

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 24 JUL 2025

DAY.

Thursday

TABLED
BY:

Leader of Majority

OF
CLERK-AT
THE-TABLE:

Tracy Chibet

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

BARINGO TECHNICAL COLLEGE

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



MINISTRY OF EDUCATION
STATE DEPARTMENT FOR VOCATIONAL AND
TECHNICAL TRAINING

BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023

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

BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023

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1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
OAG	Office of the Auditor General
CPAK	Certified Public Accountant of Kenya
CHRP	Certified Human Resource Professional
KNEC	Kenya National Examination Council
BOG	Board of Governors
Fiduciary Management	Key management personnel who have financial responsibility in the entity

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2. Key Entity Information and Management

(a) Background information

The Baringo Technical College was established under the Technical, Vocational Education And Training (TVET) Act, 2013. The entity is domiciled in Kenya. The College Operates under The Ministry of Education state department of Vocational and Technical Training (VTT)

(b) Principal Activities

The principal activity of the institution is found in its mission and vision statements as below:

Vision

To be global leader in Technological, Engineering, Innovation, Entrepreneurial Research and Training

Mission

To provide quality human resource through technical vocational education and training for global market

Core Values

Baringo Technical College is an integral part of the society and endeavours to exhibit high social and professional standards. Core values are the fundamental values or ideals at the heart of Baringo Technical College that lay the foundation on which the College operates. Core values shape the culture and define the character of Baringo Technical College. The staff will conduct their duties in accordance with Public Service code of conduct and ethics and endeavour to project a supportive corporate culture among its members.

Guided by our vision and mission we shall always uphold the following core values.

- Integrity
- Quality
- Accountability
- Professionalism
- Commitment
- Leadership
- Diversity

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(c) Fiduciary Management

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

SN.	Designation	Name
1.	Chief Principal	Josphat Kipkemboi
2.	Deputy Principal Administration	Robert Chesire
3	Registrar	Mercy Kemboi
4	Dean of Students	Rufus Muriuki
5	Head of Finance	CPA Rebecca Chelanga
6	Head of Procurement	Robert Kiprop Chirchir
7	Internal Auditor	CPA Elijah Koech
8	Human Resource Officer	CHRP Fridah Yator

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Key Entity Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

The Board has the overall mandate of ensuring the sound management of the college. This includes; approving budget and procurement plan, approving policies, strategic plan, reviewing management implementation of strategies, policies and plans, risk assessment and management and recruitment of staff. The effective operation of the Board of Governors is enhanced through clearly mandated board committees, accompanied by monitoring and reporting systems. Each standing Board of Governors committee has specific roles and responsibilities as set out in corporate governance statement on pages xxi to xxviii.

(e) Entity Headquarters

Baringo Technical College
P.O. Box 299-30400
Kabarnet, Kenya

(f) Entity Contacts

Telephone: 0702191409
E-mail: baringotechnical@yahoo.com
Website: www.baringotechnical.ac.ke

(g) Entity Bankers

Kenya Commercial Bank
Kabarnet Branch
P.O Box 175-30400
Kabarnet
Bank Account Numbers.
1137331836 -Operation Account
1175704199 -Fees collection Account
1167847253 -Development Account

(h) Independent Auditors




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

(i) Principal Legal Adviser

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




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3.The Board of Governors

Member's Name	Brief Description
 <p>Designation: Board Chairperson Name: Ezekiel K. Kimosop Profession: Insurance</p>	<p>Mr. Ezekiel K. Kimosop was born on 30 November 1966. He is currently the Chairperson of the Board of Baringo Technical College. He is a holder of MBA (Moi University), M.Div., (International Leadership University), Bcom (University of Nairobi). He is currently a PhD candidate at African International University, Karen. He is an Associate Member of the Insurance Institute of Kenya with 32 years of experience in Insurance practice.</p>
 <p>Designation: Member Name: Grace Chelagat Profession: HR expert</p>	<p>Mrs. Grace J. Chelagat born on 30 June 1966. Currently she is a member of the Board Baringo Technical College. She holds honorary doctorate in Leadership, MBA (Management), Bachelor of Business Administration, Post Graduate Diploma in Human Resource. She has vast experience in the Banking sector & Public service (30 years).</p>
 <p>Designation: Member Name: Dennis Kiprono Komen Profession: Civil Engineer</p>	<p>Mr. Denis Kiprono Komen born on 5 May 1994. Currently a member of the board of Baringo Technical College. He holds a Bachelor of Science in Civil Engineering from The University of Nairobi and is a registered graduate engineer with the Engineers Board of Kenya. He is currently part of the project staff for Eldoret bypass supervision.</p>




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 <p>Designation: Member Name: Lucy J Chepkwony Profession: Accountant</p>	<p>CPA Lucy J Chepkwony was born on 27 May 1985. She is currently a member of the Board of Baringo Technical College. She has served as an Accountant with Arches Tours and Travels for 6 years. She currently practices as a management accountant. She holds a Bachelor's degree in business management (Finance Option) from Moi University.</p>
 <p>Designation: Member Name: Wilfred K. Kiplagat Profession: ICT expert</p>	<p>Mr. Wilfred K. Kiplagat was born on 24 March 1985. Currently board member of Baringo Technical College. He Holds Masters in Distributed Computing Technologies from The University of Nairobi. Currently, He is the Chief Officer in the department of Agriculture Baringo County Government</p>
 <p>Designation: Member Name: Margaret Mwangi Murugi Profession: ICT expert</p>	<p>Ms Margaret Mwangi Murugi was born on 5 February 1993. She is currently a member of the Board of Baringo Technical College. She is a holder of a bachelor's degree in computer science. She has five years experience having worked at ITEC S systems Ltd for the last two years. She currently practices as a business development consultant. She is a graduate in computer science from University of Eldoret (2015).</p>


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 <p>Designation: Member Name: Ivan Kelunyo Profession: Architect</p>	<p>Architect Ivan Kelunyo was born on 13 August 1974. He is currently the member of the Board of Baringo Technical College. He is a holder of Bachelor of Architecture degree (University of Nairobi) and is a registered architect with the AAK. He has over 20 years experience having worked in public service since March 2005. He currently works with the county Government of Baringo.</p>
 <p>Designation: Member Name: Karoli Ooko Profession: Consultant</p>	<p>Mr. Karoli Ooko was born on 24 April 1956. He is currently the member of the Board of Baringo Technical College. He is a holder of Master of Arts-political science and public relations (University of Nairobi). He has over 40 years experience having worked in public service since 1982. He is currently in private practice and a consultant in Public Administration and policy.</p>
 <p>Designation: Member Name: Franklin N. Mukuna Profession: Educationist</p>	<p>Mr. Franklin N. Mukuna was born on 15 June 1970</p> <p>Currently a member of the Board of Baringo Technical College, representing the Principal Secretary State Department for Technical, Vocational, Education and Training (TVET).</p> <p>He Holds a master's degree in religion from Maseno University, a Bachelor's Degree in Education (Arts) from Moi University and is currently a PhD student in Religion Maseno University and at Mount Kenya University in Education (Qualifications sector).</p> <p>He is currently serving as the Deputy Director – TVET deployed to the Kenya National Qualifications Authority (KNQA) where he is serving as acting Deputy Director in charge of Registration, Accreditation and Documentation (RAD). Previously he had ably served the Directorate of Quality Assurance and Standards in the Ministry of Education as the Principal Quality Assurance and Standards Officer (PQASO). Before this, he had ably served the Teachers Service Commission (TSC) as a graduate Teacher in various capacities.</p>

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 <p>Designation: Chief Principal Name: Josphat Kipkemboi</p>	<p>Chief Principal Personal number 1990177430 Mr. Josphat Kipkemboi holds Bachelor of Arts Degree in Education (Business & Economics) from Kenyatta University and Master of Agricultural Economics and Resource management from Moi University. He has an experience of 32 years in Technical, Vocational, Education and Training sector.</p>
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4. Key Management Team

Name of the Employee	Brief Description
 <p>Designation: Chief Principal Name: Josphat Kipkemboi</p>	<p>Chief Principal</p> <p>Personal number 1990177430</p> <p>Mr. Josphat Kipkemboi holds Bachelor of arts Degree in Education (Business & Economics) from Kenyatta University and Master of Agricultural Economics and Resource Management from Moi University. He has 32years' experience in Technical, Vocational Education and Training (TVET) sector.</p>
 <p>Designation: Deputy Principal Administration Name: Robert Chesire</p>	<p>Deputy Principal (Administration)</p> <p>Personal Number 2002078071</p> <p>Mr Robert Chesire holds Bachelor of Arts Degree in Education (Accounting & Mathematics) from UON and Dip in HRM from Kenya Institute of Management and over 21 years of teaching experience.</p>
 <p>Designation: Registrar Name: Mercy Kemboi</p>	<p>Registrar</p> <p>Personal Number 2008909748</p> <p>Ms. Mercy Jebet Kemboi holds a Bachelor of Education Science in Computer and Business Studies from Catholic University of Eastern Africa. She has an experience of 17 years of Technical, Vocational, Education and Training (TVET) Sector.</p>

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 <p>Designation: Dean of students Name: Rufus Muriuki</p>	<p>Dean of Students</p> <p>Personal Number 1998045873</p> <p>Mr. Rufus Muriuki is the Dean of Students on appointment in an acting capacity. He holds a Diploma in Technical Education accounting option. He has 16 years' experience in Technical, Vocational Education and Training (TVET) sector</p>
 <p>Designation: Finance Officer Name: CPA Rebecca Chelanga</p>	<p>Finance Officer</p> <p>Personal Number: BTC2013004</p> <p>Rebecca Chelanga is a CPA (K) holder and a member of ICPAK, Institute of Internal Auditors of Kenya (IIAK) and the Association of Women Accountants of Kenya (AWAK). She holds a Bachelor of Commerce Degree (Finance Option) from Egerton University. She is currently pursuing an MBA degree programme at Kabarak University. She has over 15 years' experience in Accounting and Finance field.</p>
 <p>Designation: Procurement Officer Name: Robert Kiprop Chirchir</p>	<p>Procurement Officer</p> <p>Personal Number: BTC2015007</p> <p>Mr Robert Kiprop Chirchir is a member of KISM; He holds a bachelor's degree in business management (Procurement Option). He has 8 years' experience in procurement practice.</p>
 <p>CPA Elijah Koech Internal Auditor</p>	<p>Internal Auditor</p> <p>Personal Number: BTC2021044</p> <p>CPA Elijah Koech is a member of Institute of Internal Auditors (IIAK) and a member of ICPAK. He has 12 years' experience in accounting and audit practice. He holds a bachelor's degree in business administration (Finance Option) from Jomo Kenyatta University of science and Technology. He is also a Certified Credit Professional (CCP).</p>

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CHRP Fridah Yator
Human Resource Officer

Human Resource Officer

Personal Number: BTC2021045

Fridah Yator is a member of Institute of Human Resource Management (IHRM) and a Certified Human Resource Practitioner (CHRP). She holds a Higher National Diploma in Human Resource Management and is a trained and registered Technical and Vocational Education trainer in Human Resource Management with a vast experience in Administration and Human Resource functions. She is currently pursuing Bachelor of Commerce degree in Human Resource Management at University of Eldoret.

