

REPUBLIC OF KENYA



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REPORT THE NATIONAL ASSEMBLY	
DATE:	10 AUG 2023
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THE AUDITOR-GENERAL

ON

**BUNGOMA NORTH TECHNICAL
AND VOCATIONAL COLLEGE**

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

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



P.O. BOX 72 — 50211, NAITIRI
TEL: 0792 284 978

E-mail: info@bungomanorthtvc.ac.ke
Website: www.bungomanorthtvc.ac.ke



24/04/2023

REF: BNTVC/ACC/22/2022

THE MANAGER, OFFICE OF AUDITOR GENERAL,
KAKAMEGA.



REF: SUBMISSION OF ANNUAL REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30TH JUNE 2022

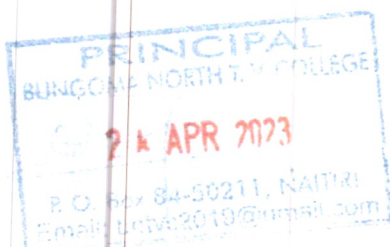
The above subject matter refers:

We hereby submit Bungoma North Technical and Vocational College's annual report and financial statements for the year ended 30th June 2022 for audit, in line with the Public Finance Management Act 2012.

Please find attached copies of the 2022 Annual Reports and Financial Statements.

Thank you

ABJUSTIFIED FINANCIAL COPY



Elisha Nyamu

Principal/BOG Secretary

CC

Controller of budget

The National Treasury

Ministry of Education-PS TVET

Commission on Revenue allocation

MINISTRY OF EDUCATION
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
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ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2022

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

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

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I. Key Entity Information and Management

(a) Background information

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

Currently it has the following departments:

- i) Agriculture
- ii) Mech/Automotive
- iii) Electrical
- iv) Building and plumbing
- v) Institutional management
- vi) Business

(b) Principal Activities

The mandates of the Institute are:

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

Our Vision

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

Our Mission

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

Our Motto

Re-invent your future.

Core Values

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

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

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(c) Key Management

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

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mr Elisha Nyamu
2.	Deputy principal	Mr Patrick Chinyingi
3	Registrar	Nancy Wanyama
4	Dean of students	Mr Kelvin Waya
5	Head of Finance	CPA Constant Simiyu
6	Head of Procurement	Branice Naliaka

(e) Fiduciary Oversight Arrangements

The Board of Governors Committees facilitate decision-making to assist the Board of Governors in the execution of its duties, powers and authority, however delegation of authority to the Committees does not in any way mitigate or dissipate the discharge by the Board of Governors of its duties and responsibilities. Board of Governors Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Board of Governors.

In the financial year 2021/2022 the Board of Governors approved the following committees:

FINANCE COMMITTEE

Mandate

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

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

HUMAN RESOURCE, TRAINING & DEVELOPMENT COMMITTEE

Mandate

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

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AUDIT AND RISK COMMITTEE

Mandate

1. To Examine.

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

2. To evaluate.


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

Key Entity Information and Management (Continued)





- (f) **BNTVC Headquarters**
- P.O. Box 72-50211
Naitiri
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Along Kamukuywa-Naitiri Road
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Website: www.bungomanorthtvc.ac.ke
- (h) **BNTVC Bankers**
- Kenya Commercial Bank
Kimilili Branch
P.O. Box
KIMILILI
- (i) **Independent Auditors**
- Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (j) **Principal Legal Adviser**
- The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

BUNGOMA NORTH TECHNICAL AND VOCATIONAL TRAINING COLLEGE
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II. The Board of Governors




No.	Member/ Governor	Details
1.	 BOG Chairman	NAME: PHILIP KARANI D.O.B: 1957 Key Qualification: Holder of a Bachelor's degree (Law). Work experience: Worked as head of office UNHCR- HONG-KONG.
2.	 Member	NAME: PAMELA WAFULA KONGOTI D. O.B: 1990 Key Qualification: Holder of bachelor of business mgt. Work experience: worked as a marketing executive – Vihiga Sm-station.
3.	 Member	NAME: Mwamzali Shiribwah D.O.B: 1958 Key Qualification: holder of Msc.in Agricultural Machinery Design, BSc. Agricultural engineering. Work experience: A private consultant.
4.	 Member	NAME: Sirengo Wyclife D.O.B: 1947 Key Qualification: Holder of Msc. library & BSc. Information science Work experience: worked as a librarian.
5.	 Secretary to the Board	NAME: Elisha Nyamu D.O.B: 1969 Key Qualification: BED Library science Work experience: Thirty-two years as a teacher

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

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III. Management Team

No.	Member	Details
1.		<p>NAME: Elisha Nyamu College principal. Key Qualification: BED Library science Work experience: Thirty-two years as a teacher</p>
2.		<p>NAME: Patrick Chinyingi Deputy principal</p>
3.		<p>NAME: Nancy Wanyama Registrar</p>

BUNGOMA NORTH TECHNICAL AND VOCATIONAL TRAINING COLLEGE
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4.	 A portrait photograph of Kelvin Waya, a man with short dark hair, wearing a light-colored, short-sleeved button-down shirt.	NAME: Kelvin Waya Dean of students
5.	 A portrait photograph of CPA Constant Simiyu, a man with short dark hair, wearing a dark jacket over a light-colored shirt.	NAME: CPA Constant Simiyu In charge of Finance
6.		NAME: Branice Naliaka In charge of Procurement

IV. Chairman's Statement



During the financial year 2021/2022, I continued with my support towards Bungoma North Technical and Vocational College in meeting its core and National Values by promoting good governance, inclusive of decision making, respect of rule of law and moral uprightness, transparency and accountability, equity and fairness in performance of all activities of the Institute. All these were upheld during my service as the Chair of the Board in the financial year under review.

