358,868	16,231,845
Repairs and maintenance	12	7,697,379	1,967,947
Board allowances	13	2,268,120	1,789,270
Contracted services - Assets valuation	14	-	3,000,000
Depreciation			
<b>total expense</b>		<b>112,997,811</b>	<b>53,788,530</b>
<b>Net Surplus for the year</b>		<b>56,367,637</b>	<b>49,677,011</b>
<b>Adjusted for:</b>			
<b>Depreciation</b>			
<b>revaluation gain</b>			
<b>Increase in receivables</b>		(43,904,332)	(8,531,083)
<b>(Decrease)/increase in payables</b>		(10,184,837)	8,044,502
<b>Increase in inventories</b>		(1,384,127)	(575,037)
<b>Net cash flow from operating activities</b>		<b>894,341</b>	<b>48,615,393</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment		(13,963,966)	(32,868,414)
Purchase of intangible assets		(12,000,800)	
(Purchases)/sale of biological assets		(1,824,462)	1,386,000
<b>Net cash flows used in investing activities</b>			
<b>Net increase in cash and cash equivalents</b>		(27,098,787)	17,132,979
Cash and cash equivalents at start of year		94,647,040	77,514,061
<b>Cash and cash equivalents at end of year</b>	14	<b>67,752,153</b>	<b>94,647,040</b>
<b>Cash and cash equivalents as per the Balance Sheet</b>		<b>67,752,153</b>	<b>94,647,040</b>

**BURETI TECHNICAL TRAINING INSTITUTE**

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**XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>	<b>VARIANCE</b>	<b>Percentage</b>
	<b>2021-2022</b>	<b>2021-2022</b>	<b>2021-2022</b>	<b>2021-2022</b>	
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
<b>Revenue</b>					
Transfers from Government	70,800,000	36,915,000	33,885,000	(A)	48%
Rendering of services- Fees from students	102,351,200	131,284,143	28,932,943	(B)	-28%
Other income	14,921,640	1,166,305	13,755,335	(C)	92%
Development Income	174,034,359			(D)	100%
<b>Total income</b>	<b>362,107,199</b>	<b>169,365,448</b>	<b>18,707,392</b>		5%
<b>Expenses</b>					
Compensation of employees	18,388,440	21,358,868	(2,970,428)	(E)	-16%
Use of Goods and services	142,743,592	81,673,444	61,070,148	(F)	43%
Board allowances	4,736,000	2,268,120	2,467,880	(G)	
Repair and maintenance	28,536,000	7,697,379	20,838,621	(H)	73%
<b>Total expenditure</b>	<b>194,404,032</b>	<b>112,997,811</b>	<b>81,406,221</b>		
<b>Surplus for the period</b>	<b>167,703,167</b>	<b>56,367,637</b>	<b>(62,698,829)</b>		
<b>Capital expenses</b>	<b>168,269,886</b>	<b>13,963,966</b>	<b>154,305,920</b>	(I)	92%

(A) The variance was due to non-receipt of 4<sup>th</sup> Quarter capitation.

(B) The variance was due to more receipts due to increase in HELB Receipts during the financial year

(C) The Institute was unable to undertake Income Generating Activities.

(D) The Institute did not receive development funds anticipated from the Ministry and C.D.F.

(E) The engagement of casual workers led to increased expenditure.

(F) Non –receipt of the expected income led to under-spending.

(G) The board tenure expired and there were no board meetings held till the appointment of the new Board members.

(H) Less repairs were done as there were no much breakages.

(I) Development Income from the Ministry and C.D.F were not received, this led to under-spending.

**BURETI TECHNICAL TRAINING INSTITUTE**

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2022

**XVIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Bureti Technical Training Institute is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer technical skills and knowledge.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the institute's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Bureti Technical Training Institute.

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

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

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

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.**

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

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

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>No impact of the standard to the Entity</i></p>

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Standard	Effective date and impact:
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</p> <p><i>No impact of the standard to the Entity</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>No impact of the standard to the Entity</i></p>
<p>Other improvements to IPSAS</p>	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul>

**BURETI TECHNICAL TRAINING INSTITUTE**  
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Standard	Effective date and impact:
	<p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b> Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul> <p><i>No impact of the standard to the Entity</i></p>
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>No impact of the standard to the Entity</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>No impact of the standard to the Entity</i></p>

**iii. Early adoption of standards**

*(The entity)* 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

**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.

**Interest income**

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

**b) Budget information**

The original budget for FY 2021/2022 was approved by the Board on **30/06/2022**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

### a) 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.

Depreciation on all other assets is calculated on the reducing balance basis method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

	<u>Rate %</u>
Buildings	2
Plant and machinery	12.5%
Motor vehicles	25
Furniture and fittings	12.5
Computer equipment	30

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings in the statement of changes in equity.