5. Chairmans Statement



Opening Statement

On behalf of the Board of Governors, Baringo Technical College, I am pleased to present the Annual Financial Statements and Report for the year ended 30 June, 2023. I wish to appreciate the impressive performance characterized by remarkable improvements in financial and operational performance as well as expansion of the College enrolment, facilities, and infrastructure.

We attribute this tremendous growth to the Government financial support and the centralized admission through Kenya Universities and Colleges Central Placement Service (KUCCPS) and the contribution of the local community. In the financial year 2022-2023, the institution had an enrolment of 3,549 students.

The college has continued to utilize temporary structures as tuition rooms due to insufficient classrooms.

We are proud to report that during the Financial Year 2022-2023, the College was able to officially open Tuition block and Hospitality Restaurant which was graced by the Principal Secretary, State Department of Vocational and Technical Training, Dr Margaret M. Mwakima, PhD., D.D., CBS.

Our mentorship of the construction and completion of Twin workshop, classrooms, and offices block (2-storey) for the proposed Kapchepkor Technical and Vocational College in Baringo North Constituency continues.

The works currently stand at 96% completion as at 30 June, 2023.

The supply, installation, and maintenance of an Enterprise Resource Planning (ERP) system stand at 90% completion rate. The Board is committed to completing the projects by the end of the first Quarter of the Financial Year 2023-2024.

It is our hope that our development partners will assist the institution in putting up new infrastructure facilities to accommodate the rise in student population. The College experienced a number of challenges during the period under review. We have been utilizing internally generated funds to finance capital projects. The institution requires additional workshops, laboratories, and Tuition rooms in order to accommodate growing student population. Our

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students are compelled to take lectures under trees and in open spaces due to insufficient lecture rooms as shown below.



The College is in a process of acquisition of consolidated title deed which is on course on the amalgamated parcels of land.

In addition, the College has not benefited from the provision of training equipment and provision of funding for construction of additional Tuition rooms and administration blocks since its inception in the year 2013.

Lastly, I wish to convey my sincere gratitude to my fellow members of the Board of Governors, the Chief Principal, Management team, Staff and Students, for their steadfast support and contribution towards the institution's success in the Financial Year 2022-2023.

.....
Ezekiel Kimosop
Chairperson of the Board
September 28, 2023

For

BARINGO TECHNICAL COLLEGE
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6. Report of the Chief Principal



The College has continued to discharge its core mandate as guided by the Board of Governors, in pursuit of its vision of being “A global leader in research and training in Technology, Engineering, Innovation and Entrepreneurship”.

As one of the Technical and Vocational Colleges built to further the aims of the Vision 2030 and the Big Four agenda by enhancing transfer of Technical and Vocational skills and learning in Kenya, the College has continued to offer quality education and training that meets the expectations of industry and the general populace.

Baringo Technical College has embraced change and innovation and has tailored its programs to meet the evolving needs of industries and equipping our graduates with relevant skills required to excel in the ever-changing job market.

Looking to the future, there is need to invest heavily in infrastructure to enable us to manage the planned increase in the number of trainees reporting for training. Lecture hall rooms, workshops and laboratories is our immediate focus in the coming financial year as elucidated in our strategic plan 2020-2025.

The Institution has continued to partner in various fields with Colleges and Institutes Canada (CICan), Mastercard foundation and Young African Works. It is a center of excellence in Hospitality and a proposed Centre of excellence in Plumbing, Food Production and Housekeeping by Colleges and Institutes Canada (CICan), Master Card Foundation and Young African Works

The report also details the College’s financial performance during the year, which shows a financial state of good health. The good performance of the College is attributed to the commitment and dedication of staff who worked tirelessly to support management in achieving College objectives. Within the year a lot of support was received from the government, sponsors, and other stakeholders.

As we move into the financial year 2023-2024, we strive to better our performance. Below is a description of our activities in the financial year 2022-2023:

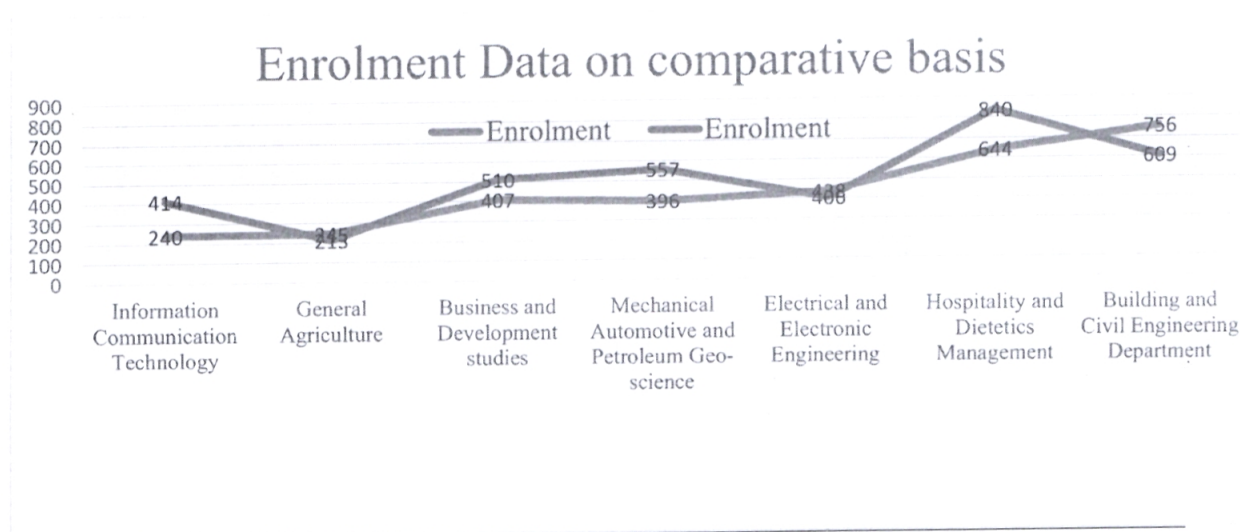
I. Administration

The College in the financial year ended 30 June 2023 had seven functional departments with a total enrolment of **3549** students. The key functions of the department(s) can broadly be described as creating a conducive environment in which learners in the College can have their concerns addressed in a timely, effective, and efficient manner and in the fulfilment of our core mandate.

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Serial Number	Department	Enrolment 2021-2022	Enrolment 2022-2023
1	Information Communication Technology	240	414
2	General Agriculture	245	213
3	Business and Development studies	407	510
4	Mechanical Automotive and Petroleum Geo-science	396	557
5	Electrical and Electronic Engineering	438	406
6	Hospitality and Dietetics Management	644	840
7	Building and Civil Engineering Department	756	609
	Total	3126	3549



II. Examination Performance

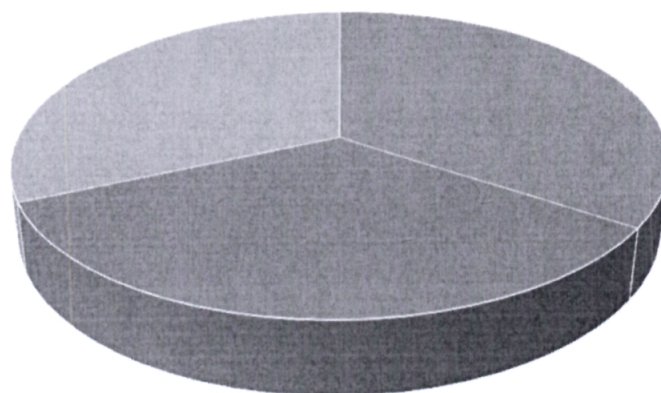
The data below shows that on overall, the performance in Kenya National Examinations Council (KNEC) in the financial year 2022-2023 on percentage pass rate dropped from 69.83% in July 2022 series to 68.74% in November 2022 and 63.14% in March 2023 series.

Serial Number	Departments	July 2022	November 2022	March 2023
1	Information Communication Technology	70.59%	63.46%	66.67%
2	Agriculture Department	96.30%	100%	84.21%
3	Business and Development studies	81.67%	76.12%	61.90%
4	Mechanical Automotive and Petroleum Geo-science	37.68%	45.71%	34.48%
5	Electrical and Electronic Engineering	50.75	47.41%	32.14%
6	Hospitality and Dietetics Management	90.40	93.98%	85.25%
7	Building and Civil Engineering Department	62.58	62.56%	61.90%
	Overall performance	69.83%	68.74%	63.14%

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Overall Exam performance



■ Jul-22 ■ Nov-22 ■ Mar-23

III. Staff Establishment

In adherence to the college Human Resource Manual, the college in the financial year under review was able to offer three (3) sponsorship positions to her BOG staff to undertake a bachelor's degree program and Diploma course at the University of Eldoret and at our college respectively by paying tuition fee to a maximum of Kshs 100, 000 and Kshs 26,420 annually, respectively.

Currently the College has a staff establishment of 157 of which 61 are trainers employed by the Public Service Commission, 60 are trainers 43 while 54 are essential staff employed by the Board of Governors as tabulated below.

Serial Number	Classification of the staff	Total Number of staff
1	Public Service Commission staff	60
2	Board of Governors trainers	43
3	Board of Governors Essential staff	54
	Total	157

IV. Suppliers Sensitization

Training for suppliers on Procurement laws and regulations was conducted as a sensitization workshop for the area residents and other interested parties in an effort to boost participation in the College activities by the local community in which we are situated.

V. Revenue Collection

During the financial year 2022-2023, the college had targeted to collect Kshs 264,886,000. We managed to collect Kshs 205,992,469. These amounts to a shortfall of Kshs 58,893,531.

VI. Expenditure Analysis.

In the financial year 2022-2023, the college did not meet all its objectives owing to insufficient funding. The highest expenditure being use of goods which comprise of training materials for students.

VII. Exhibitions/Marketing of Courses

We carried out marketing of our courses in towns and Centres around our location and in other counties from there we were able to recruit new trainees for various courses with many more anticipated to enrol in the coming admissions.