In this year, the Board managed to employ a procurement officer purposely to improve on timely procurement of the college's assets services and for the college to adhere to the Public Procurement and Disposal Act as required by the law.

Students' enrolment has improved significantly from last year's population of around 400 to the current figure of 667. Due to this, the Board employed more trainers on contract in order to assist in training, as we wait for the Ministry to send us more PSC trainers.

Although the college is going through financial challenges, we have managed to construct a tractor shed for our tractors, renovated the college's main gate and started construction of a college canteen.

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

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

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

PHILIP KARANI
BOG CHAIRMAN



**BUNGOMA NORTH TECHNICAL AND VOCATIONAL TRAINING COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
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V. Report of the Principal



I take this opportunity, on behalf of the trainers, staff, trainees and the management team to present the financial report on the FY 2021/2022 for Bungoma North TVC which ended on 30th June, 2022.

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

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

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

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

I am hereby committed to:

- i. Implement Competency-based education and training through skills, instructive design, development and delivery to rebranding the College to attract trainees.
- ii. Developing and implementing a standard for identification and recognition as a Centre of Excellence.
- iii. Institutionalizing Institute's industry inputs into training
- iv. Pursuing expansion of programs at all levels to accelerate a sustainable gross enrolment ration, at least 1,300 trainees by 2023.
- v. Provide adequate and quality competency-based training opportunities.
- vi. Ensure that courses are market driven and address workplace needs and promote soft generic life skills in partnership with relevant private sectors and professional bodies for employability alumni.

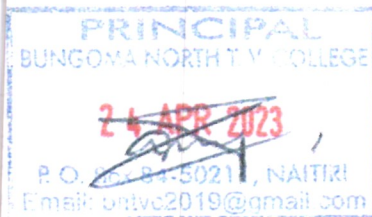
BUNGOMA NORTH TECHNICAL AND VOCATIONAL TRAINING COLLEGE
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In the FY 2021/2022 Bungoma North TVC carried out the functions under its budget and mandate through various training and support departments. The achievements during this FY among others include:

1. Training and presenting for national Examinations candidates at various levels of training.
2. Participated in the trade fair up to the National level
3. Constructed a tractor shade
4. Started the construction of a college cafeteria
5. Constructed a Building and Construction workshop
6. Bought two dairy cows for Agriculture practical

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

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



ELISHA NYAMU
BOG SEC/PRINCIPAL

BUNGOMA NORTH TECHNICAL AND VOCATIONAL TRAINING COLLEGE
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VI. Statement of Performance against Predetermined Objectives

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

BNTVC has two strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2021/2022. These strategic pillars are as follows:

Pillar/ theme/issue 1: Education and training opportunities

Pillar/ theme/ issue 2: Institutional Governance and Management

BNTVC develops its annual work plans based on the above two pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2021/22 period for its two strategic pillars, as indicated in the diagram below:

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

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

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

VII. Corporate Governance Statement

The Board of Governors

The Board of Governors consists of nine members inclusive of the PRINCIPAL as the secretary.

The Board of Governors members and their meeting attendance is as indicated below:

NO.	NAME	1 ST	2 ND	3 RD	4 TH
		QUARTER	QUATER	QUARTER	QUARTER
		DATE	DATE	DATE	DATE
		7/08/2021		28/01/22	18/03/22
1.	Philip Karani-Chair	✓	-	✓	✓
2.	Pamela Kongoti	✓	-	✓	-
3.	Julia Bella	✓	-	✓	-
4.	Mwamzali Shiribwah.	✓	-	✓	✓
5.	Leonard Masafu	✓	-	✓	✓
6.	Sirengo Wycliffe	✓	-	✓	-
7.	VengaNakuvanahally.	-	-	-	✓
8.	Elisha Nyamu	✓	-	✓	✓
9.	Martha.Wekesa (CDTVET)	✓	-	✓	✓

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

BUNGOMA NORTH TECHNICAL AND VOCATIONAL TRAINING COLLEGE
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FINANCE COMMITTEE

Membership is as below listed:

NO.	NAME	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER	
		DATE	DATE	DATE	DATE	
		12/7/21	23/9/21	19/1/2022	7/4/22	
1.	Pamela Kongoti-Chair	✓	✓	✓	✓	
2.	Venga Nakuvanahally	-	-	-		
3.	Oroni Barasa	✓	✓	✓	✓	
4.	Eng.leonard Masafu	✓	✓	✓	✓	
5.	Martha Wekesa	✓	✓	-	✓	

HUMAN RESOURCE, TRAINING & DEVELOPMENT COMMITTEE

Membership is as below:

NO.	NAME	1 ST QUARTER	2 ND QUARTER 15/12/21	3 RD QUARTER	4 TH QUARTER
1.	Wycliffe Mutaki	-	✓	-	-
2.	Julia Bella-Chair	-	✓	-	-
3.	Oroni Barasa	-	✓	-	-
4.	Nakuvanahally Venka	-	-	-	-
5.	Martha Wekesa	-	✓	-	-

AUDIT AND RISK COMMITTEE

Membership is as follows:

NO.	NAME	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER
		DATE	DATE	DATE	DATE
		7/07/21	-	-	-
1.	Mwamzali' Shiribwah-Chair	✓	-	-	-
2.	Leonard Masafu	✓	-	-	-
3.	CPA Janet-Barasa (Internal Auditor)	✓	-	-	-

