

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 28 FEB 2023

DAY: TUESDAY

BY: Leader of the Majority Party (LOM)

CLERK-AT-THE-TABLE: Inzofu Mwale

OF

THE AUDITOR-GENERAL

ON

**BURETI TECHNICAL TRAINING
INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2021**



BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2021

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



BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

Table of Contents

KEY ENTITY INFORMATION AND MANAGEMENT	ii
KEY ENTITY INFORMATION AND MANAGEMENT (Continued)	v
THE BOARD OF GOVERNORS	vi
MANAGEMENT TEAM	viii
CHAIRMAN'S STATEMENT	x
REPORT OF THE PRINCIPAL	xii
REVIEW OF BURETI TECHNICAL TRAINING INSTITUTE'S PERFORMANCE FOR FY 2020/2021	xv
CORPORATE GOVERNANCE STATEMENT	xx
MANAGEMENT DISCUSSION AND ANALYSIS	xxii
CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY	xxiv
REPORTING	xxiv
REPORT OF THE BOARD OF GOVERNORS	xxvii
STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES	xxviii
REPORT OF THE INDEPENDENT AUDITORS ON BURETI TTI	xxix
IV. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021 ...	1
V. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021	2
VI. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021	3
VII STATEMENT OF CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021	4
VII. STATEMENT OF BUDGET VS ACTUAL FOR THE YEAR ENDED 30 JUNE 2021	5
V. NOTES TO THE FINANCIAL STATEMENTS	7
APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	21
APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY	23
APPENDIX III: INTER-ENTITY TRANSFERS	24

KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The *institution* was incorporated/ established under the TVET Act 2013 of 25th 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 sated below.

(a) Vision

To develop human resource that is 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. Diversify sources and increase funding
- VI. Develop effective communication internally and externally
- VII. Enhance collaboration and linkages
- VIII. Enhance competitiveness
- IX. Upgrade infrastructure

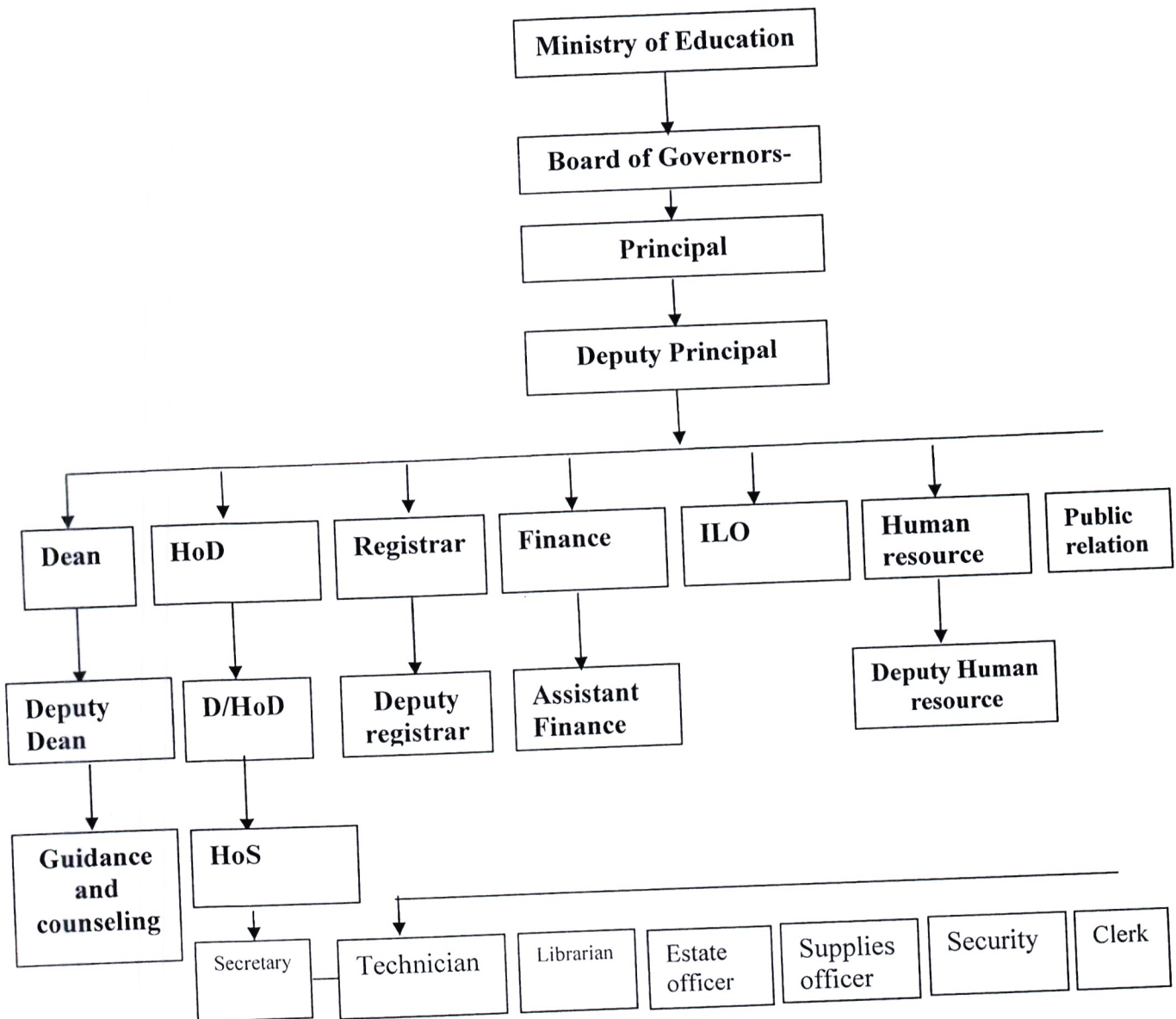
d) Core Values

Professionalism
Integrity
Accountability
Efficiency
Teamwork
Discipline and hard work
Respect

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

(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 30th June 2020 and who had direct fiduciary responsibility were:

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

No.	Designation	Name
1.	Principal	Sammy K. Chemoiwa
2.	Deputy Principal Administration	Frederick C. Keter
3.	Deputy Principal Academics	Antony A. Agesa
4.	Registrar	Naomi Odira
5.	Ag Dean of Students	Dennis Milgo
6.	Head of Finance	Gilbert Ngenoh
7.	Head of Procurement	Eddah Chebet

(e) Fiduciary Oversight Arrangements

The board of governors has two committees in place name;

1. Audit committee with the membership as follows

- | | | | |
|------|-----------------|----------|---------------------|
| i. | Harrison Mwangi | chairman | Procurement officer |
| ii. | Anthony Moseka | member | Lawyer |
| iii. | Zipporah Keter | member | Management |

The committee is in charge of oversight activities involving institution financial reports and internal control systems and compliance to laws and regulations.

Internal auditor who is reporting to the committee is currently not available but the institution will employ one soon.