XII. Office of The Dean of Students

The Office of the Dean of Students is concerned with student affairs to help address the holistic growth, development and well-being of students in support of the College's vision, mission, and objectives.

In the just ended financial year, the Office encouraged students' positive involvement in internal and external events and partnered with students in programmes planning and facilitation, in order to enhance professional and personal well-being and nurture the right values, strong social responsibility and responsible citizenship.

In this effort, the Office facilitated ongoing programmes that developed student leadership skills, gave students an awareness of topical issues such as sports participation, HIV/AIDS, career guidance and counselling and often supporting student participation in projects that encouraged innovativeness, creativity, a positive interaction with the community and the environment.

The Office also addressed issues pertaining to students with special needs and disseminated up-to-date information to the concerned College offices and officers.

• **Student Activities**

The Office related well with the Student Leadership, facilitating them where necessary sometimes under very difficult circumstances.

The students' association carried out activities with some students showing more integrity and maturity than others. The college performed well in co-curricular activities both at regional and national levels.

• **Counselling Services**

We continued to offer counselling services through the offices of the Guidance and Counselling Officer and career counselling through office of career services.

• **College prayer days**

The college through office of the Dean of Students organized prayer days on opening and end of every term. This is geared to enhance spiritual matters amongst the college fraternity.

• **Placement Services**

Recruitment and career fairs were held throughout the year. The registry working strongly with KUCCPS has been reaching out to prospective students all year round. The Industrial Liaison office continually assists students to get attachments and internships in various organizations and

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students were requested to send their credentials to the office of industrial liason office for ease of facilitation whenever opportunities arise.

Conclusion

On behalf of Baringo Technical College Board of Governors, I take this opportunity to thank the Government for its unequivocal support during the year under review. I also appreciate the financial, material, and moral support of our collaborators, partners, and friends during the period. It is because of the co-operation with the Government through the Ministry of Education, State Department of Vocational Technical Training, other stake holders and more importantly guidance of the Board of Governors as well as the cooperation of the management team, all staff, and our students that we ended the year within an environment of peace and stability. I wish to register my gratitude to them all.

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



Josphat Kipkemboi
Chief Principal/Secretary to the Board
September 28, 2023



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7. Statement of Performance against Predetermined Objectives

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

Baringo Technical College had three strategic pillars and objectives within the current Strategic Plan for the Financial Year 2022- 2023. These strategic pillars are as follows:

Pillar 1: Implementation of TVET programmes

Pillar 2: Modernize institutional facilities.

Pillar 3: Infrastructure development

The College develops her annual work plans based on the above three pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved partially its performance targets set for the Financial Year 2022-2023 period for its three strategic pillars, as indicated in the diagram below:

Strategic Issue	Objective	Key Performance Indicators	Activities	Achievements
Strategy 1.1.1 Intensification of outreach campaigns to catchment areas.	Conduct outreach campaigns Establish career guidance outreach to secondary schools	1000 trainees annually admitted.	Number of trainees admitted.	1012 New students enrolled
Strategy 3.1.2 Completion of tuition complex	Modernize institutional facilities	Tuition complex completed	Tuition complex handed over	100% complete
Strategy 3.1.7 Construction of Food and Beverage workshop	Modernize institutional facilities	Designed plan. Food and Beverage workshop constructed	Design done. Food and Beverage workshop	100% complete
Strategy 3.1.9 Enhance ICT infrastructure	Infrastructure Development	Procure and install ERP system	ERP system installed and commissioned	80% complete

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8. Corporate Governance Statement

The current Board of Governors was appointed into office on 12 May 2020 and upon appointment immediately took charge of their mandate to steer the college forward through application of best governance practices and standards.

The Board of Governors have been forging a united front in confronting challenges facing the institution since inception in 2013 and then grew consistently.

One of the core values is effective corporate governance. There are benefits of a properly implemented effective corporate governance system as it enhances stakeholder confidence.

The College has built its operations on very strong corporate governance principles based on the application of high and consistent ethical standards in her relationships with all customers, employees, and other stakeholders. This is consistent with the institutions core values of effective corporate governance that has led to a strong commitment to conduct business in accordance with best business practices based on principles of transparency, accountability, and responsibility, monitoring compliance with relevant laws and regulations, risk management, appropriate checks and balances and the delivery to commitments to all stakeholders.

Ethical leadership and integrity, socio-environmental responsibility and determination of group strategy are the key principles that are considered while setting governance standards for the group. The College has kept abreast with international developments in corporate governance for the promotion of enhanced transparency, integrity, and rule of law.

The Board of Governors is the representative of the stakeholders and has the duty of validating financial results and the review of college performance, protecting assets, counselling the chief executive officer on strategy, and nurturing the next generation of leaders. The board is responsible for ensuring proper and sound corporate governance within the College. Good corporate governance is therefore a fundamental part of the culture and the business practice of the College.

THE BOARD CHARTER

1. Purpose

This charter sets out the key values and principles of the Board of Governors of the Baringo Technical College

It provides a concise overview of:

1. The role and responsibilities of the Board of Governors.
2. Powers of the board and board committees.
3. Separation of roles between the Board and Management.
4. The practice of the board in respect of corporate governance matters.

This Board Charter is subject to the provisions of the TVET Act, 2013, the PFM Act, 2012 and any applicable law or regulatory provision.

2. Role of The Board

- a) The Board is the ultimate decision-making body of the College.
- b) The Board is responsible for establishing sound system of internal control for the College.
- c) The Board is responsible for overseeing the corporate governance framework.

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- d) The Board is responsible for: adoption of strategic plans and policies; monitoring the operational performance; establishing policies and processes that ensure integrity of the College's internal controls; and risk management.
- e) The Board is responsible for establishing clear roles and responsibilities in discharging its fiduciary and leadership functions.
- f) The Board is responsible for ensuring that management actively cultivates a culture of ethical conduct and sets the values to which the institution will adhere.
- g) The Board is responsible for ensuring that the strategies adopted promote the sustainability of the College.
- h) The Board is responsible for establishing policies and procedures for effective operations of the College.
- i) The Board shall establish appropriate staffing and remuneration policies for all employees as required.
- j) The Board shall ensure the College's compliance with all applicable laws, regulations, governance codes, guidelines and regulations and establish systems to effectively monitor and control compliance across the College.

3. Matters Reserved for The Board

- a) The Board reserves specific powers to itself and delegates other matters to the management of the College.
- b) The Board delegates its day-to-day powers and duties to the principal and to the Management Team as required by law.

4. Delegation of Authority

- a) Effective governance of the College requires management to be involved in all significant decisions, and to be accountable to the Board. All delegated authority must emanate from the Board.
- b) In establishing delegated authority, whether for financial expenditure approval, or other approvals, both quantum and individuals to be granted authority must be presented to the Board.
- c) The Principal must raise with the Board any matter of significance affecting the College which requires the Board's attention, including any matters which exceed the delegated authority of the executive management.

5. Composition of The Board

- a) The Board shall be appointed by the Cabinet Secretary for Education. It includes members representing Industry, Technology, Leadership, ICT and Finance & Engineering.
- b) The Board shall ensure that it comprises a diverse mix of skills and expertise critical for effective oversight on the management of the College. This shall be underscored by ensuring that each member has the requisite skill and access to the necessary tools required for their effective performance.

BARINGO TECHNICAL COLLEGE

Annual Report and Financial Statements for the year ended 30 June 2023

5.1. Appointment and Remuneration of Board members

- a) The Board shall consist of members as shall be determined from time to time and subject to regulatory requirements. The Board Nominating Committee shall recommend governors for appointment by the Cabinet Secretary for Education as per regulatory requirements.
- b) The Chairman of the Board shall be appointed by the Cabinet Secretary for Education.
- c) The number of Board members shall be as determined by the TVET Act 2013.
- f) The Board shall establish and approve formal and transparent remuneration policies and procedures for Board members.
- g) Governor's remuneration package shall be adequately disclosed in the full board meeting(s) in line with the financial ability of the college as regulated by the TVET Act 2013.

6. Board Independence

To enhance independence, the Board shall avail an environment that ensures the members are critical and independent of one another to promote independent and objective judgment.

7. Access to Information and Independent Advice.

- a) The Board may from time to time require independent legal, financial, governance or other expert advice. To facilitate this, the Board shall ensure members obtain external advice, as may be required, at the College's expense and shall invite senior management to provide technical advice as needed.
- b) The Board shall establish procedures to allow its members access to relevant, accurate and complete information and professional advice in order to discharge its duties effectively.

8. Board Training

- a) Each Board member shall participate in an induction program that is tailored to effectively orient the member to the College's business, strategy, objectives, policies, procedures, operations, senior management, and operating environment. The induction shall also include all the necessary information that shall be required by a member for effective performance on the Board. New Board members shall also be introduced to their fiduciary duties and responsibilities as well as any other aspects that are unique to the College.
- b) Board members should have a clear understanding of their role in corporate governance and be able to exercise sound and objective judgment about the affairs of the College.
- c) The Board shall ensure adequate Board development through continuous training to keep the Board well informed on critical information pertinent to the College and corporate governance environment.
- d) The Board shall conduct a bi-annual review to identify the training needs and facilitate up skilling as well as continuous development.

9. Board Evaluation

- a) For improved Board effectiveness, the Board shall carry out an assessment of its performance the performance of the Chairperson, that of its committees, individual members and the Principal.

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Annual Report and Financial Statements for the year ended 30 June 2023

- b) The Board shall discuss the results of the evaluation exercise which shall also inform the Board on the training needs for its members.
- c) The Board shall disclose whether evaluation of the Board, the chairperson and the Principal has been undertaken in the annual report and financial statements of the College.

10. Role of The Chair and Secretary

The Chair is appointed by the Cabinet Secretary for Education. The Secretary, who is the Principal, shall keep the Chair informed about the operations of the College.

The Role of the Chair shall be to:

- a) Provide leadership to the Board and ensure its effectiveness in all aspects of its role. The Chair shall set the Board agenda with the assistance of the Principal who is the Secretary.
- b) Facilitate the effective contribution of governors and encourage constructive relations between governors.
- c) Monitor attendance at Board meetings.
- d) To ensure that there is a robust process for Board succession and that a current pool of candidates has been identified.
- e) Develop the strategy of the College, together with the principal, and ensure the Board is fully appraised and can debate the strategic direction of the College.
- f) Put in place and maintain an effective delegation of authority structure to provide effective management and control over the College's business with the assistance of the Principal.
- g) Communicate effectively with the College stakeholders. The stakeholders include, where applicable, regulators, governments, students, staff, and the communities within which the College operates.
- h) Together with the Principal, to ensure that the College communicates effectively with, stakeholders, government agencies, financial institutions, the media, the public and any relevant special interest groups who have a legitimate concern or involvement with the operation of the College.
- i) Ensure that the views of the stakeholders are communicated to the Board as a whole.
- j) Chair the Full Board Meetings and all other stakeholder meetings of the College.
- k) Together with the Principal and Secretary, ensure that the College operates to the highest standards of corporate governance.
- l) Manage the training needs of each board member and ensure development.
- m) Ensure the Board undertakes continuous development in order to enhance governance practices within the Board itself and in the interest of the College.