### b) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

**Computer software**

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be 5 years.

**c) Nature and purpose of reserves**

**a. Accumulated surpluses**

This relates to surpluses brought forward and the one for the current year.

**b. Capital reserves**

This relates to fixed assets granted by the government or any other donor.

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

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

The changes in accounting policy that took place during the year is adoption of accrual basis of accounting from the cash basis. This policy will help the institution to report its financial performance and position more accurate and fairly state the position and performance than the cash basis.

**e) Employee benefits**

**Retirement benefit plans**

The institution and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The institution's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

**f) Related parties**

Bureti TTI 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 Institution, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Principal, Head of Finance and Head of Procurement.

The government of Kenya through the ministry of education is also related party to the Bureti TTI.

**g) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

**h) Comparative figures**

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

**i) Biological assets**

The biological assets have been stated at their fair values less estimated point-of-sale costs. The fair value is determined based on market prices.

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### **5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

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

The board of Governance made only one significant judgement in preparing these financial statements.

#### **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

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

**6. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

	<b>FY 2021/2022</b>	<b>FY 2020/2021</b>
<b>Unconditional grants</b>		
Development grants	-	-
Capitation	36,915,000	76,942,500
<b>Total Government grants and subsidies</b>	<b>36,915,000</b>	<b>76,942,500</b>

**7. RENDERING OF SERVICES**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Tuition fees	87,594,194	10,021,205
HELB	33,768,000	11,345,100
CDF	2,500,853	2,159,520
Activity fees	396,793	625,884
Attachment	377,784	126,440
Registration fees	3,024,484	1,233,050
Examination fees	3,505,750	488,755
Internet fee	116,285	86,601
Deferred income (unutilised development funds) recognised as revenue in previous years.	-	(4,469,418)
<b>Total Rendering of Services</b>	<b>131,284,143</b>	<b>21,617,137</b>

**8. OTHER INCOME**

<b>Description</b>	<b>FY 2021/2022</b>	<b>FY 2020/2021</b>
	<b>KShs</b>	<b>KShs</b>
Insurance	185,410	65,580
Student council	91,680	212,896
Student id	42,720	5,250
IGA	21,695	152,760
Sale of Bulls	-	486,000
Computer packages	37,300	-
Sale of chairs	787,500	-
<b>Total other income</b>	<b>1,166,305</b>	<b>922,486</b>

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

**9. USE OF GOODS AND SERVICES**

Description	2021-2022	2020-2021
	KShs	KShs
Tuition expenses	14,087,603	2,972,512
Boarding expenses	9,769,172	191,544
Activities	2,496,730	14,600
Electricity and water	2,724,797	1,608,072
Insurance	1,229,579	297,874
Attachment	141,100	640,900
Registration	-	-
Stationery	4,703,424	631,587
House keeping expenses	423,924	228,063
Student council	2,759,950	1,386,675
Students identity cards	725,500	-
Administrative expense	12,274,011	7,506,933
Medical expenses	342,460	142,414
Bank charges	58,566	117,674
Internet expenses	1,427,573	1,653,368
Examination expenses	9,714,950	8,204,030
Marketing expense	2,246,700	337,000
Direct costs to internally generated income (IGA)	300,369	63,030
Refund	-	21,850
Other expenses	152,455	-
Farm expense	1,500	-
Placement fee	465,000	-
Travel, motor car, accommodation, subsistence and other allowances	15,028,081	4,781,342
Fabrication of chairs expense	600,000	-
<b>Total good and services</b>	<b>81,673,444</b>	<b>30,799,468</b>

**10. EMPLOYEE COSTS**

Description	FY 2021/2022	FY 2020/2021
	KShs	KShs
Salaries and wages	21,358,868	16,231,845
<b>Total Employee costs</b>	<b>21,358,868</b>	<b>16,231,845</b>

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

**11. REMUNERATION OF DIRECTORS**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Chairman's Honoraria	181,800	327,250
Other allowances	2,086,320	1,462,020
<b>Total director emoluments</b>	<b>2,268,120</b>	<b>1,789,270</b>