Board and Management Succession

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

Existence of the Board Charter

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

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

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

Process of Appointment and removal of Board Members

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

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

OVERVIEW OF THE THREE STANDING COMMITTEES OF THE BOARD

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

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

	RESEARCH, TRAINING AND HUMAN RESOURCE COMMITTEE	PLANNING, FINANCE, DEVELOPMENT AND ENTERPRISE COMMITTEE	AUDIT AND RISK ASSURANCE COMMITTEE
ROLES AND RESPONSIBILITIES	<p>Provide assurance (or otherwise) to the Academic Board that academic oversight assures the quality of research and research training effectively, including by: developing, monitoring and reviewing academic policies and their effectiveness.</p> <p>To formulate policy on all research related matters which impact on the strategic objectives of the College.</p> <p>2.2: To consider and make recommendations on matters of policy relating to research including matters referred to it by the Board and other</p>	<ol style="list-style-type: none"> 1. Provide direction to the Board for fiscal responsibility. Alongside this is the responsibility for future long-term planning and the development of strategies to back up the plan. 2. Ongoing review of institute's revenue and expenditure, balance sheet, investments and other matters related to its 	<ol style="list-style-type: none"> 1. Overseeing, reviewing and advising the Board on Bungoma North TVC's risk management policy and processes; (which includes oversight of Health & Safety assurance and climate related risks and opportunities); 2. Internal control mechanisms and internal and external audit functions; compliance policies and processes; and financial information prepared by management for publication. 3. Management retains responsibility for the implementation and operation of adequate

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	<p>College committees</p> <p>2.3 To review and oversee the implementation on College's policy on research ethics.</p> <p>2.4 To monitor, primarily through the feedback mechanism of the Research Forum², the relevance and efficacy of established policy – addressing shortcomings and anomalies so as to facilitate high quality research activities within the College structures.</p> <p>2.5 To oversee quality assurance and improvement measures in respect of research activity, including the efficacy of research quality measures.</p> <p>2.6 To advise the Dean of Research in his role in reporting internally and externally on research and related matters.</p> <p>2.7 To review Annual Reports relating to research matters and to make recommendations to the Board</p> <p>2.8 To approve procedures for allocating research funds and monitor their implementation.</p>	<p>continued solvency.</p> <p>3. Approve the annual budget and submit it to the Board for approval.</p> <p>4. Ensure the maintenance of an appropriate capital structure.</p> <p>5. Oversee the maintenance of Institutional-wide assets, including prudent management of Bungoma North TVC's assets and risk exposure.</p>	<p>risk assurance, internal control and audit systems. The Board has delegated to the Audit and Assurance, to oversee and monitor these activities.</p>
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BUNGOMA NORTH TECHNICAL AND VOCATIONAL TRAINING COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2022

	2.9 To establish Advisory Committees and Working Groups as required to develop and oversee policy in respect of research matters.		
Meetings	At least three times annually. During the reporting period, the Committee met twice.	At least three times annually. During the reporting period, the Committee met four times.	At least annually. During the reporting period, the Committee met twice.

Resignation from the Board

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

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

Board Responsibilities

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

In furtherance of its responsibilities, the Board will:

- a) Determine the Institute's Mission, Vision, Purpose and Core Values;
- b) Review, evaluate and approve, on a regular basis, long-term plans for the Institute;
- c) Review, evaluate and approve the Institute budget and financial forecasts;
- d) Review, evaluate and approve major resource allocations and capital investments;
- e) Ensure that the procurement process is cost-effective and delivers value for money;
- f) Review and approve the operating and financial results of the Institute;
- g) Ensure effective, accurate, timely and transparent disclosure of pertinent information on the Institute operations and performance;
- h) Ensure that effective processes and systems of risk management and internal controls are in place;

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- i) Review, evaluate and approve the overall Institute structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- j) Review, evaluate and approve the remuneration structure of the Institute;
- k) Adopt, implement and monitor compliance with the Institute's Code of Conduct and Ethics;
- l) Review on a quarterly basis the attainment of targets and objectives set out in the agreed performance measurement framework with the Government of Kenya;
- m) Review periodically the Institute's strategic objectives and policies relating to sustainability and social responsibility/investment;
- n) Enhance the Institute's organization's public image and ensure engagement with stakeholders through effective communication;
- o) Monitor compliance with the Constitution, all applicable laws, regulations and standards;
- p) Review, monitor and ensure that the Institute is effectively and consistently delivering on its mandate.

Responsibilities of Individual Board Members

Each Board member shall:

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

Induction and Training

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

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Anti-Corruption Mechanism in TVETs, Ethical Leadership on Boards, Public Procurement and Disposal in TVETs.

Board Performance

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

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

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

Conflict of Interest

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

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

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

Board Remuneration

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

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Ethics and Conduct

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

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

Accountability:

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

Equal Opportunity:

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

Confidential Information

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11. Respect the confidentiality of sensitive information known due to board service.
Collaboration and Cooperation
12. Respect the diversity of opinions as expressed or acted upon by the Bungoma North Technical and Vocational College board, committees and membership, and formally register dissent as appropriate.
13. Promote collaboration, cooperation, and partnership among association members.

Governance Audit

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

- a) Leadership and strategic management;
- b) Transparency and Disclosure;
- c) Compliance with Laws and Regulations;
- d) Communication with stakeholders;
- e) Board independence and governance;
- f) Board systems and procedures; and
- g) Consistent stakeholders' value enhancement

VIII. Management Discussion and Analysis

Bungoma North TVC's operational and financial performance

Development Grants

The Institute never received any grant from the Government of Kenya in the FY 2021/2022 for infrastructure development.