The role of the Secretary shall be to:

- a) Ensure that the policies spelt out by the Board in the College's overall corporate strategy are implemented.
- b) Identify and recommend to the board competent officers to manage the operations of the College. In the fulfilment of this duty, the Secretary should ensure that the College's human resources policy is adhered to.
- c) Co-ordinate the operations of the various departments within the College.
- d) Establish and maintain efficient and adequate internal control systems.

BARINGO TECHNICAL COLLEGE

Annual Report and Financial Statements for the year ended 30 June 2023

- e) Design and implement the necessary management information systems in order to facilitate efficient and effective communication within the College
- f) Ensure that the Board is frequently and adequately appraised about the operations of the College through presentation of relevant board papers, which must cover, but are not limited to, the following areas:
 - i) Actual performance compared with the past performance and the budget together with explanations of all the variances.
 - ii) Capital structure and adequacy.
 - iii) Performance of students.
 - iv) Income and expenses.
 - v) Income: sources and distribution profile.
 - vi) Report on violation of laws and remedial activities undertaken to ensure compliance with the guidelines.
 - vii) Any other duties as may be assigned by the Board from time to time.

11. Duties of Board Members

Each Board member shall have the fiduciary duty to;

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

12. The Secretary

The Principal appointed by the Public Service Commission is the Secretary to the Board and is charged with the following responsibilities:

- a) To provide guidance to the Board on its duties and responsibilities and on other matters of governance;
- b) To ensure that the Board complies with its obligations under the law and the TVET Act 2013 and all other relevant laws.
- c) To assist the Chairperson of the Board in organizing the Board activities;
- d) To assist the Board with evaluation exercise;
- e) To coordinate the governance audit process;
- f) To maintain and update the register of conflict of interest;
- g) To facilitate effective communication between the organization and the stakeholders; and
- h) To carry out any other duties as may be assigned by the Board from time to time.

13. Board Committees

- a) The Board may discharge any of its responsibilities through Board Committees appointed from amongst its members subject to the applicable laws.
- b) The Board has established the following committees:
 - 1. Audit and Risk Management Committee
 - 2. Finance & Infrastructure Committee
 - 3. Academics, Human Resource, and welfare committee
- c) The Board shall appoint the Chairpersons of the Committees and shall approve appropriate terms of reference for the Committees.
- d) Reporting obligations:
 - i) The Committees shall report to the Board on matters referred to it by the Board and on the proceedings following each meeting of the committee. The report shall include findings, matters identified for specific recommendation to the Board, action points and any other issues as appropriate.
 - ii) The committees shall liaise with each other in so far as it is expedient to effectively perform their different roles.
- e) The Board remains collectively responsible for the decisions of any committee and shall review the effectiveness and performance of committees annually.
- f) The Board may be required to establish other committees from time to time.

A) Audit and Risk Management committee

Their roles include:

- i). To provide strong and effective oversight of the college internal audit function
- ii). Examine internal and external audit reports and recommendations.
- iii). Asses the performance of internal audit function

The committee is composed of the following members.

Sno	Name	Post Held
1	CPA Lucy Chepkwony	Chairperson
2	Ivan Kelunyo	Member
3	Grace Chelagat	Member
4	CPA Elijah Koech	Secretary

B) Academic, Human Resource and welfare committee

Their roles include:

- i). Receive reports from the Principal, and management on implementation of curriculum in the college and handles any issues and challenges hindering curriculum implementation.
- ii). Authorizes expenditure on acquisition of training materials and resources for Smooth curriculum implementation.
- iii). Reports to the main board on all issues discussed and steps taken by the committee.

BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023

The committee is composed of the following members.

Sno	Name	Post Held
1	Margaret Mwangi	Chairperson
2	Dennis Kiprono	Member
3	Grace Chelagat	Member
4	Josphat Kipkemboi	Secretary

C) Finance and Infrastructure Committee

Their roles include.

- i). Receive reports from the Principal, and management on implementation of capital projects.
- ii). Authorizes expenditure on acquisition of training materials and resources.
- iii). Scrutinize annual budget prior to presentation to the full Board.

The committee is composed of the following members;

Sno	Name	Post Held
1	Wilfred Kiplagat	Chairperson
2	Margaret Mwangi	Member
3	Dennis Kiprono	Member
4	Josphat Kipkemboi	Secretary

14. Conflicts of Interest and Related Party Transactions

- a) All Board members are required to:
 - i) Declare any interests that may give rise to potential or perceived conflict e.g., business relationships or other circumstances that could interfere with exercise of objective judgment;
 - ii) Declare as soon as they become aware that a subject to be discussed at a Board or committee meeting may give rise to a conflict of interest at the outset of the applicable meeting. The conflicted Board member shall not participate further in the discussion of that subject, nor vote on it. This is always subject to the provisions of the guiding laws, rules & regulations of the College.
- b) The Board shall evaluate all potential or perceived conflict of interest as declared and shall approve such transactions with the College as may be appropriate.
- c) A register of declared Conflicts of Interest shall be maintained by the Secretary.

15. Code of Conduct

- a) The Board shall adopt a Code of Conduct for all governors and employees that addresses, among other things, conflict of interest and which shall be reviewed and updated regularly. A summary of this code shall be made available on the College's website.
- b) The College shall adopt effective whistle blowing mechanisms that encourage staff and other stakeholders to bring out information helpful in enforcing good corporate governance practices.
- c) The Board shall also adopt the Public Service Code of Conduct that will apply to all governors and staff.

BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023

16. Relations with Stakeholders

- a) The Board shall recognize, respect, and protect the rights of stakeholders and shall ensure equitable treatment of all stakeholders.
- b) The Board shall provide stakeholders with information as is required under the applicable law and shall establish mechanisms to ensure effective communication with stakeholders.
- c) The Board shall have a stakeholder-inclusive approach and will be responsible for giving due consideration to the legitimate interests and expectations of the College's stakeholders in its deliberations, decisions, and actions.
- d) The Board shall establish effective communication with the College's stakeholders including the media as may be appropriate.

17. Terms of Reference

The Board shall adopt its detailed Terms of Reference which shall be reviewed periodically.

Board meetings held and the attendance to those meetings by members,

In the financial year 2022/2023 the Board held a total of Eighteen BOG meetings which were convened by the BOG Secretary in consultation with the Chairperson as follows:

Serial Number	Nature of meeting	Number of meetings
1	Audit and Risk Management Committee	4
2	Academic, Human Resource & Welfare Committee	3
3	Finance and Infrastructure Committee	5
4	Full Board	4
5	Special full board	2
	Total meetings	18

BARINGO TECHNICAL COLLEGE

Annual Report and Financial Statements for the year ended 30 June 2023

9. Management Discussion and Analysis

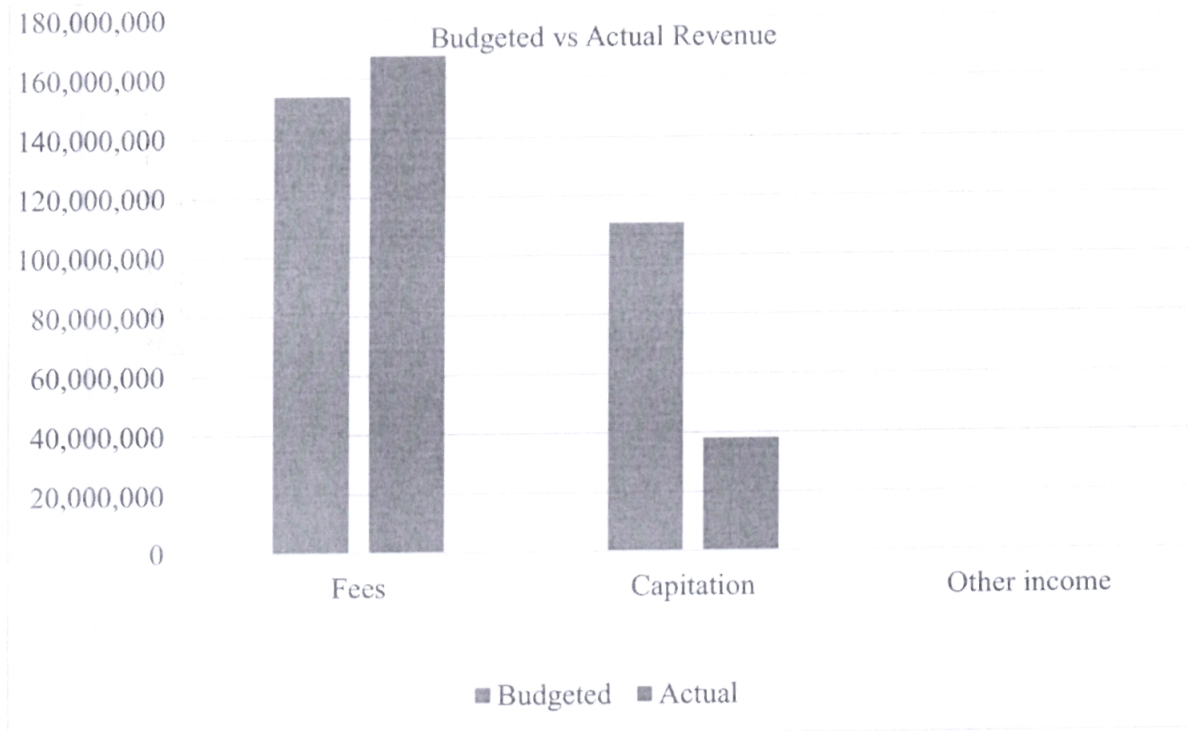
The College operational and financial performance

The operational and financial performance of Baringo Technical College is as shown below.