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

- | | | | |
|------|-----------------|----------|---------------------|
| i. | Anthony Moseka | Chairman | Lawyer |
| ii. | Harrison Mwangi | member | Procurement officer |
| iii. | Irine Ngeno | member | Education |

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

They are also responsible in ensuring financial discipline in all financial related issues

3. Development and Infrastructure committee with the membership as follows

- | | | | |
|------|-----------------------|----------|----------------------------|
| i. | Engineer Richard Bett | chairman | Engineering and technology |
| ii. | Zipporah Keter | member | Management |
| iii. | Irine Ngeno | member | Education |

The committee's role and responsibility is to oversight approved project implementation schedules, observation of timelines, financial discipline in project implementation, projections of future projects based on the institute's strategic plan and government policies.

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

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

(g) Entity Contacts

Telephone: (254) 0704 453 337
E-mail: buretitechnical@gmail.com
Website: 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

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

THE BOARD OF GOVERNORS

 <p>Jonah Langat Information communication Technology Chairman BOG</p>	<p>Date of birth: 27th November, 1956</p> <ol style="list-style-type: none"> 1. M.Sc Computer security systems. Kean University, union New Jersey, USA. 2. B.Sc in computer science, Jersey City State College, New Jersey, USA <p>Lecturer, Kabarak University Computer Science/IT Department</p>
 <p>Anthony Moseka Leadership and management Chair, Finance and Human resource committee</p>	<p>Date of birth: 6th January, 1972</p> <ol style="list-style-type: none"> 1. LLB (Bachelor of legal laws) Government Law College, University of Bombay(Mumbai), India 2. B.A Bachelor of Arts, Community Development and Education extension, BVRI Agra University. <p>Part time Lecturer, Maasai Mara university, Narok School of business</p>
 <p>Engineer Richard Bett Engineering and Technology Chair Infrastructure and development committee</p>	<p>Date of birth: 27th Feb 1961,</p> <ol style="list-style-type: none"> 1. Bsc Civil Engineering. Bangalow University, India. <p>Retired Civil Servant Private practice.</p>
 <p>Harrison Mwangi Procurement Human Resource and Finance committee member</p>	<p>Date of birth: 22nd November, 1988,</p> <ol style="list-style-type: none"> 1. Bachelor of Purchasing and supplies management. Jomo Kenyatta university of Agriculture and Technology, Kenya 2. Graduate Diploma. Chartered of Procurement and of Supplies. Kenya Institute of Management <p>Private practitioner and Procurement consultant.</p>

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

 <p>Levine Mosoti Onyari Independent Board member</p>	<p>Date of birth: 1987</p> <ol style="list-style-type: none"> 1. B.Sc Instrumentation and Control Engineering. Egerton University, Kenya Instrumentation and Control Engineer, Kenya Electricity Generating Ltd.
 <p>Zipporah Keter Leadership and management</p>	<p>Date of birth: 3rd June, 1985</p> <ol style="list-style-type: none"> 1. Msc Environmental and Biosystems Engineering. 2. B. Tech. Chemical and Process Engineering. <p>Safety officer, Kenya Pipeline Company</p>
 <p>Peter cheruiyot County Director DTVET Independent member</p>	<p>Date of birth: 8th August, 1972,</p> <ol style="list-style-type: none"> 1. Mphil education administration and planning.
 <p>Irine Chelangat Ngeno Representing The County Government</p>	<p>Date of birth: 27th July, 1976</p> <ol style="list-style-type: none"> 2. MBA Strategic Management 3. BED Maseno University.
 <p>Sammy K. Chemoiwa Principal Secretary to the Board of Governors</p>	<p>Date of birth: 18th January, 1967</p> <ol style="list-style-type: none"> 1. BSc Agricultural Engineering University of Nairobi. 2. PGDE Mt Kenya University.

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021



Eddah Chebet

Procurement officer

Bachelor of Business administration Supply chain management, St Pauls University. Kenya

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

CHAIRMAN'S STATEMENT

INTRODUCTION

Bureti TTI has had a humble start and is filled with a promising future.

Situated in Tiriitab Moita, (a place for calves) as coined from the Kipsigis word, this place was known for a number of communal activities dating way back to pre-colonial times. Herdsmen did not allow cultivation and planting of trees but permitted grass-cutting for thatching of traditional huts.

During the post-colonial era, political leaders led by notably the late Hon. Prof. Jonathan Ngeno and former Bureti Mp Hon. Paul Kipkorir Sang coined the proposals of putting up a technical training Institute.

It was in 2007 that Retired President Mwai Kibaki, in company of Dr. Noah Wekesa then Minister for science & Technology, Francis Sigei (former PC Nairobi) and Hon. Paul Sang(MP Bureti constituency laid the foundation stone.

However, it was on 13th December 2008 that His Excellency Deputy President Dr. William Samoei Ruto, flanked by Hon. Frankline Bett, Dr. Sally Koskei and Prof. Margaret Kamar launched the construction that was done by Nanjang Foreign Engineering Co. Ltd (K)

Having been in the inaugural and current Board, I am proud that the institution is well managed and will realized its potentials.

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. More programs will be added in the near future as we anticipate actualizing Big Four Agenda.

Currently, we have three campuses namely Main campus, Chebwagan campus and Tebesonik campus with total enrollment of 1,886. Kenya Universities and Central Placement Services have been instrumental in ensuring we receive students from across the country.

Our collaboration with HELB has been fruitful since most of our students are from humble background. In addition, we have partnered with Equity Bank in rolling out smart cards that also doubles up as student identity.

We are indebted to the Ministry of education for continuous support in providing us with state of the art equipment of which we are now awaiting commencement of phase III.

Our performance in KNEC examinations has been on above average and annually we surpass the PC targets. Success in our academic performance couldn't be possible without competent and committed staff totaling 76; out of this 18 are employed by PSC. We look forward to receiving more in the subsequent PSC advertisements.

The institute is privileged to have successfully mentored to fruitful success 3 institutions namely Belgut, Kericho Township TTI and Total TTI. These institutions are now operational and enrollment for January

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

is ongoing.

The institute is in the process of rolling out CBET programs as required by the Ministry. To actualize this, we have been able to host a week's CDACC training between 7th and 10th January 2020. This is a follow-up to another successful training that was conducted in April 2019. My staff is now ready and well prepared to roll out the CBET programs as we move to the future of competency skills.

Being placed in a rich agricultural area, we are privileged to engage in income generating of planting Boma Rhodes and fattening of steers. County government was instrumental in the inceptive stages when they provided us with seeds and harrowing of field. Today, we have in excess of 20 acres under Boma Rhodes. In addition, we look forward to keeping pedigree breeds for milk production in the near future.

Owing to the increase in enrollment, the institute has successfully managed to put extra temporary classrooms totaling 8 in number and two workshops namely Masonry workshop and Electrical installation workshop. Our students are therefore able to carry out practical in an enclosed place. However, Students in practical classes are more than the facilities can accommodate. We are therefore anticipating putting more structures to take care of the same.