**12. DEPRECIATION AND AMORTIZATION EXPENSE**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Property, plant and equipment	17,379,450	17,714,271
Intangible assets	2,400,160	150,800
<b>Total depreciation and amortization</b>	<b>19,779,610</b>	<b>17,865,071</b>

**13. REPAIRS AND MAINTENANCE**

<b>Description</b>	<b>FY 2021/2022</b>	<b>FY 2020/2021</b>
	<b>KShs</b>	<b>KShs</b>
General repairs and maintenance	7,697,379	1943600
Bus repair	-	45,297
Other vehicles repair	-	180,000
<b>Total Repairs and Maintenance</b>	<b>7,697,379</b>	<b>2,168,897</b>

**14. CONTRACTED SERVICES**

<b>Contracted services</b>	<b>FY 2021/2022</b>	<b>FY 2020/2021</b>
Property valuation cost	-	3,000,000
<b>Total contracted services</b>	<b>-</b>	<b>3,000,000</b>

**15. IMPAIRMENT LOSS**

<b>Impairment loss</b>	<b>2020-2021</b>	<b>2019-2020</b>
Land cost brought forward	-	225,000,000
Market price	-	(136,100,000)
<b>Total impairment loss</b>	<b>-</b>	<b>88,900,000</b>

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**16. CASH AND CASH EQUIVALENTS**

Description	FY 2021/2022	FY 2020/2021
	KShs	KShs
Kenya Commercial Bank – Operation	59,027,277	35,581,951
Kenya Commercial Bank - Enterprises account	148,505	1,515,839
Kenya Commercial Bank – Development	9,873,912	9,873,912
Kenya Commercial Bank – Capitation	(1,308,352)	47,650,393
Cash on hand	10,811	24,945
<b>Total cash and cash equivalents</b>	<b>67,752,153</b>	<b>94,647,040</b>

**17. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

Description	FY 2021/2022	FY 2020/2021
	KShs	KShs
Student debtors	101,005,192	60,821,570
Advances	248,000	848,000
<b>Total current receivables</b>	<b>101,253,192</b>	<b>61,669,570</b>

**18. RECEIVABLES FROM MENTORED INSTITUTIONS**

Description	FY 2021/2022	FY 2020/2021
	KShs	KShs
Total TTI	2,124,400	250,000
Kericho TTI	2,446,308	-
<b>Total Receivables from mentored institutions</b>	<b>4,570,708</b>	<b>250,000</b>

**19. BIOLOGICAL ASSETS**

Description	FY 2021/2022	FY 2020/2021
	KShs	KShs
Heifers	1,824,462	-
<b>Total biological assets</b>	<b>1,824,462</b>	<b>-</b>

**20. INVENTORIES**

Description	FY 2021/2022	FY 2020/2021
	KShs	KShs
Housekeeping inventory	323,884	41,543
Stationeries	1,372,840	492,113
Boarding inventories	262,440	41,381
<b>Total inventories</b>	<b>1,959,164</b>	<b>575,037</b>

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**21. INTANGIBLE ASSETS – ERP SYSTEM**

Description	2021-2022	2020-2021
	KShs	KShs
Cost		
At beginning of the year	1,508,000	1,508,000
Reversal of the impaired system	(1,508,000)	
<b>Additions</b>	12,000,800	-
Cost end of the year	12,000,800	1,508,000
Amortization and impairment		
<b>At beginning of the year</b>	(1,508,000)	- 1,357,200
Reversal of the depreciation on impaired system	1,508,000	
Amortization	(2,400,160)	(150,800)
Amortization at end of the year	(2,400,160)	(1,508,000)
<b>NBV</b>	<b>9,600,640</b>	-