Capitation Grants

In the financial year 2021/2022, the college received capitation for quarter one (391 students Ksh. 2,932,500), quarter two (391 students Ksh. 2,932,500) and quarter three (440 students Ksh. 3,300,000) The total capitation received during the financial year amounted to Ksh. 9,165,000. During the year, the college also received Ksh. 1,965,000 being capitation for the the financial year 2020/2021.

Financial Performance

In the year under review, the incomes were Kshs. 35,340,374.00 while expenditure was Kshs. 40,543,533.54. This resulted to a deficit of Kshs. 5,203,159.54

Entity's compliance with statutory requirements

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

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

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

Students' enrolment

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

IX. Environmental And Sustainability Reporting Statement

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

Sustainability strategy and profile

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

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

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

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

Environmental performance

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

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

Employee welfare

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

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

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

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

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

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

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

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

Market place practices-

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

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

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

Corporate Social Responsibility / Community Engagements

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

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

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

- Shall minimise the environmental impact of our corporate activities;
- Have been participating in village functions like funerals and give support

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- Identify and address issues of equality, diversity and inclusion amongst our current and future workforce;
- Ensure that employees are supported in their mental and physical health and treated with dignity, respect and in accordance with basic human rights;
- Understand our suppliers' commitments to CSR issues and practices and ethical approaches to business in our investment strategy.

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

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X. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of Bungoma North TVC 's affairs.

Principal activities

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

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

Results

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

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page viii-ix. During the year, no director retired/ resigned and no new Director was appointed during the year under review.

Auditors

The Auditor General is responsible for the statutory audit of the Bungoma North TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2022.

By Order of the Board

Corporate Secretary

Nairobi

Date:.....

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XI. Statement of Board of Governors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the *entity* for that year/period. 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 the *entity*.

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

The Board members accept responsibility for BNTVC's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, and the TVET Act. The Board members are of the opinion that the BNTVC's financial statements give a true and fair view of the state of BNTVC's transactions during the financial year ended June 30, 2022, and of the *entity*'s financial position as at that date. The Board members 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.

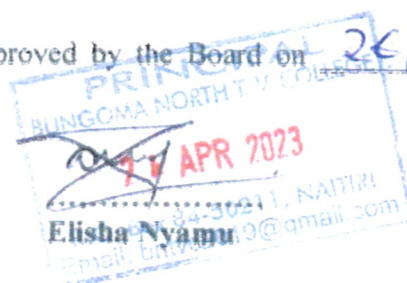
Nothing has come to the attention of the Board members to indicate that BNTVC will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The BNTVC's financial statements were approved by the Board on 26/09/2022 and signed on its behalf by:


.....
Philip Karani

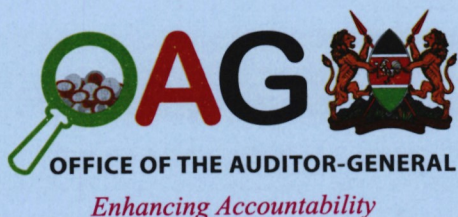
Chairperson of the Board


PRINCIPAL
BUNGOMA NORTH T.V. COLLEGE
27 APR 2023
Elisha Nyamu
84-30211, NAITIRI
Email: bntvc@bntvc.ac.ke@gmail.com

Accounting Officer/Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON BUNGOMA NORTH TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bungoma North Technical and Vocational College set out on pages 1 to 36, which comprise of the statement of financial

position as at 30 June, 2022, 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 in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 18 to the financial statements reflects a balance of Kshs.33,756,637 in respect of receivables from exchange transactions. The balance comprises of fees due from students relating to the previous financial year of Kshs.19,007,039 and Kshs.15,699,950 relating to the year under review with a provision for doubtful debts of Kshs.950,352. No satisfactory explanation was provided for the failure to recover the long outstanding debts.

In the circumstances, the recoverability of the student debtors is doubtful and could impact negatively on the College's budget implementation due to low revenue collection.

2. Unrecognized Donated Assets

The statement of financial position reflects property, plant and equipment balance of Kshs. 159,926,756 as disclosed in Note 20. The balance excludes undetermined value of five (5) donated tractors and 4 (four) corn harvesters. In addition, these tractors and corn harvesters have not been registered in the name of the College.

In the circumstances, the completeness of property, plant and equipment balance of Kshs.159,926,756 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects actual expenditure of Kshs.23,787,352 against approved budget of Kshs.35,300,400 resulting to under-performance of Kshs.11,513,048 or 33% of the budget.

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

2. Unresolved Prior Year Matters

In the audit report of the previous year, several matters were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or explained its failure to report on the progress made in resolving the issues as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with laws on Ethnic composition

Review of personnel records of the College revealed that the College had a total of (forty-nine) 49 employees out of which 43 employees or 88% were from one ethnic community. This is contrary to the provisions of Section 7(2) of the National Cohesion and Integration Act, 2008 which requires that a public entity should not have more than one-third of its staff from the same ethnic community.

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

2. Failure to Implement Audit Committee Guidelines

The College failed to comply with the provisions of the Public Finance Management Regulations (Audit Committee Guidelines for National Government), 2015. The Committee met only once during the year instead of the minimum four (4) times as per Regulation 179(1) on the functions and duties of the audit committee. In addition, the implementation of external audit findings was not included as an agenda of the Audit Committee as provided in Regulation 175(b).