Equally, there has been stretch in our facilities that has resulted in acute shortage. Out of this we have managed to add more chairs for the three campuses.

It has also been our aspiration to purchase a bus for usage in our academic endeavors. We are therefore receiving a 46 seater bus on 16th January 2020.

PROJECTS

We are indeed glad to report that we have developed a FOUR YEAR integrated development plan for 2018/19 to 2021/22 FY.

The overall goal of this plan is to undertake an integrated project to transform Bureti TTI into a model centre of excellence in technical training and environmental conservation.

We therefore intend to: Construct 12 workshops and 160 classrooms and equip them with modern equipment and learning aids. Our target for this is to introduce 30 new market demand programs and CDAC-CBET programs besides creating linkages and collaboration with four industries and two research institutions. As a technical institution, we intend to promote innovation, research, and technology through increased enrolment from 1000 to 5000 students. Robust research by our learners and trainers can be achieved through continuous internet connectivity and regular participation in science and technology trade fare. With PSC advertisements, we intend to recruit 240 competent trainers and technicians from different technology fields and improve capacity of existing trainers in modern technology and training efficiency. Finally we intend to promote environmental conservation through planting of 12,000 environmentally friendly trees within Kericho County.

To achieve this, total expected allocation for actualization of this plan is **Kshs. 2,292,850,000**

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

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 three campuses namely; Main campus, Chebwagan campus and Tebesonik campus, with a total combined enrollment of 2,485 students. We look forward to adding another campus in the next Financial Year in Kuresoi. Due to Covid-19 pandemic and the need to do structural repair we temporarily closed Tebesonik campus. The institution received 67 students of NYS on May 2021 admitted in the main campus.

❖ Equipment and infrastructure

The Ministry of Education, in collaboration with the African Development Bank (AfDB), has managed to supply the institution with the following equipment in different Phases;

- a) Phase 1: Electrical & electronic equipment
- b) Phase 2: Mechanical equipment

The institution has successfully completed two tuition units with two workshop and one ablution unit within the financial year 2020-2021.

❖ 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.

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

❖ **Mentorship**

We have successfully mentored 3 campuses Belgut, Kericho Township TTI and Total TTI. These institutions are now operational and enrollment for September 2021 is ongoing.

The Principals posted to these institutions are;

- | | | |
|------|----------------|----------------------|
| i. | Zippora Kutto | Belgut TTI |
| ii. | Evans Kemei | Kericho Township TTI |
| iii. | Joseph Waiharo | Total TTI |

We have also been able to release new Principals to other TVET institutions after they demonstrated competency in leadership, they are;

- | | | |
|------|----------------|---|
| i. | Elly Koros | Principal – Kapchepkor TTI- Baringo North |
| ii. | Shadrack Tonui | Principal – Chepalungu TTI- Chepalungu |
| iii. | Joel Maritim | Principal – Sotik TTI- Sotik |

❖ **ODeL training**

The institution hosted a three day ODeL training for trainers, which made trainers to successfully train the trainees online during Covid 19 break on March 2021 to May 2021.

❖ **Projects**

We are glad to report that the institute has developed a FOUR YEAR integrated development plan for 2018/19 to 2021/22 FY, whose overall goal is to undertake an integrated project approach to transform Bureti TTI into a modern centre of excellence in technical training and environmental conservation.

Specifically, we intend to;

- Construct 12 workshops and 160 classrooms and equip them with modern equipment and learning aids.
- Introduce 30 new market demand programs and CDAC-CBET programs.
- Create linkages and collaboration with four industries and two research institutions.
- Promote innovation, research, and technology through increased enrolment from 1000 to 5000 students, continuous internet connectivity, and regular participation in science and technology trade fairs.
- Recruit 240 competent trainers and technicians from different technology fields and improve capacity of existing trainers in modern technology and training efficiency.
- Promote environmental conservation through planting of 12,000 environmentally friendly trees within Kericho County.

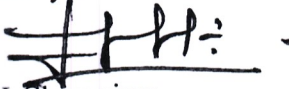
BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

Our expected output will translate into;

- A total of 12 modern workshops and 160 classrooms.
- 30 new market demand-relevant programs from CDAC-CBET programs.
- Linkages and collaborations with 4 relevant industries and 2 research institutions.
- Increased enrollment and improved innovation and technology capacity of the institution.
- Sufficient trained staffs resulting into quality training.
- Increased forest cover to mitigate effects of climate change.

Total expected allocation for actualization of this plan is **Kshs. 2,292,850,000**

Thank you.



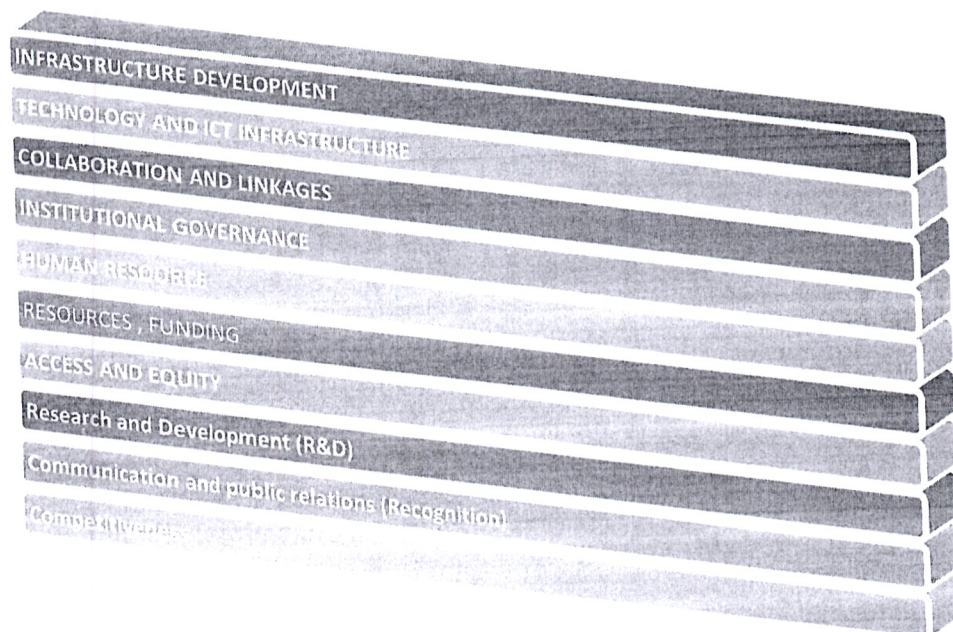
S.K Chemoiwa

Principal/BOG Secretary

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

REVIEW OF BURETI TECHNICAL TRAINING INSTITUTE'S PERFORMANCE FOR FY 2020/2021

Bureti Technical Training Institute has 9 strategic pillars and objectives within its Strategic Plan for the FY 2016/2017- 2020/2021. 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:

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

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

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

			and joint cooperation with international TVET institutions	and linkages: ❖
Pillar 5: Competitiveness	Enhance competitiveness	❖ Increased students' numbers	❖ Strengthen existing competitiveness benchmarks ❖ Establish new competitiveness benchmarks	❖ Student numbers have continued to increase
Pillar 6: INSTITUTIONAL GOVERNANCE	❖ 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
Pillar 7: HUMAN RESOURCE	❖ 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

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

	❖ Improve and sustain relevance of skills		<ul style="list-style-type: none"> ❖ 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 	
Pillar 8: FINANCIAL RESOURCES	❖ Diversify sources and increase funding	<ul style="list-style-type: none"> ❖ New development partners ❖ Enhanced existing partners' relationship ❖ Increase in government development funds 	<ul style="list-style-type: none"> ❖ Increase GoK funding ❖ Exploit external funding possibilities through developed criteria ❖ Expand income at institutional level 	<ul style="list-style-type: none"> ❖ There are development partners funding development projects. ❖ The institution continues to receive development funds from the government.
Pillar 9: Communication and public relations (Recognition)	❖ To develop an effective and efficient communication system internally and externally at all levels and to enhance the image and visibility of Bureti TTI.	❖ Improved institution	❖ Improve the image of TVET	❖ Objective achieved
Pillar 10: ACCESS AND EQUITY	Enhance Access and equity	<ul style="list-style-type: none"> ❖ Improved training programmes in MSE sector. ❖ Expansion of 	<ul style="list-style-type: none"> ❖ Expand facilities based on government priorities ❖ Support TVET trainees ❖ Promote affirmative 	❖ Expansion of facilities achieved

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

		facilities	action for TVET trainees ❖ Reform and enhance education, training, and guidance services. ❖ Improve training programmes in MSE sector. ❖ Offer higher level programmes ❖	
--	--	------------	--	--

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

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, science and technology 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.

Board meeting attendance

FULL BOARD MEETING ATTENDANCE	27/7/2020	24/8/2020	18/2/2021	6/5/2021
JONAH LANGAT	PRESENT	PRESENT	PRESENT	PRESENT
CHARLES NYOTA	PRESENT	PRESENT	PRESENT	PRESENT
ANTHONY MOSEKA	PRESENT	PRESENT	PRESENT	PRESENT
IRINE NGENO	PRESENT	PRESENT	PRESENT	PRESENT
ZIPPORAH KETER	PRESENT	PRESENT	PRESENT	PRESENT
RICHARD BETT	PRESENT	PRESENT	PRESENT	PRESENT
HARRISON MWANGI	PRESENT	PRESENT	PRESENT	PRESENT
PETER CHERUIYOT	PRESENT	PRESENT	PRESENT	ABSENT
LEVINE MOSOTI	PRESENT	PRESENT	PRESENT	ABSENT

The board of governors held four Full board meetings and eleven subcommittee meetings in the financial 2020/2021. The current board was appointed on 15th October 2018 and inaugurated on 23rd January, 2019 for a term of three years ending 15th October 2021 and attended one TVET board members workshop training and one consultative meeting with the mentee Belgut TVC.

On expiry of the tenure of the current board (15th October, 2021) 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;

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

- (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;
- (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. In the interest of quality service delivery, the board is able to read from the same script as the render their duties above board.

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

This will be attained with the incorporation of team spirit and self-sacrifice that is deep within them.

MANAGEMENT DISCUSSION AND ANALYSIS

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

The projects under consideration in the FY 2020/2021 are summarised in the table below

S/N	Name of Project	Location	Budget (Kshs)	Key deliverables	Completion rate	Timeline
	Hospitality complex annex	Main campus	3,470,000	Finishing	100	1 year
	Resource center	Main campus	300,000	Partially done	30	1 year
	Automotive engineering shade	Main campus	2,500,000	Finishing	100	1 year
	Equipping of automotive	Main campus	400,000	Equipment for automotive workshop purchased as per	100	1 year

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

	workshop			proposal of HOD			
	Business incubator	Main campus	1,500,000	Not done	0	1 year	
	Completion of external pit latrines	Main campus	600,000	Finishing	100	1 year	
	Procurement of dairy cows	Main campus	1,050,000	Not done	0	1 year	
	Sentry house gate B	Main campus	57,000	done	100	1 year	
	College bus	Main campus	6,600,000	52 seater bus completed	100	1 year	
	students' ablution block for hospitality annex	Main campus	2,200,000	done	100	1 year	
	Construction of tuition block	Main campus	20,000,000	done	100	1 year	

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 it 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.

Activity	Description
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 30th JUNE, 2021

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.
2	Human Resource Manual	Regularly	This largely depends on availability of funds 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.
- iii) When doing procurement planning the institute has complied with preference and reservation requirements.

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

- 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 30th JUNE, 2021

REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with for the year ended June 30, 2020 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, 2021 are set out on page 1 to 20

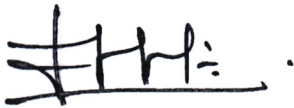
Board of governance

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 K. Chemoiwa
Principal/BOG Secretary

Date:.... 30/09/2021

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

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 council 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 council members are also required to ensure Bureti TTI keeps proper accounting records which disclose with reasonable accuracy the financial position of Bureti TTI. The council members are also responsible for safeguarding the assets of Bureti TTI

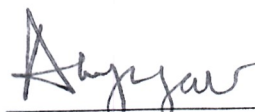
The council members are responsible for the preparation and presentation of Bureti TTI financial statements, which give a true and fair view of the state of affairs of Bureti TTI for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining 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 council 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, 2020, and of Bureti TTI financial position as at that date. The council 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 council 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 Bureti TTI financial statements were approved by the Board on 30/07/2021 and signed on its behalf by:

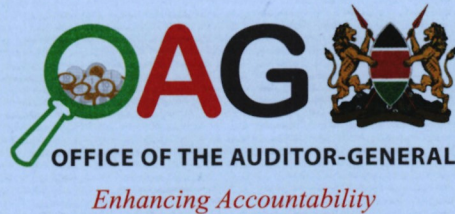

Board Member


Board Member


Board Member

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON BURETI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2021

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 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 22, 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, 2021, 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

1.0 Inaccuracies in Comparative Balances

Review of the financial statements for the year under review revealed variances between comparative balances and audited balances for the year ended 30 June, 2020 as analyzed below:

Balances in Financial Statements	Comparative Figures for 2020-2021 (Kshs.)	Certified Report 2019-2020 (Kshs.)
Statement of Financial Performance		
Rendering of Services-Fees from Students	78,291,149	79,398,513
Other income	1,906,954	405,042
Revenue from Exchange Transaction	80,198,103	79,803,555
Total Revenue	106,628,003	106,287,455
Use of Goods and Services	21,400,385	21,359,448
Employee Cost	15,773,921	20,142,151
Depreciation and Amortization	4,029,387	4,264,712
Statement of Financial Position		
Property, Plant and Equipment	300,564,229	301,241,307
Accumulated Surplus	149,647,139	150,324,217
Statement of Cash Flows		
Use of Goods and Services	21,400,385	21,359,448
Depreciation	4,029,387	4,264,712

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

2.0 Unsupported Revaluation Gain Balance

The statement of financial performance reflects revaluation gain balance of Kshs.30,648,815. However, the amount was not supported with a revaluation report or document.