I. Revenue analysis Revenue Collection

During the financial year 2022-2023, the college had targeted to collect Kshs 264,886,000. We managed to collect Kshs 205,992,469. These amounts to a shortfall of Kshs 58,893,531. Our collections across our budget lines were as follows:

Serial Number	Revenue description	Budgeted	Actual
1	Fees	153,982,000	167,777,469
2	Capitation	110,904,000	38,215,000
3	Other income	-	513,893
	Total Kshs	264,886,000	205,992,469

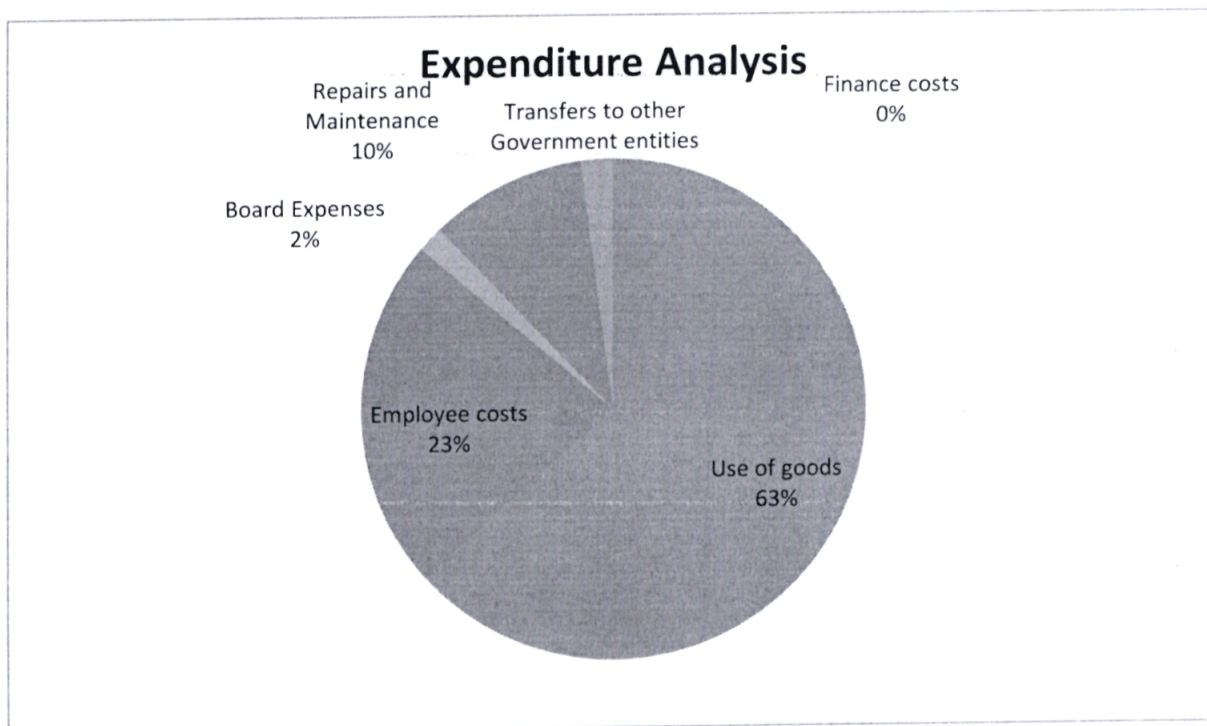


BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023

II. Expenditure Analysis.

In the financial year 2022-2023, the college did not meet all its objectives owing to insufficient funding. The highest expenditure being use of goods which comprise of training materials for students. The table below shows utilization rate per vote head.

Serial Number	Vote heads	Budgeted	Actual
1	Use of goods	104,062,167	94,577,513
2	Employee costs	39,569,877	33,847,958
3	Board Expenses	3,346,000	3,472,900
4	Repairs and Maintenance	6,744,500	6,244,231
5	Development expenses	54,401,790	-
6	Transfers to other Government entities	-	1,727,890
7	Depreciation expense	-	5,904,492
8	Finance Costs	-	28,117
	Total expenses	264,886,000	145,803,101



College compliance with statutory requirement

Baringo Technical college financial statements have been prepared in accordance with Section 81(3) of the Public Finance Management Act of 2012. The college complied with statutory obligation of its employees from time to time.

BARINGO TECHNICAL COLLEGE

Annual Report and Financial Statements for the year ended 30 June 2023

Total exposure

The college going concern is not in doubt and has no on-going or potential court cases that may expose it into potential contingent liability. Furthermore, the institution has complied with statutory obligation and requirements. In addition, the financial statements have been prepared on a going concern basis that depicts the entity's ability to continue as a going concern.

Major risks facing the college.

Major risks to the college are:

- i. Low student numbers: We are conducting several college marketing initiatives and are hopeful they will boost the student enrolment numbers come the next financial year and, in the years, to follow.
- ii. Inability to maintain and enhance growth in courses, particularly in Baringo County which is our main catchment area, or if events occur such as riots and strikes that damage our reputation, our ability to expand and attract new students and partners may be impaired.
- iii. It may not be possible to claim or collect from the government capitation arrears for past financial period even when our returns were in order. It is also difficult to collect grant promises which are factored into our budgets.
- iv. Project proposal negotiation and funding from the Ministry of Education is outside our control and the proposal terms may change in the future.
- v. Capitation grants cannot be relied upon as a source of income.
- vi. Our college depends to a large extent on the government and the uncertainties that come with its disbursement priorities. Our experience has been that disbursements are mostly received late. Case in point is quarter 3 capitation grants was received towards the end of quarter 4, while quarter 4 capitation grants was not received in the financial year. The amounts received were way below the expectation of the college by a huge margin. This hampers operations greatly.
- vii. We are exposed to credit related losses in the event of non-performance by Ministry of Education, trainees, and other paying stakeholders.
- viii. College fee revenue from our trainees is a significant portion of overall revenue. There is need to diversify our revenue sources away from student led revenue streams to enhance sustainability. To this end, we endeavour to encourage departments to initiate income generating activities (IGAs)
- ix. Competition for trainees is highly competitive in Kenya; we have to make sure that the calibre of our training programs is of high standard so that our trainees will be our No. 1 marketers. This increased competition could cause our Revenue to decline.

BARINGO TECHNICAL COLLEGE

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- x. A cyber-attack on or disruption to our IT systems or other systems utilized in our operations could compromise our operations, adversely impact our reputation, and subject us to liability.
- xi. Inability to take up insurance policies could expose us to significant losses.
- xii. We are subject to government regulation and other legal obligations related to privacy, data protection, data security and safeguarding. Our actual or perceived failure to comply with such obligations could harm our college.
- xiii. Session interruptions due to pandemics, natural disasters, terrorist incidents and other events could adversely affect us.

Reporting framework

The College adopted the International Public Sector Accounting Standards (IPSAS)-Accrual in the financial year 2013-2014.

The presentation of financial statements under review is in conformity with International Public Sector Accounting Standards (IPSAS) 1 on the presentation of financial statements. Additionally, each material class of similar items has been presented separately in the financial statements while dissimilar items have been aggregated only if they are immaterial on an individual basis as per International Public Sector Accounting Standard (IPSAS 1(13))

Material arrears in financial obligations

The pending bills at the close of the financial year stood at **KES 38,182,773**. All this incurred to make the College more hospitable for learners as we pursue our mandate.

The College financial probity and serious governance issues

During the financial year 2022-2023 there was no major financial improprieties reported by agencies on oversight that came to the knowledge of management. In addition, the College does not have serious governance issues among the board and the top management including conflict of interest. Being the first point of oversight, the Board in its calendar has scheduled quarterly meetings of the Audit & Risk Management Committee to strengthen the oversight on the execution of the budget.

BARINGO TECHNICAL COLLEGE

Annual Report and Financial Statements for the year ended 30 June 2023

10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

The college in the financial year ended June 30, 2023, was able to source additional water supply to the College from Kirandich Water Company to supplement the existing bore hall that was drilled with the collaboration of Government of Baringo. This was meant to increase water accessibility within the college to enable the college have access to adequate water for domestic use.

Environmental performance

In our strategic plan, one of our aims is to come up with policies that guide our operations. We are in the process of developing the policies that will guide how the College is to maintain the physical environment we operate in. Currently we are utilising targets we set in our performance contract to guide our actions. We set and surpassed our target of planting and maintaining 500 tree seedlings within the college compound annually. The college fraternity on an annual basis has been taking part in environmental clean-up exercise at Kapsoo centre and Kabarnet town. The College installed a bio-digester within the college premises with an aim of waste disposal at a cost-efficient manner.

Employee welfare

In our strategic plan, one of our aims is to come up with policies that guide our operations. We have just completed developing policies that will guide how the College is to recruit and maintain staff, the appraisal of performance, career progression paths and reward systems. We are in compliance with the Occupational Safety and Health Act of 2007. The college is also in a process of adopting the Work Injury Benefits Act (WIBA) once ratified by Board of Governors when necessary, funding is secured to undertake.

To improve skills and manage careers, the college in the financial year under review was able to offer three scholarship positions for BOG staff in degree and Diploma programmes to a tune of Kshs 100,000 and Kshs 26,420 respectively.

To enhance employee performance the institution has continuously facilitated its staff attend capacity building workshops with an aim of ensuring that they are up to date on emerging trends as well as best practice.

Market place practices-

Being a public Institution, there is the perception that there is a lot of resources to be utilised. The reality is far from that and the resources we have are carefully managed to have the most impact. To this end we carry out the following exercises to get the best partners for continued provision of goods and services.

a) Supplier prequalification

We are guided by the PPRA 2015 and its regulations of 2020 which gives guidelines on how to identify suppliers. This is an open and public process that invites all interested parties and has protections built within the process to carve out opportunities for youth, women and people with disabilities.

b) With our prequalified suppliers, we endeavour to meet our obligations on time so that we may be able to sustain relations for future partnerships.

BARINGO TECHNICAL COLLEGE

Annual Report and Financial Statements for the year ended 30 June 2023

- c) Being a national Government entity, the college makes a nationwide advert through newspaper and use of the local administration notice boards, social media and our website to market opportunities in the College.
- d) To enhance our presence, we organize on sensitization meetings with the service provider, the PPOA regulations for the Procuring entities and suppliers, the procurement cycle, forms of business and the specific documentation required when doing business with the College.

Corporate Social Responsibility / Community Engagements

Baringo Technical College was founded for public benefit, to promote Technical Education, knowledge and skills as well as provide an institution open for all, irrespective of race or political belief. It is a pioneer institution of higher learning in making Technical Education available to the communities living in Baringo County and Kenya at large.

The College's corporate social responsibility is to set out the guiding principles by which the organization is run in order to fulfil its core mandate.

During the financial year ended 30 June 2023, as a target in performance contract for the Financial Year, the College did engage in corporate social responsibility by visiting Sunrise children home. Further, the College is committed in implementing community engagements in the next financial year.

BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Baringo Technical College affairs.

Principal activities

The principal activities of the entity are to continue offering Training.