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

3. Failure to Implement E-Procurement System

Review of the College's procurement processes and documentation presented for audit revealed that the College had not updated and publicized key procurement information as prescribe in the Presidential Executive Order number 2 of 2018 Part A. There was no evidence to indicate that Management updated and publicized the same through College website, e-citizen or Public Procurement Regulatory Authority platform. This is contrary to Executive OrderNo.2 of 2018 which requires all Public Procuring Entities to update and publicize a separate comprehensive list of all registered suppliers, contractors and consultants in the various specific categories of goods, works and/or services through company website, e-citizen and Public Procurement Regulatory Authority platform.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Risk Management Policy

The College operated without a risk management policy. The College may therefore not be able to detect and control risks that may arise. It was also observed that the College did not carry out a risk assessment during the year under review.

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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My

conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 July, 2023

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

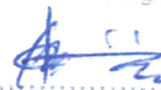
NIII. Statement of Financial Performance for the year ended 30 June 2022

	Notes	2021/2022	2020/2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants gifts in kind	6	11,130,000.00	4297500
Public contributions and donations		-	0
Total Revenue from non-exchange transactions		11,130,000.00	4297500
Revenue from exchange transactions			
Rendering of services- Fees from students	7a	23,288,297.00	29,527,857.00
Sale of goods	8	-	712,041.00
Other incomes	10	214,307.00	-
Rental revenue from facilities and equipment	9	707,770.00	-
Revenue from exchange transactions		24,210,374.00	30,239,898.00
Total revenue		35,340,374.00	34,537,398.00
Expenses			
Use of goods and services	11a	16,318,664.00	1,118,773.00
Employee costs	12	4,241,252.00	1,947,610.00
Remuneration of directors	13	829,422.00	214,000.00
Depreciation and amortization expense	14	16,756,181.54	18,933,782.00
Repairs and maintenance	15	2,398,014.00	505,928.00
General expenses	16	-	6,321,300.00
Total expenses		40,543,533.54	29,041,393.00
Net Surplus/deficit for the year		-5,203,159.54	5,496,005.00

(The notes set out on pages 6 to 36 form an integral part of the Annual Financial Statements)

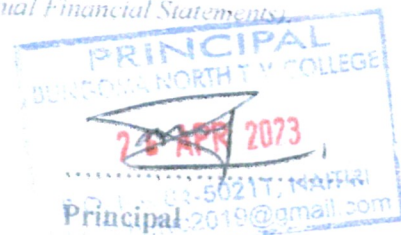
The Financial Statements set out on pages 1 to 5 were signed by


 Chairman of Board/Board


 Finance Officer
 ICPAK No 27231

Date 24/4/23

Date 24/4/23



Date 24/4/23

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

XIV. Statement of Financial Position as at 30th June 2022

	Notes	2021/2022 Kshs	2020/2021 Kshs
Assets			
Current assets			
Cash and cash equivalents	17	2,086,363	290,362.5
Receivables from exchange transactions	18	33,756,637	19,007,039.00
Inventories	19	571,530	2,694,918.00
Total Current Assets		36,414,530	24,605,582.00
Non-current assets			
Property, plant and equipment	20	159,926,756	175,813,610
Total Non-current Assets		159,926,756	175,813,610
Total assets		196,341,286	200,419,192.00
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	709,777	439,042.00
Payments received in advance	22	38,836	4,145.00
Total Current Liabilities		748,613	443,187.00
Non-current liabilities			
Borrowings			0
Total Non-current liabilities			0
Total liabilities		748,613	443,187.00
Capital and Reserves			
Reserves		194,480,000	194,480,000
Accumulated surplus		292,845	5,496,005
Capital Fund		819,828	0
Total Capital and Reserves		195,592,673	199,976,005
Total Liabilities and Capital & Reserves		196,341,286	200,419,192

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

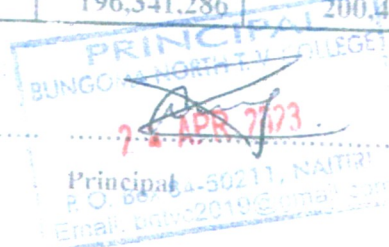
Chairman of Board/Board

Date 24/4/23

Finance Officer

ICPAK No 27231

Date 24/4/23



Date 24/4/23

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

XV. Statement of Changes in Net Asset for the year ended 30 June 2022

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
Balance b/f at July 1, 2020	194,480,000				194,480,000
Revaluation gain					0
Fair value adjustment on quoted investments					0
Total comprehensive income			5,496,005		5,496,005
Capital/Development grants received during the year					0
Transfer of depreciation/amortisation from capital fund to retained earnings					0
Balance c/d as at June 30, 2021	194,480,000	0	5,496,005	0	199,976,005
Balance b/f as at July 1, 2021	194,480,000	0	5,496,005	0	199,976,005
Revaluation gain					0
Fair value adjustment on quoted investments					0
Total comprehensive income			-5,203,160		-5,203,160
Capital/Development grants received during the year				819,828	819,828
Transfer of depreciation/amortisation from capital fund to retained earnings					0
Balance c/d as at June 30, 2022	194,480,000	0	292,845	819,828	195,592,673