In the circumstances, the accuracy and validity of the revaluation gain amounting to Kshs.30,648,815 and the resultant net surplus could not be confirmed.

3.0 Misstatement of Capital Grants Balance

The statement of changes in net assets reflects capital grants balance of Kshs.205,994,269 against an opening balance of Kshs.271,043,715. However, the movement between the opening and the closing capital grants of Kshs.65,049,446 was not analyzed or explained.

In the circumstance, the accuracy of the capital grants amounting to Kshs.205,994,669 could not be confirmed.

4.0 Inaccuracies in Revenue from Non-exchange Transactions Balance

The statement of financial performance and as disclosed in Note 6 to the financial statements reflects Kshs.90,447,120 in respect of transfers from the National Government-Recurrent Grant. Included in the expenditure is Higher Education Loans Board (HELB) amount of Kshs.11,345,100 that is at variance with the supporting ledger balance of Kshs.15,020,500 resulting to an unexplained variance of Kshs.3,675,400.

In the circumstances, the accuracy of revenue from non-exchange transactions (HELB) amounting to Kshs.11,345,100 could not be confirmed.

5.0 Unsupported Revenue from Exchange Transactions Balance

The statement of financial performance reflects revenue from exchange transactions amounting to Kshs.4,812,770. Included in this amount is an amount of Kshs.2,729,044 in respect of rendering of services-fees from students that was not supported with ledgers. Further, bank statements revealed that fees amounting to Kshs.78,291,149 was collected resulting to unexplained variance of Kshs.75,562,105.

In addition,, the amount of Kshs.4,812,770 includes Kshs.900,000 relating to sale of goods that was not supported by a Note to the financial statements and ledgers.

In the circumstances, the accuracy of the revenue from exchange transactions amount of Kshs.4,812,770 could not be confirmed.

6.0 Use of Goods and Services Expenditure

The statement of financial performance and as disclosed in Not 9 to the financial statements reflects Kshs.31,679,221 in respect of use of goods and services. However, the following anomalies were noted;

6.1 Inaccuracies in Electricity and Water Expenses

The expenditure on electricity and water amounting to Kshs.1,608,072 includes Kshs.673,305 relating to purchase of fuel and other items not related to the account.

6.2 Inaccuracies in Administrative Costs

Included in Use of Good and service Expenditure is administrative costs amounting to Kshs.9,629,093. Included in administration costs is an amounting to Kshs.4,427,150 which does not relate to administration costs.

6.3 Unsupported Internet Service Expenditure

The Institute spent Kshs.1,653,368 on internet services which was paid to Safaricom Limited for provision of internet services. However, the signed service level agreement supporting this payment was not provided for audit review.

6.4 Unsupported Examination Expenditure

The Institute spent Kshs.8,204,030 on examinations being amount paid to Kenya National Examination Council (KNEC) in respect of business and technical exams. However, the payments were not supported by acknowledgements from KNEC and the list of students whose exams fees was paid for.

7.0 Inaccuracies in Employee Costs

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects expenditure on employee costs amounting to Kshs.14,724,362. However, re-casting of the amounts indicated in Note 10 result in Kshs.22,169,277. The variance of Kshs.7,444,915 has not been reconciled or explained. Further, included in the employee costs are travel, motor car, accommodation subsistence and other allowances expenditure totaling to Kshs.4,784,942 that are wrongly charged to Employee costs.

In the circumstances, the accuracy of employee costs amount of Kshs.14,724,362 could not be confirmed.

8.0 Unsupported Expenditure on Board Allowances

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects Board allowances expenditure amounting to Kshs.1,789,270. However, the supporting ledger reflected an amount of Kshs.1,488,030 resulting to an unexplained variance amount of Kshs.301,240. Further, Board meetings held virtually during the Covid-9 pandemic were not supported with attendance registers.

In the circumstances, the accuracy and validity of Board allowances expenditure of Kshs.1,789,270 could not be confirmed.

9.0 Unsupported Balance on Refundable Deposits

The statement of financial position and as disclosed in Note 20 to the financial statements reflects refundable deposits balance of Kshs.143,630. However, ledgers supporting the refundable deposits were not provided for audit.

In the circumstances, the accuracy of refundable deposits balances amounting to Kshs.143,630 could not be confirmed.

10.0 Unsupported Balance on Deferred Income

The statement of financial position and as disclosed in Note 23 to the financial statements reflects deferred income amounting to Kshs.4,948,382. However, ledgers and other supporting documents were not provided for audit.

In the circumstance, the accuracy of the deferred income amounting to Kshs.4,948,382 could not be confirmed.

11.0 Unsupported Balance on Receivables from Mentored Institutions

The statement of financial position and as disclosed in Note 16 to the financial statements reflects receivables from mentored Institutions balance of Kshs.523,900 that constitute of Total TTI, Kericho TTI and Belgut TTI balances of Kshs.250,000,Nil and Kshs.273,900 respectively. However, examination of records revealed that amount receivable from Belgut TTI of Kshs.273,900 is supported by a ledger balance of Kshs.26,400 resulting to an unexplained variance of Kshs.247,500.

Further, records relating to Kericho TTI reflected opening balance Kshs.946,000. However, documents to support how the opening balance was recovered and accounted was not provided for audit.

In the circumstances, the accuracy of receivables from mentored institutions balance of Kshs.523,900 could not be confirmed.

12.0 Inaccuracies in the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects revenue and expenditure budget of Kshs.116,224,000 and Kshs.65,323,136 respectively which differ from balances reflected in the approved budget of Kshs.243,963,962 and Kshs.244,521,493 respectively. The variances of Kshs.127,739,962 and Kshs.179,198,357 respectively have not been explained or reconciled.

Further, the statement reflects actual revaluation gain amount of Kshs.28,889,113, other income of Kshs.2,569,726 and sale of goods of Nil balances which were at variance with Kshs.30,648,815, Kshs.1,183,726 and Kshs.900,000 respectively reflected in the statement of financial performance. The variances between the two set of records have not been explained or reconciled.

In the circumstance, the accuracy and fair presentation of statement of comparison of budget and actual amounts could not be confirmed.

13.0 Lack of Assets Register

The statement of financial position and as disclosed in Note 21 to the financial statements reflects property, plant and equipment balance of Kshs.310,936,560. However, assets register indicating all assets details and location was not provided for audit.

In the circumstances, the accuracy, completeness and existence of the property, plant and equipment could not be confirmed.