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

**22. PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings and Structures	Motor vehicles	Fence	Furniture and fittings	Computers and Accessories	Plant and Machinery	Capital Work in progress	Total
Cost		Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
		2%	25%	20%	12.5%	30%	13%		
At 30th June 2020	225,000,000	50,651,244	7,489,630	-	1,941,552	2,475,000	148,000	20,276,485	307,981,911
Transfer from WIP	-	11,881,130	-	3,636,919	-	-	-	(15,518,049)	-
Capital donations	-	-	-	-	-	-	65,460,320	77,300,000	142,760,320
Additions	-	25,237,671	-	824,750	615,000	3,201,400	-	4,052,360	33,931,181
Revaluation	(88,900,000)	111,750,955	(489,630)	-	3,949,248	1,214,440	0	10,789,204	38,314,217
At 30th June 2021	136,100,000	199,521,000	7,000,000	4,461,669	6,505,800	6,890,840	65,608,320	96,900,000	522,987,629
Additions	-	-	3,165,400	-	1,792,588	7,108,300	-	1,897,678	13,963,966
At 30th June 2022	136,100,000	199,521,000	10,165,400	4,461,669	8,298,388	13,999,140	65,608,320	98,797,678	536,951,595
Reinstatement of other institutions assets included	(21,100,000)	- 52,000,000							- 73,100,000
At 30th June 2022 Reinstated	115,000,000	147,521,000	10,165,400	4,461,669	8,298,388	13,999,140	65,608,320	98,797,678	463,851,595
Consisting of:									
Cost	225,000,000	87,770,045	10,655,030	4,461,669	4,349,140	12,784,700	65,608,320	88,008,474	498,637,378
Valuation	(88,900,000)	111,750,955	(489,630)	-	3,949,248	1,214,440	-	10,789,204	38,314,217
Total	136,100,000	199,521,000	10,165,400	4,461,669	8,298,388	13,999,140	65,608,320	98,797,678	536,951,595
Depreciation and impairment									-
At 30th June 2020	-	3,793,286	1,872,408	-	480,534	1,470,100	36,630	-	7,652,957
Reversal on revaluation	-	(3,793,286)	(1,872,408)	-	(480,534)	(1,470,100)	(36,630)	-	(7,652,957)
Depreciation	-	3,990,420	1,750,000	892,334	813,225	2,067,252	8,201,040	-	17,714,271
At 30th June 2021	-	3,990,420	1,750,000	892,334	813,225	2,067,252	8,201,040	-	17,714,271
Depreciation	-	2,870,612	2,103,850	713,867	935,645	3,579,566	7,175,910	-	17,379,450
At 30th June 2022	-	6,861,032	3,853,850	1,606,201	1,748,870	5,646,818	15,376,950	-	35,093,721
Net book values									
At 30th June 2022	115,000,000	140,659,968	6,311,550	2,855,468	6,549,518	8,352,322	50,231,370	98,797,678	428,757,874
At 30th June 2021	136,100,000	195,530,580	8,415,400	3,569,335	7,485,163	11,931,888	57,407,280	98,797,678	519,237,324

**BURETI TECHNICAL TRAINING INSTITUTE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****23. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description	2021-2022	2020-2021
	KShs	KShs
Trade payables	4,844,042	6,292,026
Fees paid in advance	-	7,055,443
Third-party payments - Payable to Kericho Tvc	-	1,681,410
Third-party payments - Payable to Belgut Tvc	813,100	813,100
<b>Total trade and other payables</b>	<b>5,657,142</b>	<b>15,841,979</b>

**24. REFUNDABLE DEPOSITS FROM STUDENTS (CAUTION MONEY)**

Description	2021-2022	2020-2021
	KShs	KShs
Balance brought forward	143,630	143,630
Add: Receipts		-
Less: Expenses		
Closing balance	<b>143,630</b>	<b>143,630</b>

**25. DEFERRED INCOME**

Description	2021-2022	2020-2021
	KShs	KShs
Balance brought forward	9,417,800	4,948,382
Adjustment of previous years development receipts treated as income for the year	-	4,469,418
Add: Receipts from MOE		
Less: Capital expenditure		
Closing balance	<b>9,417,800</b>	<b>9,417,800</b>

**26. GAIN ON SALE OF ASSETS**

Description	2021-2022	2020-2021
	KShs	KShs
Sales proceeds	-	1,386,000
Less: Cost of biological assets	-	(900,000)
<b>Total gain on sale of assets</b>	<b>-</b>	<b>486,000</b>

**27. CAPITAL GRANTS**

Description	2021-2022	2020-2021
	KShs	KShs
Tuition and Administrative block donated by the government	47,000,000	47,000,000
Land donated by the community	225,000,000	225,000,000
Less: impairment loss on the land	(88,900,000)	(88,900,000)
Equipment and machinery donated by the government	142,760,320	142,760,320
Transfer of depreciation from accumulated surpluses to capital grants	(956,285)	(956,285)
<b>Total capital grants</b>	<b>324,904,035</b>	<b>324,904,035</b>

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****28. REVALUATION RESERVE**