Results

The results of the entity for the year ended June 30 are set out on page 1-33

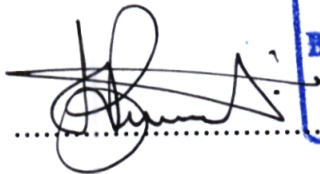
Board of Governors

The members of the Board who served during the year are shown on page vi-ix.

Auditors

The Auditor General is empowered to audit Baringo Technical College for the year ended June 30, 2023 and may appoint an auditor to audit on his or her behalf in accordance with section 23 of the Public Audit Act,

By Order of the Board



Jos **Josphat Kipkemboi**
Chief Principal/Secretary to the Board

BARINGO TECHNICAL COLLEGE

Annual Report and Financial Statements for the year ended 30 June 2023

12. Statement of Board of Governors Responsibilities

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

The Board are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2023. This responsibility includes:

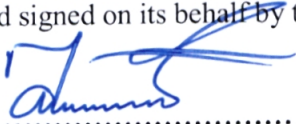
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity.
- (iii) Designing, implementing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

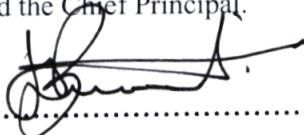
The Board members accept responsibility for Baringo Technical College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and Technical Vocational Education and Training (TVET) Act, 2013. The Board members are of the opinion that the College's financial statements give a true and fair view of the state of Baringo Technical College transactions during the financial year ended 30 June 2023 and of the entity's financial position as at that date. The Board, further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that Baringo Technical College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Baringo Technical College financial statements were approved by the Board on September 28, 2023 and signed on its behalf by the Chairperson of the Board and the Chief Principal.

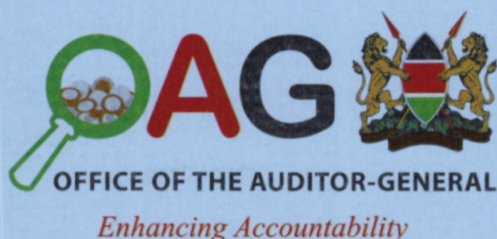

.....
Ezekiel Kimosop
Chairperson of the Board


.....
Josphat Kipkemboi
Chief Principal/Secretary to the
Board



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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON BARINGO TECHNICAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

The accompanying financial statements of Baringo Technical College set out on pages 1 to 35 which comprise the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information, have

been audited on my behalf by MAPN Associate CPA, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

In my opinion, except for the effects of the 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 Baringo Technical College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Debts

The statement of financial position reflects a balance of Kshs.121,483,589 in respect of receivables from exchange transactions as at 30 June, 2023 as reflected in Note 17 to the financial statements. According to a schedule on aging analysis presented for audit, the balance includes students' debtors totaling Kshs.140,780,221 of which Kshs.55,170,516 relates to financial years 2021/2022 and prior years. As at the time of audit February, 2025 no provision of bad debts was included the books.

In the circumstances, the recoverability of the receivables from exchange transactions balance of Kshs.55,170,516 as at 30 June, 2023 could not be confirmed.

2. Undisclosed Value of Land in the Financial Statement

The statement of financial position reflects property, plant and equipment balance of Kshs.77,203,651 as reflected in Note 19 to the financial statements. However, the balances exclude the value of land measuring 7.2 hectares belonging to the College as indicated in the copy of title deed this was attributed by undernimmed value of land as at 30 June, 2023. However, in the financial year 2023-2024, the College was able to value all it's assets, land included and incorporated to the financial statements for the period ended 30 June, 2024.

In addition, land measuring approximately 1.6 hectares encroached illegally and converted to a conservancy by private developers. At the time of audit in February 2025, the land is still being utilized and has been fenced by private developers. However, the principal had written to the Ministry for assistance to reclaim the land. College land had not been surrendered. At the time of audit February 2025, the College was in the process of amalgamating its parcels of land to secure a consolidated title deed, a process that is currently at an advanced stage, and the National Land Commission is actively deliberating on the matter. Further, an ad-hoc committee of the Governing Council is overseeing the amalgamation of the already fenced land to facilitate the issuance of the title deed. Regarding the encroached 1.6-hectare parcel, the principal has formally sought legal support from the Principal Secretary, Ministry of Education, State Department for

Technical and Vocational Education Training, through a letter dated 23rd July 2024. The matter is under consideration, and efforts are ongoing to reclaim the land

In the circumstances, the accuracy, completeness, existence, presentation and disclosure of the property plant and equipment balance of Kshs.77,203,651 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

During the period under review, it was noted the statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.264,886,000 and Kshs.205,995,399 respectively resulting to under-funding of Kshs.58,890,601 or 22% of the budget. Similarly, the college spent Kshs.145,803,101 against an approved expenditure budget of Kshs.264,886,000 resulting in an under-expenditure of Kshs.125,015,448 or 47.2% of the budget.

In the circumstances, the underfunding and underperformance affects the planned activities resulting to negative impact of the College service delivery to the public.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit of the previous year, several paragraphs were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not given any explanation on how the issues were resolved.

Other Information

The management is responsible for the other information set out on page i to xxxvi which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Chief Principal, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities,

Statement of Performance Against Predetermined Objectives). The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Baringo Technical College financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Weak Information Technology (IT) Internal Control

In the year under audit, the College had not established an IT strategic plan as well as IT security policy to provide governance on information technology matters including policies on IT continuity plan. Subsequently the critical data or information may not be recovered in case a disaster occurs. At the time of the audit February, 2025 the College was in the process of developing an IT strategic plan, IT security policy, and business continuity plan

to strengthen governance on information technology matters. The policies are at draft level and awaits the approval of the Governing Council. The management is committed to operationalize the policy the by 30 June, 2025

In the circumstance, the adequacy and effectiveness of the IT risk management strategies and controls and processes put in place could not be established and the implemented changes in the systems may not meet the business requirements of the institution

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 the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the College ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 July, 2025

BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023

13. Statement of Financial Performance for The Year Ended 30 June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	38,215,000	61,710,000
Revenue from Non-Exchange transactions		38,215,000	61,710,000
Revenue from Exchange transactions			
Rendering of services- fees from students	7	167,263,576	124,690,959
Rental revenue from facilities and equipment	8	513,893	493,000
Revenue from Exchange transactions		167,777,469	125,183,959
Total Revenue		205,992,469	186,893,959
Expenses			
Use of goods and services	9	94,577,513	94,347,603
Employee costs	10	33,847,958	31,991,439
Board Expenses	11	3,472,900	2,513,430
Depreciation and amortization expense	12	5,904,492	6,662,433
Repairs and maintenance	13	6,244,231	14,589,660
Transfers from other Government Entities	14	1,727,890	2,978,507
Finance costs	15	28,117	40,750
Total Expenses		145,803,101	153,083,072
Net surplus/(deficit) for the year		60,189,368	33,810,887

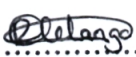
The notes set out on pages 1 to 33 form an integral part of the Annual Financial Statements.

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




Ezekiel Kimosop
 Chairman of the Board

Date: 07/08/2025



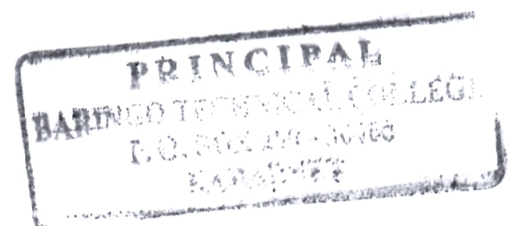
Rebecca Chelanga
 Finance Officer
 ICPAK No 20590

Date: 07/08/2025



Josphat Kipkemboi
 Chief Principal

Date: 07/08/2025



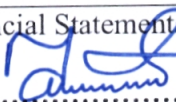
BARINGO TECHNICAL COLLEGE

Annual Report and Financial Statements for the year ended 30 June 2023


14. Statement of Financial Position As At 30 June, 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	3,179,493	43,739,505
Current portion of receivables from exchange transactions	17	142,911,089	63,941,413
Inventories	18	3,728,052	3,144,969
Total Current Assets		149,818,634	132,253,387
Non-Current Assets			
Property, plant, and equipment	19	77,203,651	56,865,673
Capital work in progress	20	37,665,003	20,533,742
Intangible assets	21	18,290,920	18,290,920
Biological Assets	22	185,000	-
Total Non-Current Assets		133,344,574	95,690,335
Total Assets		283,163,208	227,943,722
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	23	38,182,773	47,902,933
Refundable deposits from customers	24	5,941,575	1,191,297
Total Current Liabilities		44,124,348	49,094,230
Net Assets			
Development Fund	25	510,987	510,987
Development grant	26	15,174,176	15,174,176
Accumulated Surplus	27	223,353,697	163,164,329
Total Net Assets and Liabilities		283,163,208	227,943,722

The Financial Statements set out on pages 1 to 33 were signed by;

For


 Ezekiel Kimosop
 Chairman of the Board
 Date... 07/03/2025



 Rebecca Chelanga
 Finance Officer
 ICPAK No 20590
 Date... 07/03/2025



 Josphat Kipkemboi
 Chief Principal
 Date... 07/03/2025



BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023

15. Statement of Changes in Net Asset for The Year Ended 30 June 2023

Description	Development Grant	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2021	15,174,176	129,353,442	510,987	145,038,605
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	33,810,887	-	33,810,887
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2022	15,174,176	163,164,329	510,987	178,849,492
	-			
At July 1, 2022	15,174,176	163,164,329	510,987	178,849,492
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	60,189,368	-	60,189,368
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	15,174,176	223,353,697	510,987	239,037,873

BARINGO TECHNICAL COLLEGE

Annual Report and Financial Statements for the year ended 30 June 2023

16. Statement of Cash Flows For The Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	38,215,000	61,710,000
Rendering of services- fees from students	7	167,263,576	124,690,959
Rental revenue from facilities and equipment	8	513,893	493,000
Total Receipts		205,992,469	186,893,959
Payments			
Use of goods and services	9	94,577,513	94,347,603
Employee costs	10	33,847,958	31,991,439
Board Expenses	11	3,472,900	2,513,430
Repairs and maintenance	13	6,244,231	14,589,660
Depreciation expense	12	5,904,492	6,662,433
Transfers from other Government Entities	14	1,727,890	2,978,507
Finance cost	15	28,117	40,750
Total Payments		145,803,101	153,123,822
Net Cash Flows from operating activities	25	-14,317,542	33,770,137
Cash flows from investing activities			
Purchase of property, plant, equipment, and intangible assets	20	-26,242,470	9,707,439
Net cash flows used in investing activities		-26,242,470	9,707,439
Net Increase/(Decrease) in Cash and Cash equivalents		-40,560,012	
Cash And Cash Equivalentents At 1 July 2022	16	43,739,503	22,784,524
Cash And Cash Equivalentents At 30 June 2023	16	3,179,493	43,739,503

BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	110,904,000	-	110,904,000	38,215,000	72,689,000	65.5%
Rendering of services-fees from students	153,932,000	-	153,932,000	167,780,399	13,848,399	9.0%
Total Income	264,886,000	-	264,886,000	205,995,399	58,890,601	22.2%
Expenses						
Use of goods and services	215,225,632	-	215,225,632	94,577,513	120,648,119	56.1%
Employee costs	39,569,877	-	39,569,877	33,847,958	5,721,919	14.5%
Board Expenses	3,346,000	-	3,346,000	3,472,900	-126,900	-3.8%
Repairs and maintenance	6,744,500	-	6,744,500	6,244,231	500,269	7.4%
Depreciation and amortization	-	-	-	5,904,492	-5,904,492	-
Grants and subsidies	-	-	-	1,727,890	-1,727,890	-
Finance costs				28,117		
Total Expenditure	264,886,000	-	264,886,000	145,803,101	125,015,448	47.2%
Surplus For the Period	-	-	-	60,189,369		
Capital Expenditure	-	-	-			

Budget notes

- The deficit of capitation grant amounting to Kshs 72,689,000 was occasioned by non-disbursement of capitation grant by the parent ministry.
- Over collection of Kshs 13,848,399 was because of stringent fee collection mechanism by the management.
- Under absorption of use of good was due to non-remittance of capitation grants by the parent ministry.