14.0 Unsupported Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 15 to the financial statements reflects receivables from exchange transactions balance of Kshs.61,669,570. Included in this balance are student debtors balance of Kshs.60,821,570 and advance balance of Kshs.848,000. However, student debtors were not supported by an age analysis

identifying long outstanding debtors and their collectability. In addition, the Institute did not have a policy on debtors' management.

Further, advances to Public Service Commission staff were not supported with personal files, application forms and approvals.

In the circumstances, the accuracy, existence, and completeness of receivables from exchange transactions of Kshs.61,669,570 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.

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

1.0 Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Requirements

The statement of comparison of budget and actual amounts omitted budget notes explaining the significant variances realized as provided for by PSASB template.

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

2.0 Lack of Special Accounts for Mentored Institutions

Review of the Institution's records revealed that the Ministry of Education vide letter Ref. No. MST/DTE/6/5/VOL.V dated 21st May, 2015 appointed Bureti Technical Training Institute as a mentoring Institution for Total TTI, Kericho TTI and Belgut TTI. The Ministry further disbursed Kshs.1,630,000 and Kshs.9,265,400 to Bureti Technical Training Institution in respect to Total and Belgut TTIs respectively. However, Bureti TTI

Management did not open and operate special bank accounts for the mentored institutions as guided by the appointment letter.

In the circumstances, Management was in breach of the Ministry of Education Guidelines.

3.0 Lack of Risk Management Policy and Strategy

The Institute Management had not put in place risk management policy, strategies, and risk register to mitigate against risk. It was, therefore, 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.

In the circumstances, Management was in breach of law.

4.0 Staff Acting Beyond Six (6) Months

During the year under review, the college Dean of Students was acting for the third consecutive year contrary to requirements of Section 34(3) of the Public Service Commission Act 2017 that requires that an officer may be appointed in an acting capacity for a period of at least thirty (30) days but not exceeding a period of six months.

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

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

1.0 Lack of Approved Staff Establishment

Review of staff records revealed that the institute has no approved staff establishment, and no scheme of service for its employees that could show points of entry into

employment, academic or technical requirements, carrier progression, and promotion requirements.

In the circumstances, the effectiveness of the internal control system could not be confirmed.

2.0 Lack of a Finance Expert and Board Work Plan

During the year under audit review, the Board of Governors did not have a member with financial expertise. Further, the Institute did not have an annual board work plan as required by Mwongozo Code of Conduct on Governance.

In the circumstances, the effectiveness of the internal control system could not be confirmed.

3.0 Lack of Internal Audit Function and an Audit Committee of the Board

The Institute had not established an internal audit function and an Audit Committee of the Board. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function and an Audit Committee of the Board. As such the Institute did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

In the circumstances, the effectiveness of the internal control system could not be confirmed.

4.0 Lack of Proper Handing and Taking Over

Review of records revealed that the Ministry of Education letter Ref. No. MST/DTE/6/5/VOL.V dated 21st May, 2015 appointed Bureti Technical Training Institute as a mentoring Institution of Total, Kericho and Belgut TTIs. However, there was no evidence showing when the mentorship for Kericho and Bureti came to an end and the official handing and taking over between the institutions as required by Regulation 169(1) and (2) of the Public Procurement and Asset Disposal Regulations, 2020.

In the circumstances, the effectiveness of the internal control system could not be confirmed.

5.0 Lack of Student Council Expenditure Policy

The statement of financial performance and as disclosed in note 9 to the financial statements reflects use of goods and service expenditure of Kshs.31,679,221. Included in this amount is student council expenditure of Kshs.1,386,675 in respect of monthly allowances paid to student union officials. However, there was no approved policy validating the payment of monthly allowances and other related expenditure to student council.

In the circumstances, the effectiveness of the internal control system could not be confirmed.

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

Responsibilities of Management and the Board of Governors

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

13 October, 2022

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

IV. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – Recurrent grants	6	90,447,120	26,483,900
Total Revenue from non-exchange transactions		90,447,120	26,483,900
Total Revenue from non-exchange transactions			26,483,900
Revenue from exchange transactions			
Rendering of services- Fees from students	7	2,729,044	78,291,149
sale of goods		900,000	
Other income	8	1,183,726	1,906,954
Revenue from exchange transactions		4,812,770	80,198,103
Total revenue		95,259,890	106,682,003
Expenses			
Use of goods and services	9	31,679,221	21,400,385
Employee costs	10	14,724,362	15,773,921
Depreciation and Amortization Expense	12	15,996,204	4,029,387
Repairs and maintenance	13	1,967,947	1,330,273
Board allowances	11	1,789,270	1,351,070
Total expenses		66,157,004	43,885,036
Others			
gain on sale of bulls	24	486,000	
revaluation gain		30,648,815	
Net Surplus for the year		60,237,701	62,796,967

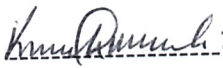
BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

V.STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14	94,647,040	77,514,061
Receivables from exchange transactions	15	61,669,570	52,062,486
Receivable from mentored institution	16	523,900	1,326,000
Biological assets	17	-	900,000
Total Current Assets		156,840,510	131,802,547
Non-current assets			
Property, plant and equipment	21	310,936,560	300,564,229
Intangible assets	18	105,560	150,800
Total Non-current Assets		311,042,120	300,715,029
Total assets		467,882,630	432,517,576
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	19	16,262,694	6,734,710
Refundable balances	20	143,630	143,630
Deferred income	23	4,948,382	4,948,382
Total Current Liabilities		21,354,706	11,826,722
Total liabilities		21,354,706	11,826,722
Capital and Reserves			
revaluation gain		30,648,815	
Accumulated surplus		209,884,839	149,647,139
Development funds		205,994,269	271,043,715
Total Reserves		446,527,923	420,690,854
Total Liabilities and Reserves		467,882,630	432,517,576

The Financial Statements set out on pages 1 to 18 were signed on behalf of the Institute Board of Governors by:


 Chairman of Board of Governors


 Finance Officer
 ICPAK No. 23089


 Principal

Date... 30/09/2021.....

Date... 30/09/2021.....

Date... 30/09/2021.....