	Cost b/F as at 1st July 2020	Additions	Capital donations not included in the books	Transfer from WIP	Total cost	Less items not revalued	Total cost subjected to valuation	Market Value	Revaluation loss/gain on cost	Reversal of Depreciation B/F on revaluation	Revaluation reserve
Land	225,000,000	-			225,000,000		225,000,000	136,100,000	(88,900,000)	-	
Buildings	50,651,244	25,237,671		11,881,130	87,770,045		87,770,045	199,521,000	111,750,955	3,793,286	115,544,241
WIP - buildings (library, classrooms and masonry workshops	20,276,485	4,052,360	77,300,000	(15,518,049)	86,110,796		86,110,796	96,900,000	10,789,204	-	10,789,204
											-
Computers	2,475,000	3,201,400	-		5,676,400	(3,201,400)	2,475,000	3,689,440	1,214,440	1,470,100	2,684,540
Furniture and fittings	1,941,552	615,000	-		2,556,552	(615,000)	1,941,552	5,890,800	3,949,248	480,534	4,429,782
Plant and machinery	148,000		65,460,320		65,608,320		65,608,320	65,608,320	-	36,630	36,630
Motor Vehicle	7,489,630		-		7,489,630		7,489,630	7,000,000	(489,630)	1,872,408	1,382,778
Fence	-	824,750	-	3,636,919	4,461,669	(4,461,669)	-	-	-		
	<b>307,981,911</b>	<b>33,931,181</b>	<b>142,760,320</b>	<b>-</b>	<b>484,673,412</b>	<b>(8,278,069)</b>	<b>476,395,343</b>	<b>514,709,560</b>	<b>38,314,217</b>	<b>7,652,957</b>	<b>134,867,174</b>

**BURETI TECHNICAL TRAINING INSTITUTE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

**28. FINANCIAL RISK MANAGEMENT**

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

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

**(i) Credit risk**

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

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

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

	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>
<b>At 30 June 2022</b>		
Receivables from exchange transactions	101,253,193	101,253,193
Receivable from mentored institution	3,745,808	3,745,808
Bank balances	67,548,253	67,548,253
<b>Total</b>	<b>172,547,254</b>	<b>172,547,254</b>
<b>At 30 June 2021</b>		
Receivables from exchange transactions	61,669,570	61,669,570
Receivable from mentored institution	250,000	250,000
Bank balances	94,647,040	94,647,040
<b>Total</b>	<b>156,566,610</b>	<b>156,566,610</b>

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**FINANCIAL RISK MANAGEMENT (Continued)**

**(i) Credit risk (continued)**

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

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

**(ii) Liquidity risk management**

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2022</b>				
Trade and other payables from exchange transactions		4,844,042	-	3,815,242
Refundable deposits from customers		-	143,630	143,630
Deferred income		-	9,417,800	9,417,800
Payable to Belgut Tvc	813,100			813,100
<b>Total</b>	<b>813,100</b>	<b>4,844,042</b>	<b>9,561,430</b>	<b>14,189,772</b>
<b>At 30 June 2021</b>				
Trade and other payables	-	6,292,026	-	15,841,979
Refundable deposits from customers		-	143,630	143,630
Deferred income		-	9,417,800	9,417,800
Prepaid fees		7,055,443		7,055,443
Payable to kericho Tvc	1,681,410			1,681,410
Payable to Belgut Tvc	813,100			813,100
<b>Total</b>	<b>2,494,510</b>	<b>15,841,979</b>	<b>9,561,430</b>	<b>34,953,362</b>

**(iii) Market risk**

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control

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market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

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

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

The transactions and balances with related parties during the year are as

	2021-2022	2020-2021
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Grants /Transfers from the Government</b>		
Grants from National Government	36,915,000	76,942,500
<b>Total</b>	<b>36,915,000</b>	<b>76,942,500</b>

## 30. ULTIMATE AND HOLDING ENTITY

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

## 27. Currency

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

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**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Time frame: (Put a date when you expect the issue to be resolved)</b>
4.11	Inaccuracies of the Financial Statements	Financial statements have been amended the financial statements to reflect the correct and approved opening	Resolved	
4.12	Unsupported Revaluation Gain	Financial statements have been corrected to exclude revaluation gain in the statement of financial performance.	Resolved	
4.2	Budget Control and Performance	The current financial year have been prepared to realistic figures in relation to the expected number of students during the financial year.	Resolved	
4.3.1	Misstatement of Transfers from National Government.	HELB and CDF have been reclassified to Revenue from exchange transactions.	Resolved	
4.3.2	Misstatement of HELB Funds	T HELB Funds is due to HELB received on behalf of mentee institutions have been indicated.	Resolved	
4.4.1	Unsupported Rendering of Services Income.	Adjustments have been made to correct the error and rendering of services revenue restated.	Resolved	