17. Notes to the Financial Statements

1. General Information

Baringo Technical College is established by and derives its authority and accountability from Technical Vocational Education and Training (TVET) Act, 2013. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is Training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Baringo Technical College accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Baringo Technical College.

The financial statements have been prepared in accordance with the Public Finance Management Act, the State Corporations Act, 2004, the Technical Vocational Education and Training (TVET) Act, 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the College. The values are rounded off to the nearest shilling.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1 January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing, and uncertainty of an Entity's future cash flows. 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>The standard is not relevant to the institution</p>
IPSAS 42: Social Benefits	<p>Applicable: 1 January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness, and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol 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>The standard is relevant to the institution.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1 January 2023:</p> <ol 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

BARINGO TECHNICAL COLLEGE

Annual Report and Financial Statements for the year ended 30 June 2023

Standard	Effective date and impact:
	<p>hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>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> <p>The standard is not relevant to the institution.</p>
Other improvements to IPSAS	<p>Applicable 1 January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). • IPSAS 39: Employee Benefits. Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1 January 2023. <p>The standard is not relevant to the institution.</p>

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1 January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The standard is not relevant to the institution.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1 January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>The standard is not relevant to the institution.</p>

iii. Early adoption of standards

Baringo Technical College did not early-adopt any new or amended standards in year ended June 30, 2023.

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. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2022/2023 was approved by the Board on 14 January 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity did not record additional appropriations on the FY 2022/2023 budget following the Board's approval. 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 cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 4 under section 14 of these financial statements.

c) Taxes

Current income tax

Baringo Technical College is exempt from paying taxes as per Income Tax Act Cap.470

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)**Summary of Significant Accounting Policies (Continued)****d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, Plant and Equipment

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

f) Leases

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

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

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

i) Financial instruments

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

k) Provisions

Provisions are recognized when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the College expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

Baringo Technical College does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

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

l) Social Benefits

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

BARINGO TECHNICAL COLLEGE

Annual Report and Financial Statements for the year ended 30 June 2023

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

The Baringo Technical College did not create and maintain reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The College provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

The College regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Service concession arrangements

The College analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the College recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the College also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

BARINGO TECHNICAL COLLEGE

Annual Report and Financial Statements for the year ended 30 June 2023

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

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 College.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023
Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	38,215,000	61,710,000
Total Government Grants and Subsidies	38,215,000	61,710,000

(a) Transfers from other Government entities

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	38,215,000	-	-	38,215,000	61,710,000
Total	38,215,000	-	-	38,215,000	61,710,000

The details of the reconciliation have been included under appendix iii.

BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023
Notes to the Financial Statements (Continued)

7. Rendering of Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Arrears	726,211	-
Tuition Fee	59,261,440	57,924,272
Activity Fee	8,796,670	6,411,725
Personnel Emoluments	30,159,360	21,991,680
Repairs, Maintenance, and Improvements	4,314,816	5,244,379
Local Transport and Travel	8,288,721	6,061,765
Electricity, Water and Conservation	8,534,680	6,223,340
Medical, Attachment and Insurance	8,667,000	4,727,087
Examination Fee	25,764,310	10,887,450
Material Fee	5,109,000	2,109,000
Student ID	520,500	618,700
Student Council	1,543,662	742,437
Hostel Accommodation	1,812,500	712,500
Graduation Fee	-	12,000
TVETA Quality Assurance Fee	1,272,600	462,000
Cafeteria fees (PAYE)	2,495,035	562,624
Total Revenue from The Rendering of Services	167,263,576	124,690,959

8. Rental revenue from facilities and equipment

Description	2022-2023	2021-2022
	Kshs	Kshs
Hire of Facilities and Equipment	263,588	-
Salary recoveries	70,000	185,000
Rental fees	107,000	303,500
Income from sale of tender	13,000	-
Breakage fee	54,650	4,500
Library Fine	5,655	-
Total Rental Revenue from facilities and equipment	513,893	493,000

BARINGO TECHNICAL COLLEGE**Annual Report and Financial Statements for the year ended 30 June 2023****Notes To the Financial Statements (Continued)****9. Use of Goods and Services**

Description	2022-2023	2021-2022
	Kshs	Kshs
Teaching and Learning Materials	17,939,808	15,970,010
Industrial Attachment Costs	1,231,025	587,161
Electricity	1,846,417	1,749,247
Water	50,880	636,160
Tender Expenses	-	266,069
Student Activity	6,254,870	4,115,545
Student Council Expenses	597,074	414,060
Examination Fee Expenses	14,971,140	20,932,208
Fees Refund	-	192,953
Cafeteria Expenses	11,876,818	16,413,747
Travelling and Accommodation	16,572,887	8,703,888
Performance Contracting	717,360	1,028,056
Administration Costs	18,252,736	14,668,440
Marketing	1,860,855	2,095,642
Graduation Expense	19,000	2,879,458
Cleaning Materials Expense	58,400	934,314
Science, Technology, and Innovation	40,100	254,475
Internet Expenses	1,252,074	1,427,222
Medical Expenses	858,197	344,873
Landscaping	-	181,685
Hostel and House Keeping Expenses	91,000	417,930
Library expenses	86,870	93,710
Bank charges and commission	-	40,750
Total good and services	94,577,513	94,347,603

BARINGO TECHNICAL COLLEGE**Annual Report and Financial Statements for the year ended 30 June 2023****Notes To the Financial Statements (Continued)****10. Employee Costs**

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages	32,038,476	29,888,844
Casual wages	-	266,880
NSSF	410,782	969,990
Staff Capacity Building and Motivation	1,365,600	782,725
Staff uniforms and apparels	33,100	83,000
Total employee cost	33,847,958	31,991,439

11. Board Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Directors Emoluments	3,472,900	2,513,430
Total Board expenses	3,472,900	2,513,430

12. Depreciation and Amortization expense

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, plant and equipment	5,904,492	6,662,433
Total depreciation and amortization	5,904,492	6,662,433

13. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
General Repairs	6,244,231	9,845,220
Equipment and Machinery	-	31,300
Motor Vehicles	-	1,218,670
Hostel Repairs	-	3,351,100
Fencing	-	140,250
Workshops Repair	-	3,120
Total Repairs and Maintenance	6,244,231	14,589,660

Notes To the Financial Statements (Continued)

14. Transfers to other Government entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Kapchepkor	1,727,890	2,978,507
Total Transfers	1,727,890	2,978,507

15. Finance cost

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank charges	28,117	40,750
Total finance cost	28,117	40,750

16. (a) Cash and Cash Equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Account	3,179,493	43,739,503
Total Cash and Cash Equivalents	3,179,493	43,739,503

BARINGO TECHNICAL COLLEGE**Annual Report and Financial Statements for the year ended 30 June 2023****Notes To The Financial Statements (Continued)****16 (b). Detailed Analysis of Cash and Cash equivalents**

Financial Institution	Account number	2022-2023 Kshs	2021-2022 Kshs
a) Current account			
Kenya Commercial bank	1137331836	-	3,271,225
Kenya Commercial bank	1175704199	2,966,182	18,930,618
Kenya Commercial bank	1167847253	167,325	21,537,660
Total		3,133,507	43,739,503
b) Others (Specify)			
Cash in Hand		45,986	
Sub- Total		45,986	
Grand Total		3,179,493	43,739,503

BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023

Notes to the Financial Statements (Continued)

17. Receivables from Exchange transactions

Current Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current receivables		
Student debtors	140,780,221	59,280,353
Staff imprest	1,747,868	1,431,553
Sundry debtors	383,000	251,000
Grants and subsidies	-	2,978,507
Total Current Receivables	142,911,089	63,941,413

18. Inventories

Description	2022-2023	2021-2022
	Kshs	Kshs
Catering Stores	628,319	178,483
Repairs and Maintenance Stores	491,130	582,884
Stationery	960,308	1,041,719
Electrical Stores	354,840	252,040
Cleaning Materials Stores	247,513	-
Food and Beverages Stores	232,767	239,268
Fashion and Design Stores	514,137	166,790
Building Stores	-	142,980
Automotive and Mechanical Stores	142,484	143,060
House Keeping and Accommodation	-	355,306
Agriculture Department Stores	22,525	42,440
Hairdressing stores	134,030	-
Total Inventories at lower of Cost and Net Realizable Value	3,728,053	3,144,969

BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023

Notes to the Financial Statements (Continued)