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE, 2021

VI. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated surpluses	Capital grants	Total
Balance b/f at July 1, 2018	30,887,015	272,000,000	302,887,015
Surplus for the year	(1,541,612)	-	(1,541,612)
Balance c/d as at June 30, 2018	29,345,403	272,000,000	301,345,403
Balance b/f at July 1, 2018	29,345,403	272,000,000	301,345,403
Surplus for the year	61,311,262		61,311,262
Balance c/d as at June 30, 2019	90,656,665	272,000,000	362,656,665
Balance b/f at July 1, 2019	90,656,665	272,000,000	362,656,665
Surplus for the year	58,034,189	-	58,034,189
Transfer of depreciation from accumulated surpluses to capital grants	956,285	(956,285)	-
Balance c/d as at June 30, 2020	149,647,139	271,043,715	420,690,854
Surplus for the year	60,237,701		
Balance c/d as at June 30, 2021	209,884,839	205,994,269	415,879,108

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

VII. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021	2019-2020
		kshs	Kshs
Revenue			
Transfers from the National Government – Recurrent grants	6	90,447,120	26,483,900
Total Revenue from non-exchange transactions		90,447,120	26,483,900
Total Revenue from non-exchange transactions		90,447,120	26,483,900
Revenue from exchange transactions			
Rendering of services- Fees from students	7	2,729,044	79,398,513
sale of goods		900,000	
Other income	8	1,183,726	405,042
gain on sale of bulls	24	486,000	
revaluation gain		30,648,815	
Revenue from exchange transactions		35,947,585	79,803,555
Total revenue		126,394,705	106,287,455
payments			
Use of goods and services	9	31,679,221	21,400,385
Employee costs	10	14,724,362	20,142,151
Repairs and maintenance	13	1,967,947	1,330,273
Board allowances	11	1,789,270	1,351,070
depreciation		15,996,204	4,029,387
total expense		66,157,004	48,253,266
Net Surplus for the year		60,237,701	58,034,189
Adjusted for:			
Depreciation		15,996,204	4029387
Increase in receivables		- 8,804,984	-6164508
Increase in payables		2,177,058	-6451817
Net cash flow from operating activities		69,605,979	49,447,251
Cash flows from investing activities			
Purchase of property, plant, equipment		- 53,373,000	-9456061
sale of biological assets		900,000	0
Net cash flows used in investing activities			
Net increase in cash and cash equivalents		17,132,979	39,991,190
Cash and cash equivalents at start of year		77,514,061	37,522,871
Cash and cash equivalents at end of year	14	94,647,040	77,514,061
Cash and cash equivalents as per the Balance Sheet		94,647,040	77,514,061

**BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

VIII. STATEMENT OF BUDGET VS ACTUAL FOR THE YEAR ENDED 30 JUNE 2021

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Percentage
	2020-2021 Kshs	2020-2021 Kshs	2020-2021 Kshs	2020-2021 Kshs	2020-2021 Kshs	
Revenue						
Transfers from Government	101,200,000		101,200,000	90,447,120	10,752,880	11%
Rendering of services- Fees from students	11,484,000		11,484,000	2,729,044	8,754,956	76%
Other income	3,540,000		3,540,000	2,569,726	970,274	27%
revaluation gain	-		-	28889113	(28,889,113)	-
Total income	116,224,000	-	116,224,000	124,635,003	20,478,110	18%
Expenses						
Compensation of employees	18,388,440		18,388,440	14,724,362	3,664,078	20%
Use of Goods and services	37,764,150		37,764,150	31,679,221	6,084,929	16%
Board allowances				1,789,270		
Repair and maintenance	9,170,546		9,170,546	1,967,947	7,202,599	79%
Depreciation				15,996,204	(15,996,204)	
Total expenditure	65,323,136	-	65,323,136	66,157,004	16,951,606	
Surplus for the period	50,900,864	-	50,900,864	58,477,999	3,526,504	
Capital expenses	88,430,805		28,861,684	59,569,121	- 30,707,437	-106%

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

V. 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 *entity'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 the *entity*.

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.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. There is no impact of the IPSAS 40 to the institute

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022: 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. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(There is no impact of the standard to the entity)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p><i>(There is no impact of the standard to the entity)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) 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>Other Improvements to IPSAS</p>	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

Standard	Effective date and impact:
	<p>international and/or national accounting frameworks</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

iii. Early adoption of standards

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ii) Revenue from exchange transactions

Rendering of services

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

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

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 2019/2020 was approved by the Board on **30/06/2019**. 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.

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	12.5%

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

machinery	
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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

j) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2019.

**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

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

NOTES TO THE FINANCIAL STATEMENTS

6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

	FY 2020/2021	FY/2019/2020
Unconditional grants	-	3,158,900
Development grants	76,942,500	23,325,000
Capitation	11,345,100	
helb	2,159,520	
cdf	90,447,120	26,483,900
Total Government grants and subsidies		

7 RENDERING OF SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Tuition fees	657,069	75,670,572
Activity fees	625,884	659,579
Attachment	126,440	610,800
Registration fees	1,233,050	870,700
internet	86,601	
Examination fees		479,498
Total Rendering of Services	2,729,044	78,291,149

8 OTHER INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Insurance	65,580	84,950
Boarding and catering income	-	1,586,862
Student council	212,896	320,092
Student id	5,250	-
sale of Bulls	900,000	-
Total incomes	1,183,726	1,906,954

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Tuition expenses	5,936,412	6,201,304
Boarding expenses	232,925	1,287,070
Activities	14,600	1,274,449
Electricity and water	1,608,072	1,052,468
Insurance	297,874	898,973
Attachment	640,900	658,405
Registration	-	-
Stationery	1,123,700	519,510
House keeping expenses	269,606	7,320
Student council	1,386,675	627,484
Students identity cards	-	-
Administrative costs	9,629,093	3,572,176
Medical expenses	142,414	176,365
Bank charges	117,672	40,937
Internet expenses	1,653,368	838,532
Examination expenses	8,204,030	4,243,910
marketing expense	337,000	-
iga	63,030	-
refund	21,850	-
Other expenses	-	1,482
Total good and services	31,679,221	21,400,385

10 EMPLOYEE COSTS

Description	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	14,724,362	15,773,921
Travel, motor car, accommodation, subsistence and other allowances	4,784,942	4,368,230
statutory deductions	2,659,973	-
Total Employee costs	14,724,362	15,773,921

11 Remuneration of directors

Description	2020-2021	2019-2020
	KShs	KShs
Chairman's Honoraria	327,250	251,800
Other allowances	1,462,020	1,099,270
Total director Remuneration	1,789,270	1,351,070

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Depreciation and Amortization Expense

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	15,945,988	3,576,987
Intangible assets	50,216	452,400
Total depreciation and amortization	15,996,204	4,029,387

13. Repairs and Maintenance

Description	2020-2021	2019-2020
	KShs	KShs
General	1742650	1,330,273
bus -rmi	45,297	
small vehicle-rmi	180,000	
Total Repairs and Maintenance	1,967,947	1,330,273

14. CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
Kenya Commercial Bank - Operation	35,581,951	58,941,437
Kenya Commercial Bank - Enterprises account	1,515,839	233,394
Kenya Commercial Bank - Development	9,873,912	9,876,169
Kenya Commercial Bank - Capitation	47,650,393	8,534,254
Cash on hand	24,945	71,193
Total cash and cash equivalents	94,647,040	77,514,061

15. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Student debtors	60,821,570	51,115,486
Advances	848,000	947,000
Total current receivables	61,669,570	52,062,486

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

16. RECEIVABLES FROM MENTORED INSTITUTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Total TTI	250,000	380,000
Kericho TTI		946,000
Belgut TTI	273,900	-
Totals	523,900	1,326,000