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4.4.2	Unsupported Sale of Goods Income	A note supporting gain on sale of Biological assets have been provided for in the amended financial statement and a ledger in support of the same provided.	Resolved	
4.5.	Unsupported use of goods and services	<p>Student's constitution which provides for payment for receipts under student's council has been provided for.</p> <p>-Journal entries have been raised to reclassify amounts erroneously included in administrative cost</p> <p>Service agreement to support the rates and payments to safaricom as is in place.</p> <p>-Acknowledgement from KNEC for funds paid for examination have been attached to payments.</p>	Resolved	
4.5.2	Unsupported Procurement of Goods and Services	Supporting documentation on use of goods and services have been attached for audit review-this includes budget, purchase orders, goods received notes, delivery notes, approvals, invoices, bill of quantities, work tickets, motor vehicle repair and service logbook, and motor vehicle inspections report-in	Resolved	

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4.6.1	Misstatement of Employee Costs	The financial statements have been amended to reflect LT&T expense under use of goods and services instead of salaries and wages.	Resolved	
4.6.3	Lack of Approved Staff Establishment	-The management has developed a staff establishment which is pending board approval	Not resolved	
4.6.4	Staff Acting Beyond Six (6) Months	The Board Of Governors are in a process of establishing staff contracts.	Not resolved	
4.7.1	Misstatement of Board Allowances	The error has been corrected and board invitation letters provided attached for reference.	Resolved	
4.7.2	Unsupported Expenditure on Board Allowances	-In the appointment of the current board of governors, this was taken into consideration and the current chair of Finance and operations committee is an experienced accountant. -The board shall establish an annual board work plan.	Resolved	
4.9	Unsupported Receivables from exchange transactions	Documentation supporting policy on debtors and support of imprest and advances has been provided	Resolved	
4.10	Irregular Management of Mentored Institutions	The institute shall ensure that the right procedure is in place on mentorship of institutions' and a policy will be put in place.	Not resolved	

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4.11	Unsupported Liabilities	A support has been included for caution fee	Resolved	
4.12	Unsupported Deferred Income	This relates to funds received from government for development purposes but the funds are yet to be utilised. We have recognised the full amount received for the library construction.	Resolved	
4.13	Design, Development and Implementation of a Risk Management Policy and Strategy Criteria	The Board of governor has discussed the matter of the risk management policy, risk register and development of other critical Institute policies and has set aside a budget in the current financial year to facilitate the development of Institute policies.	Not Resolved	

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4.14	Establishment and Functioning of the Internal Audit Function.	The Board of governor has discussed the matter Internal Audit and is in the process of recruiting an internal auditor and establishing the department in the year 2022/2023. -Reconstitution of the Board to Internal Audit committee have been made.	Not Resolved	
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Accounting Officer/principal

Name SAMMY K. CHERUYOT



SENIOR PRINCIPAL  
BURETI T. T. I  
P. O. Box 444 - 20406,  
SOTIK

Signature.....

Date. 22-05-2023.

**APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY**

**Status of Projects completion**

S/NO.	PROJECTS	DESCRIPTIONS	CONTRACT AMT.	AMOUNT PAID	DATE	STATUS
1	Water pan	part payment	4,000,000	1,897,678	12/1/2022	50%
	TOTAL					

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**Appendix III- Inter-Entity Confirmation Letter**

Bureti Technical Training Institute  
P.O. Box 444, 20406  
Sotik

The *Ministry of Education, Science and Technology, state department Vocational and Technical Training* wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June 2022							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022				Amount Received by [beneficiary Entity] (KShs) as at 30 <sup>th</sup> June 2022 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
1	18th November 2021	11,355,000			11,355,000	11,355,000	-
2	07 March 2022	11,355,000			11,355,000	11,355,000	-
3	3th June 2022	14,205,000			14,205,000	14,205,000	-
Total		<b>36,915,000</b>			<b>36,915,000</b>	<b>36,915,000</b>	-

I confirm that the amounts shown above are correct as of the date indicated.  
**Head of Accounting department of beneficiary Entity:**  
Name ..... Sign .....Date .....