19. Property, Plant and Equipment

Asset	Motor Vehicles	Building/W.I. P	Furniture and	Computers and ict equipment	Books	Plant and	Totals
			Fittings			Equipment's	
	0.25	0	12.5				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Book Value June 30, 2021	7,162,250	31,796,017	4,324,551	6,579,424	1,404,874	1,483,672	58,662,303
Depreciation	1,790,563	-	540,569	1,973,827	351,219	185,459	4,841,636
Net book value June 30, 2021	5,371,688	37,707,532	3,783,982	4,605,597	1,053,656	1,298,213	53,820,668
Book value as at July 1, 2021	5,371,688	37,707,532	3,783,982	4,605,597	1,053,656	1,298,213	53,820,668
Additions		553,785	3,588,752	3,873,150	1,691,752		9,707,439
As at June 30, 2022	5,371,687	32,349,802	8,862,734	11,210,136	2,745,407	1,298,213	61,837,981
Depreciation	1,342,922		1,107,842	3,363,041	686,352	162,277	6,662,433
Net book value June 30, 2022	4,028,766	38,261,317	6,264,892	5,115,706	2,059,056	1,135,936	56,865,673
Net book value July 1, 2022	4,028,766	38,261,317	6,264,892	5,115,706	2,059,056	1,135,936	56,865,673
Additions	-	18,856,125	855,345	5,711,000	-	820,000	26,242,470
Net book value June 30, 2023	4,028,766	57,117,442	7,120,237	10,826,706	2,059,056	1,955,936	83,108,143
Depreciation	1,007,191	-	890,029	3,248,011	514,764	244,497	5,904,492
Net book value June 30, 2023	3,021,575	57,117,442	6,230,208	7,578,695	1,544,292	1,711,439	77,203,651
Net book value July 1, 2022	4,028,766	38,261,317	6,264,892	5,115,706	2,059,056	1,135,936	56,865,673

BARINGO TECHNICAL COLLEGE**Annual Report and Financial Statements for the year ended 30 June 2023****Notes to the Financial Statements (Continued)****Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

20 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-		
Buildings	57,117,442	-	57,117,442
Plant And Machinery	1,955,936	244,497	1,711,439
Motor Vehicles including Motorcycles	4,028,766	1,007,191	3,021,575
Computers and Related Equipment	10,826,706	3,248,011	7,578,695
Office Equipment, Furniture, And Fittings	7,120,237	890,029	6,230,208
Books	2,059,056	514,764	1,544,292
Total	56,865,673	5,904,492	77,203,651

20. Capital work in progress.

Description	2022-2023	2021-2022
	Kshs	Kshs
Buildings	37,665,003	20,533,742
Total	37,665,003	20,533,742

21. Intangible Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Computer software	500,000	500,000
MIS Software	17,790,920	17,790,920
Total	18,290,920	18,290,920

BARINGO TECHNICAL COLLEGE
Annual Report and Financial Statements for the year ended 30 June 2023

Notes to the Financial Statements (Continued)

22. Biological Assets

	2022-2023	2021-2022
	Kshs	Kshs
Cattle	185,000	-
Total	185,000	-

23. Trade and Other Payables

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Payables	38,182,773	32,003,255
Caution Money	-	2,092,575
KUCCPS Placement Fee	-	1,381,500
Bursary funds	-	80,000
Helb and other control accounts	-	4,103,367
Total Trade and Other Payables	38,182,773	47,902,933

24. Refundable Deposits from Customers/Students

Description	2022-2023	2021-2022
	Kshs	Kshs
Consumer deposits	-	1,191,297
Caution Money	3,081,575	-
KUCCPS Placement Fee	2,780,000	-
Bursary funds	80,000	-
Total Deposits	5,941,575	1,191,297

BARINGO TECHNICAL COLLEGE**Annual Report and Financial Statements for the year ended 30 June 2023****25. Cash generated from operations.**

Surplus for the year before tax	2022/2023	2021/2022
	Kshs	Kshs
Adjusted for:	60,189,368	-
Depreciation	5,904,492	-
Working Capital Adjustments		
Increase in Inventory	-583,083	-
Increase in Receivables	-57,542,176	-
Increase in Deferred Income	0	-
Increase in Payables	-9,720,160	-
(Increase) in working progress	-17,131,261	-
(Increase) in biological assets	-185,000	-
Increase in Payments received in advance	4,750,278	-
Net Cash Flow from Operating Activities	-14,317,542	-

BARINGO TECHNICAL COLLEGE**Annual Report and Financial Statements for the year ended 30 June 2023****Notes to the Financial Statements (Continued)****Retirement benefit Asset/ Liability**

Baringo Technical College provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. The Baringo Technical College contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The College's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs 1,080 per employee per month. Other than NSSF the entity is yet to implement a defined contribution scheme which shall be operated by a Pension Fund. Employees contribute 3% while employers contribute 5% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

26. Development Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Developments Funds	510,987	510,987
Total	510,987	510,987

27. Development Grant

Description	2022-2023	2021-2022
	Kshs	Kshs
Development Grant	15,174,176	15,174,176
Total	15,174,176	15,174,176

28. Accumulated Surplus

Description	2022-2023	2021-2022
	Kshs	Kshs
Accumulated Surplus	223,353,697	163,164,329
Total	223,353,697	163,164,329

Notes to the Financial Statements (Continued)

29. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Financial risk management (continued)

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

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

(ii) Liquidity risk management

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

BARINGO TECHNICAL COLLEGE

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(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

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30. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government.
- ii) The Parent Ministry.
- iii) Key management.
- iv) Board of Directors.

31. Events After The Reporting Period

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

32. Ultimate And Holding Entity

Baringo Technical College is a Semi- Autonomous Government Agency under the Ministry of Education State Department for Technical, Vocational Education and Training (TVET). Its ultimate parent is the Government of Kenya

33. Currency

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

BARINGO TECHNICAL COLLEGE**Annual Report and Financial Statements for the year ended 30 June 2023****34. Appendices****Appendix 1: Implementation Status of Auditor-General Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Inaccuracies in the Statement of Cash Flows	The Management has amended the statement of cash flow for the year ended 30 th June 2022 to reflect the correct figure as advised.	Resolved	June 30,2023
2.0	Inaccuracies in Transfers from other Government entities	The management has noted the anomaly in the financial statements for the year ended 30 th June 2022 and has supported the balance which includes capitation grant and Helb Loans of Kshs.4,410,000 for our mentee institutions indicating the beneficiary listing detailing out students' names, admission numbers, amount received per student as advised	Resolved	June 30,2023
3.0	Unconfirmed Receivables from	Management has provided the fees statement or student creditors control ledger indicating the fees chargeable, actual payment received and the movements thereon to determine the outstanding balance for the year 2021-2022 as advised.	Resolved	December 31,2023

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Annual Report and Financial Statements for the year ended 30 June 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Exchange Transactions	Further, the management in the current financial year is committed to ensure that a provision of doubtful debts is made and to institute legal recovery proceedings against students with long outstanding fees.		
4.0	Inaccuracies in the Receivables from Non – Exchange Transactions	The management has noted the above under collection of revenue and under absorption of budgeted funds in the financial year under review. The Kshs 25,392,861 which translates to 12% deficit on revenue collection was because of non-remittance of fourth Quarter capitation grant by the Government and therefore the institution did not actualize revenue collection as per budgeted revenue in the financial year ended June 30, 2022. The Government Vide MOE circular advised that this fee be charged to the students.	Resolved	June 30,2023
5.1	Property, Plant and Equipment Undisclosed Assets Received from Ministry of Education and	The management in the current financial year is committed to value all its assets in the current financial year with a view of incorporating their values in the college financial statements to avoid understatement of its assets and has signed a contract on tender no. BTC/PROC/01/2022/2023 on provision of asset tagging and development of asset register management has attached the tender document. Draft valuation report received awaiting final certificate.	Partially Resolved	December 30,2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	German Institute			
5.2	Dispute on Land Ownership	The management in the current financial year is in the process of securing and amalgamating the parcels of land with an aim of securing the College title, which is at an advanced stage, we have provided documentary evidence to confirm the status as well as Tittle deed of the existing parcel of land. The college is still pursuing the grabbed conservancy land.	Not Resolved	June 30,2024
6.1	<p>Other Matter</p> <p>Budgetary Control and Performance</p>	<p>The management has noted the above under collection of revenue and under absorption of budgeted funds in the financial year under review.</p> <p>The Kshs 25,392,861 which translates to 12% deficit on revenue collection was because of non-remittance of fourth Quarter capitation grant by the Government and therefore the institution did not actualize revenue collection as per budgeted revenue in the financial year ended June 30, 2022.The Government Vide MOE circular advised that this fee be charged to the students.</p> <p>Subsequently, during the year under review, the college did not actualize development expenditure of Kshs 27,198,099 which was occasioned by late disbursement of funds by sponsors and Government.</p> <p>Additionally, the management in the current and subsequent financial years is committed in</p>	Resolved	June 30,2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		ensuring that budget execution is closely monitored to avoid over or under utilization of approved budget programs thereby not affecting service delivery to the stakeholders.		
7.1	Basis for Conclusion Weak Information Technology (IT) Internal Controls	The management is committed to develop, implement and approve ICT policy framework which establishes an IT strategic plan as well as IT security policy to provide governance on information technology matters including policies on IT continuity plan which Subsequently ensures that the critical data or information may be recovered in case a disaster occurs. The management has ensured routine automated full back up on one drive and external hard disks regularly which will cushion the system in cases of unforeseen disaster	Partially Resolved	December 31, 2023



Josphat Kipkemboi
 Chief Principal



BARINGO TECHNICAL COLLEGE**Annual Report and Financial Statements for the year ended 30 June 2023****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)
-	-	-	-	-	-	-
-	-	-	-	-	-	-

In the financial year ended June 30, 2023, the College had no project funded by development partners.

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Completion of Tuition complex	16,726,568	14,865,492.00	100%	16,726,568	-	Internal funds
2	ERP System	20,000,000	12,287,160	85%	17,790,920	-	Internal funds
3	Food and Beverage workshop	6,500,000	10,632,266	100%	5,560,500	-	Internal funds

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Appendix III- Inter-Entity Confirmation Letter

ENTITY NAME:		Baringo Technical College and its Mentee		
Breakdown of Transfers from the State Department for Technical, Vocational Education and Training (TVET)				
Financial year 2022-2023				
Capitation Grants				
		Bank Statement Date	Amount (Kshs)	Financial year to which the amounts relate
1	Baringo Technical College	31.10.2022	13,295,000	2022-2023
2	Baringo Technical College	26.01.2023	12,464,000	2022-2023
3	Baringo Technical College	29.06.2023	12,456,000	2022-2023
4	Kapchepkor Technical and Vocational College	31.10.2022	975,000	2022-2023
5	Kapchepkor Technical and Vocational College	26.01.2023	836,000	2022-2023
6	Kapchepkor Technical and Vocational College	29.06.2023	844,000	2022-2023
		Total	40,870,000	

Finance Officer
 Baringo Technical College

Sign 

BARINGO TECHNICAL COLLEGE

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-

In the financial year under review, Baringo Technical College did not encounter any expenditure to report on climate.

BARINGO TECHNICAL COLLEGE
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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
-	-	-	-	-	-	-
-	-	-	-	-	-	-

In the financial year under review, Baringo Technical College did not encounter any expenditure on disaster management.