17. BIOLOGICAL ASSETS

Description	2020-2021	2020-2021
	KShs	KShs
30 bulls valued at KES 30,000 each		900,000
Total deposits		900,000
		0

**BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
21. PROPERTY, PLANT AND EQUIPMENT**

	Buildings and Structures		Motor vehicles		Furniture and fittings		Computers and Accessories		Plant and equipment		Capital Work in progress		Total	
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Cost														
		2%		25%		12.50%		30%		12.50%				153,257,455
At 1st July 2019	115,000,000	38,257,455	-	12,444,444	1,941,552	7,529,470	85,692,500	24,700,000	0	0				132,307,966
additions														0
disposal														0
transfer/adjustments														0
At 30 June 2020	115,000,000	38,257,455	12,444,444	1,941,552	7,529,470	85,692,500	24,700,000	285,565,421						17,089,358
Depreciation for the year	0	765,149	3,111,111	242,694	2,258,841	10,711,563								273,509,548
As at 1st July 2020	115,000,000	37,492,306	9,333,333	6,732,343	5,270,629	74,980,938								53,373,000
additions		53,373,000												221,930,982
at 30th June 2021	115,000,000	90,865,306	9,333,333	6,732,343										0
Additions														0
Disposal														15,945,988
Depreciation for the year	0	1,817,306	2,333,333	841,543	1,581,189	9,372,617								310,936,560
NBV as at 30th June 2021	115,000,000	89,048,000	7,000,000	5,890,800	3,689,440	65,608,320	24,700,000							245,641,165
NBV as at 30th June 2020	115,000,000	90,865,306	9,333,333	6,732,343	5,270,629	129,500	18,310,054							153,257,455
NBV as at 30th June 2021	115,000,000	38,257,455												

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021
NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. INTANGIBLE ASSETS-SOFTWARE

Description	2020-2021	2019-2020
	KShs	KShs
Cost		
At beginning of the year	1,508,000	1,508,000
Additions	-	-
Cost end of the year	1,508,000	1,508,000
Amortization and impairment		
At beginning of the year	1,357,200	(904,800)
Amortization	45,240	(452,400)
Amortization at end of the year	(1,402,440)	(1,357,200)
NBV	105,560	150,800

19. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	3,227,459	1,665,050
Fees paid in advance	12,003,825	4,230,160
Third-party payments - Payable to kericho Tvc	1,031,410	839,500
Total trade and other payables	16,262,694	6,734,710

20. REFUNDABLE DEPOSITS FROM STUDENTS (CAUTION MONEY)

Description	2020-2021	2019-2020
	KShs	KShs
Balance brought forward	143,630	143,630
Add: Receipts		-
Less: Expenses		
Closing balance	143,630	143,630

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021
NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. DEFERRED INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Balance brought forward	4,948,382	4,948,382
Add: Receipts from MOE	-	-
Less: Capital expenditure	-	-
Closing balance	4,948,382	4,948,382

24. GAIN ON SALE OF ASSETS

Description	2020-2021	2019-2020
	KShs	KShs
Biological assets	486000	0
Total gain on sale of assets	486000	0

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

26. 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).

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021
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.


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
1	Cash withdrawals listed as unrepresented cheques	The cash as at 30/6/2021 excludes the cash withdrawals since they are no longer listed as unrepresented cheques	resolved	
2	Unsupported additions to work in progress	Kindly find the attached documents	resolved	
3	Failure to maintain asset register	The assets were handed over from the parent ministry without any value. We are in the process of valuation.	resolved	
4	Irregular transfer of depreciation to accumulated surplus	This was to recognise depreciation on capital grants and added to accumulated surplus	resolved	
5	Valuation for land and buildings	The assets were handed over from the parent ministry without any value. We are in the process of valuation	resolved	
Other matters	Budget control and performance	Variance in the actual amounts verse the budgeted amounts is mainly due to Covid 19 break holiday where students were not in school for six months that brought in the variance	resolved	
	Staffs on contract employments	The Board has started the process of developing s human Resource department. The human resource establishment and manual once developed	Not resolved	1 st March 2022

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

	Staff ethnicity composition	The trainers initially employed were all from outside the county and support staff due to low salary payments they left the institution.	Not solved	30 th June 2022
	Failure to carry out board of survey	We have come to learn that board of survey should undertake a physical inspection of not only the assets and stores but also the bank balances and cash on hand.	Resolved	30 th June 2021
Internal control weakness	Failure to have internal audit department and audit committee	We have board audit committee and we are in the process of hiring an internal auditor.	Not resolved	1 st March 2022
	Failure to establish human resource department and staff establishment	The institution is young and progressively we will adopt the policies	Not resolved	1 st March 2022
	Failure to have an approved ICT policy	The institution is young and progressively we will adopt the policies	Not resolved	30 th December 2021
	Failure to have an approved debtors'/creditors' policy	The institution is young and progressively we will adopt the policies	Not resolved	30 th December 2021

Accounting Officer/principal

Name **S.K. CHENOWA**

Signature..... 

Date..... **30/09/2021**

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021
APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Mechanical Engineering department block	NCB/MOE-VTT/TVET PHASE 11/11/2016/2017	African Development Bank	5 years	Fully funded	NO	NO

Status of Projects completion


	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Tuition units	21,232,984	21,232,984	100%	22,000,000	21,232,984	Students fees
2	Ablution block-hospitality	2,751,590	2,751,590	100%	2,800,000	2,751,590	Students fees
3	Hospitality complex annex	3,470,000	3,470,000	100%	3,470,000	0	Students fees
4	Resource center	300,000	0	0	300,000	0	Donors
5	Automotive engineering shade	2,500,000	0	0	2,500,000	0	Donors
6	Equipping of automotive workshop	400,000	0	0	400000	0	Donors
6	Business incubator	1500000	0	0	1,500,000	0	Donors
7	Completion of external pit latrines	600,000	0	0	300,000	0	Donors
8	Procurement of dairy cows	1500000	0	0	1500000	0	Donors
9	Sentry house gate B	60000	60000	100%	57000	100	Donors
10	College bus	6,600,000	7,000,000	100%	7000000	100	Donors

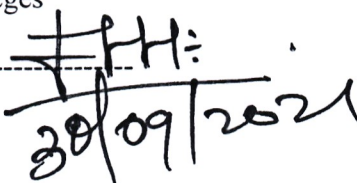
BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021
APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		Bureti Technical Training institute		
Break down of Transfers from the State Department of technical and vocational training education				
FY 2020-2021				
a.	capitation			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		3/7/2020	13,110,000	2019-2020
		20/11/2020	18,907,500	2020-2021
		23/2/2021	15,907,500	2020-2021
		30/6/2021	15,382,500	2020-2021
		30/3/2021	13,635,000	2020-2021
		Total	76,942,500	

The above amounts have been communicated to and reconciled with the parent Ministry
 Finance Manager
 Bureti TTI

Head of Accounting Unit
 Ministry of technical and vocational colleges

Sign 

Sign 
 30/09/2021

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