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

XVI. Statement of Cash Flows for the year ended 30 June 2022

		2021/2022	2020/2021
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	11,130,000	4,297,500
Rendering of services- Fees from students	7b	9,878,914	8,559,963
Sale of goods		-	712,041
Rental revenue from facilities and equipment	9	707,770	
Other income, rentals and agency fees	10	214,307	23000
Total Receipts		21,930,991	13592504
Payments			
Employee costs	12	4,241,252	2,361,610
Use of goods and services	11b	15,230,065	704773
General Expense	16		8,600,176
Repairs & Maintenance	15	2,398,014	505,928
Remuneration of Directors	13	829,422	214,000
Total Payments		22,698,753	12386487
Net cash flows from operating activities		- 767,762	1206017
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	20	- 869,328	-267392
Net cash flows used in investing activities		- 869,328	-267392
Cash flows from financing activities			
Capital Development Grants		819,828	
Net cash flows used in financing activities		819,828	0
Net increase/(decrease) in cash and cash equivalents		- 817,262	938625
Cash and cash equivalents at 1 July 2021		2,903,625	1965000
Cash and cash equivalents at 30 June 2022		2,086,363	2903625

Chairman of Board/Board

Date 24/4/23

Finance Officer

ICPAK No 27231

Date 24/4/23

Principal

Date



Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

XVIII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Percentage difference	% variance	explanation of material variance
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022		
	Kshs	Kshs	Kshs	Kshs	Kshs		
Revenue							
Transfers from other Govt entities	18,600,000	0	18,600,000	11,130,000	7,470,000	40	Not all student received capitation
Govt grants	16,380,400	0	16,380,400	23,288,297	-6,907,897	-42	Increase in student population
Rendering of services- Fees from students	20,000	0	20,000	0	20,000	-	
Sale of goods	300,000	0	300,000	707,770	-407,770		Under budgeting
Rental income from equipment	0	0	0	214,307	-214,307		
Other incomes	0	0	0	0	0		
Gains on disposal, rental income and agency fees	0	0	0	0	0		
Total income	35,300,400	0	35,300,400	35,340,374	-39,974		
Expenses							
Employee Costs	8,370,000	0	8,370,000	4,241,252	4,128,748	49	Staff establishment still gain on
Use of Goods and services	23,772,400	0	23,772,400	16,318,664	7,453,736	31	Poor fee payment
Remuneration of directors	1,298,000	0	1,298,000	829,422	468,578	36	Minimal meetings
Repairs and maintenance	1,860,000	0	1,860,000	2,398,014	-538,014	-29	Increase in need of facilities
Grants and subsidies paid	0	0	0	0	0		
Total expenditure	35,300,400	0	35,300,400	23,787,352	11,513,048		
Surplus for the period	0	0	0	11,553,022	11,553,022		

XVIII. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*.

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: 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: <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.
IPSAS 42: Social	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

Standard	Effective date and impact:
Benefits	<p>representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
IPSAS 43	Applicable 1st January 2025

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

Standard	Effective date and impact:
	<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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, 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: 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>

iii. Early adoption of standards

Bungoma North TVC did not early-adopt any new or amended standards in year 2022.

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Board on **29/01/2021**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

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

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule the Act.

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

d) Investment property

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

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

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

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 so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

g) Intangible assets

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

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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

k) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Entity 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 Entity 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 Entity 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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

Bungoma North TVC creates and maintains reserves in terms of specific requirements.

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

Currently, BNTVC has no retirement benefits plan in place

o) 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.

p) 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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) Related parties

The Entity 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.

r) Service concession arrangements

The Entity 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 Entity 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 Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

s) 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 Kenya commercial bank at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

t) Comparative figures

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

u) 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, 2022.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Provisions

No provisions were raised, though management can determine an estimate based on the information available. Additional disclosure of these estimates of provisions to be included in the notes.

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

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2021-20222	2020-2021
	KShs	KShs
Unconditional grants		
Capitation grant	11,130,000	4,297,500
Conditional grants		
Library grant		
Hostels grant		
Administration block grant		
Laboratory grant		
Learning facilities grant		
Other organizational grants		
Total Government grants and subsidies	11,130,000	4,297,500

7A. Rendering of Services

Description	2021-20222	2020-2021
	KShs	KShs
Tuition fees	11,433,572.00	7,548,619
Activity fees	1,030,900.00	1,003,759
Examination fees	1,787,180.00	407,570
Library fees	1,254,942.00	781,062
Administrative income	3,957,545.00	4,315,215
RMI	2,267,158.00	1,244,065
COMP MAINT	-	154,121
Student ID	64,900.00	21,000
Student union	687,400.00	178,302
Attachment and insurance & medical	136,350.00	350,333
Local transport and travels	3,184,644.00	2,641,537
HELB		1,959,928
Personal Emolument	6,545,587.00	7,591,036
Medical	569,708.00	
EW&C	1,250,761.00	1,331,310
Material fee	221,550.00	
Center fee	26,100.00	
Less Capitation grant	- 11,130,000.00	
Total Rendering of Services	23,288,297.00	29,527,857

(This is the anticipated revenue, but not the actual amounts received-Accrual basis)

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

7B.

Rendering of Services-Tuition Inflows	2021-20222	2020-2021
	KShs	KShs
Actual cash collection for the year (Receipt book)	21,008,914	29,532,002
Add:-		
Less:- Capitation grant	11,130,000	20,972,039
Amount Recognised in the Statement of Cashflows	9,878,914	8,559,963

8. Sale of Goods

Description	2021-20222	2020-2021
	KShs	KShs
Production Unit		712,041
Others (include in line with your organisation)		
Total Sale of goods	-	712,041

9. Rental revenue from facilities and equipment

Description	2021-20222	2020-2021
	KShs	KShs
Tractor hire	707,770.00	
Boarding fees	-	
Total rentals	707,770.00	-

(This is income generated from hire of tractors)

10. Other Income

Description	2021-20222	2020-2021
	KShs	KShs
Sale of Tender	81,000.00	
Admission fee	132,500.00	
Fees arrears	807.00	
Graduation fees	-	
Total other income	214,307.00	-

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

Notes To the Financial Statements (Continued)

11. A. Use Of Goods and Services

Description	2021-20222	2020-2021
	KShs	KShs
Electricity Water & Conservancy	283,375.00	704,773
Security	438,480.00	414,000
Medical	24,782	
Teaching and learning materials	3,478,282	
Industrial attachment costs	69,500	
Activity	865,740	
Administration	3,660,943	
Students union	106,400	
Students ID	108,450	
Subscriptions	11,200	
Admission expenses	63,400	
Examination fees	1,107,900	
Audit fees	45,000	
TVET Fair	801,870	
Travelling and accommodation	4,101,550	
Tractor expenses	-	
Oil, fuel and lubricants	135,540	
Tender fee	65,900	
Skills development levies		
Provision for Doubtful Debts	950,352	
Total good and services	16,318,664	1,118,773

Notes to the Financial Statements (Continued)

11B. Use of Goods and Services for cashflow statement

Description	2021-20222	2020-2021
	KShs	KShs
Expenses-Amount Recognised in the Statement of Financial Performance	16,318,664	6,321,300
Add:-		
Inventory	571,530	2,694,918
Less		
Trade Payables	709,777	416,042
Provision for doubtful debts	950,352	
Amount Recognised in the Statement of Cashflows	<u>15,230,065</u>	8,600,176

Notes to the Financial Statements (Continued)

12. Employee Costs

Description	2021-20222	2020-2021
	KShs	KShs
Salaries and wages	4,241,252.00	1,947,610
Employee related costs - contributions to pensions and medical aids		
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances		
Overtime payments		
Performance and other bonuses		
Social contributions		
Social contributions		
Total Employee costs	<u>4,241,252.00</u>	<u>1,947,610</u>

13. Board Expenses

Description	2021-20222	2020-2021
	KShs	KShs
Chairman's Honoraria	112,858.00	30,000
Directors' emoluments	716,564.00	184,000
Other allowances		
Total director emoluments	<u>829,422.00</u>	<u>214,000</u>

14. Depreciation and Amortization expense

Description	2021-20222	2020-2021
	KShs	KShs
Property, plant and equipment	16,756,182	18,933,782
Investment property carried at cost		
Intangible assets	-	
Total depreciation and amortization	<u>16,756,182</u>	<u>18,933,782</u>

Notes to the Financial Statements (Continued)

15. Repairs and Maintenance

Description	2021-20222	2020-2021
	KShs	KShs
RMI	2,398,014.00	505,928
Property		
Investment property – earning rentals		
Equipment and machinery		
Vehicles		
Furniture and fittings		
Computers and accessories		
Total Repairs and Maintenance	2,398,014.00	505,928

16. General Expenses

Description	2021-20222	2020-2021
	KShs	KShs
Tuition		2,894,896
LTT		813,566
Attachment,		57,832
Admission		3,000
Activity		66,360
Administrative		1,908,056
Student Union		75,000
Examination		458,980
Production Unit		43,610
Total general expenses		6,321,300

17. Cash and Cash Equivalents

Description	2021-20222	2020-2021
	KShs	KShs
Cash at hand	3,872	28,075
Current account	2,082,491	2,875,550
On - call deposits		
Fixed deposits account		
Mpesa		
Total cash and cash equivalents	2,086,363	2,903,625

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

Notes To the Financial Statements (Continued)

17 (b). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1271255235	2,082,491	2,875,550
Sub- Total		2,082,491	2,875,550
b) Others (Specify)			
Cash in Transit		-	-
Cash in Hand		3,872	28,075
Mobile Money account		-	-
Sub- Total		3,872	28,075
Grand Total		2,086,363	2,903,625

18. Receivables from Exchange transactions

Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
	KShs	KShs
Current receivables		
Student debtors	34,706,989.00	19,007,039
Provision for Doubtful Debts	-950,352	
Total current receivables	<u>33,756,637.00</u>	<u>19,007,039</u>
Non-current receivables		
Refundable deposits		
Advance payments		
Public organizations		
Less: impairment allowance		
Total non-current receivables	-	-
Total receivables	<u>33,756,637</u>	<u>19,007,039</u>

Bungoma North Technical and Vocational College
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Notes to the Financial Statements (Continued)

19. Inventories

Description	2021-2022 Kshs	2020-2021 Kshs
Consumable stores	571,530.00	2,694,918
Maintenance stores		
Health Unit stores		
Electrical stores		
Cleaning Materials stores		
Catering stores		
Total Inventories at lower of Cost and Net Realizable Value	571,530.00	2,694,918

Bangoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

20. Property, Plant and Equipment

	Land and		Motor vehicles		Furniture and fittings		Computers		Buildings		Library Books		Plant and equipment (WIP)		Plant and equipment		Total	
	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs	Sbs
At 1 July 2021	9,600,000	0	1,100,000	1,047,392	63,000,000	0	0	120,000,000	0	0	0	0	0	0	120,000,000	194,747,392		
Additions						49,500	819,828									869,328		
Disposals																		0
Transfer/adjustment																		0
At 30 th June 2022	9,600,000	0	1,100,000	1,047,392	63,000,000	49,500	819,828	120,000,000	0	0	0	0	0	120,000,000	195,616,720			
Depreciation and impairment																		0
At 1 July 2021	0	0	137,500.00	348,782.00	1,260,000	0	0	17,187,500.00	0	0	0	0	0	17,187,500.00	18,933,782			
Depreciation	0	0	137,500.00	348,781.54	1,260,000	9,900	0	15,000,000.00	0	0	0	0	0	15,000,000.00	16,756,182			
Transfer/adjustment																		0
At 30 th June 2022	0	0	275,000	697,564	2,520,000	9,900	0	32,187,500	0	0	0	0	0	32,187,500	35,689,964			
Net book values																		0
At 30 th June 2022	9,600,000	0	825,000	349,828	60,480,000	39,600	819,828	87,812,500	0	0	0	0	0	87,812,500	159,926,756			
At 30 th June 2021	9,600,000	0	962,500	698,610	61,740,000	0	0	102,812,500	0	0	0	0	0	102,812,500	175,813,610			

Note: The College procured a heifer at ksh. 70,000, to be used specifically for agriculture training.

Note: WIP-applies to the college kitchen/catereria under construction.

Note: In the financial year 2020/2021, tractors (Valued at Ksh. 17,500,000) had been wrongly classified under Motor vehicles. This has been corrected and transferred to Plant and equipment, raising the plant and equipment figure from Ksh; 102,500,000 to Ksh. 120,000,000

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements ending 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 Kshs	Accumulated Depreciation Kshs	NBV Kshs
Land	9,600,000	-	9,600,000
Buildings	63,000,000	2,520,000	60,480,000
Plant And Machinery	120,000,000	32,187,500	87,812,500
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	1,047,392	697,564	349,828
Office Equipment, Furniture, And Fittings	1,100,000	275,000	825,000
Library Books	49,500	9,900	39,600
Work In Progress			819,828
Total	194,796,892.00	35,689,964.00	159,926,756.00

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

21. Trade and Other Payables from Exchange transactions

Description	2021-20222	2020-2021
	KShs	KShs
Trade payables (Creditors)	517,177.00	416,042
Caution money	87,500.00	23,000
KUCCPS FEE	105,100.00	
Other payables		
Total trade and other payables	<u>709,777.00</u>	<u>439,042</u>

22. Payments received in advance

Description	2021-20222	2020-2021
	KShs	KShs
Student Fees	38,836	4,145
Others		
	<u>38,836</u>	<u>4,145</u>

Notes to the Financial Statements (Continued)

23. Retirement benefit Asset/ Liability

Bungoma North TVC has not been operating a defined benefit scheme for all full-time employees from July 1, 2021.

Recognition of Retirement Benefit Asset/ Liability

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 1,248 per employee per month. Employees contribute 6% while employers contribute 6% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

24. Financial Risk Management

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

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

(i) Credit risk

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

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

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

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with 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.

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

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

a) Interest rate risk

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

Management of interest rate risk

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

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Tongaren NG-CDF
- iv) Bungoma County government
- v) Key management;
- vi) Board of governors.

27. Events After the Reporting Period

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

28. Ultimate And Holding Entity

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

29. Currency

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

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

**XIX. Appendices
Appendix 1: Implementation Status of Auditor-General Recommendations**

Bntvc has been audited for the first time and the auditor's report handed over to the college.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Basis of Qualified Opinion: Issue no. 1	Unsupported cash at hand	Since this was our first Financial audit, the personnel in the accounts office were not aware that they had to carry out a board of survey (For the F/Y 2020/2021) But for the year under review, the Board of survey was carried out, and it shall remain a routine.	Resolved	N/A
Issue no. 2	Unsupported students fees	It was noted by the Board that the office of the registrar didn't have proper records on student debtors. In this case, the Board has procured an ERP system that will streamline this issue once and for all.	Resolved	N/A
Issue no. 3	Unrecognized donated tractors	The issue of tractor ownership has been forwarded to the Ministry on several occasions, but what was issued to the college is a letter just confirming that the machines were issued to the college, nothing more to support. (Letter attached)	Not resolved	By 31 st December 2023
Other Matter: Issue no. 1	Budgetary control and performance	It was discussed during the Board meeting and resolved that, since the college was just starting, we projected to receive a large number of students, but at the end, the college admitted just a few. This led to the variance shown. Currently, the college budget is realistic. On the issue of an approved budget, (FY 2020/2021) the report is that it was approved by the Board but was not	Resolved	N/A

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

Reference No. on the external audit Report	Issue / Observations From Auditor	Management comments	Status (Resolved / Not Resolved)	Time frame (Put a date when you expect the issue to be resolved)
Issue no. 2	Lack of hand over report	<p>submitted to the various Ministry departments. But for the year under review, it was approved by the Board and forwarded to the various Ministry departments.</p> <p>The principal took some initiative and personally visited our mentor institution (Matili TTI) and was given a hand over report, which on our side is not comprehensive. It is the Boards wish that the Ministry makes a follow-up with Matili TTI so that we get a comprehensive report(Report attached)</p>	Not resolved	By 30 th June 2023
Internal control risk management and Governance; Issue no. 1	Lack of approved staff establishment	<p>We are in the process of coming up with policies for the college, since this is the first Board. So far, we can report that we have the following in place:</p> <ul style="list-style-type: none"> -Finance policy -HR policy -Academic policy -Staff establishment -Strategic plan Board Charter 	Resolved	N/A
Issue no. 2	Lack of Risk management policy	<p>On the issue of risk management policy, the principal has tasked a group of trainers working on the document to be presented to the Board for approval.</p>	Not resolved	By 30 th June 2023

Bungoma North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

Guidance Notes:

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

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PRINCIPAL
Name: BUNGOMA NORTH
Date: 7 APR 2023
Accounting Officer: 94-50211, KAITUMI
Principal
Date: 24/4/23