

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY

DATE: 10 MAY 2022

DAY:
TUESDAY

TABLED
BY:

MAJORITY LEADER

CLERK-AT
THE TABLE:



PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

BARINGO TECHNICAL COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2019**



BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2019**

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

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Principal Activities

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

Vision

To be global leader in technological, engineering, Innovation, entrepreneurial research and training

Mission

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

Core Values

Baringo Technical College is an integral part of the society and endeavours to exhibit high social and professional standards. Core values are the fundamental values or ideals at the heart of Baringo Technical College that lays the foundation on which the college operates. Core values shape the culture and define the character of Baringo Technical College.

The staff will conduct their duties in accordance with teacher's service code of conduct and ethics and endeavour to project a supportive corporate culture among its members.

Guided by our vision and mission we shall uphold the following values at all the times. These core values are:

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

(c) Key Management

The Baringo Technical College day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Management Team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Isaac Bwambok
2.	Head of Finance	CPA Rebecca Chelanga
3.	Head of Procurement	Robert Chirchir

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(e) Fiduciary Oversight Arrangements

The board has the overall mandate of ensuring the sound management of the college

Audit committee activities

The Baringo Technical College audit committee was not established. Its functions were performed by the executive committee of board who reports directly to the full board.

Land Committee

The committee was formed to look into Land issues in consultation with other stakeholders, like chief, member of county assembly, founders of the college and relevant Government officers.

Budget and Appropriations Committee

The budget and appropriation committee was not in place, however, the budgetary process done through heads of departments ensuring that there was full participation.

KEY ENTITY INFORMATION AND MANAGEMENT

f) Entity Headquarters

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

g) Entity Contacts

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

h) Entity Bankers

Kenya Commercial Bank
Kabarnet branch
P.O.Box 175-30400
Kabarnet
Account Number.1137331836




i) Independent Auditors

Auditor General
Office of Auditor General
Anniversary Towers, University 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

BARINGO TECHNICAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019****MANAGEMENT TEAM****a) THE BOARD OF GOVERNORS**


Member's Name	Brief Description
 <p>Designation: Board Chairman Name: Ezekiel K. Kimosop Profession: Insurance</p>	<p>Mr. Ezekiel K Kimosop was born on 30 November 1966. He is currently the Chairman of the Board of Baringo Technical College. He is a holder of MBA (Moi University), M.Div, (International Leadership University), BCom (University of Nairobi). He is currently a PhD student at African International University, Karen. He is an Associate Member of the Insurance Institute of Kenya with 29 years of experience in insurance practice. He also doubles up as a clergyman.</p>
 <p>Designation: Member Name: Gideon L. Manyasi Profession: Procurement expert</p>	<p>Mr Gideon L. Manyasi was born on 17 December 1977. He is currently a member of the Board of Baringo Technical College. He is a holder of a business administration (procurement and supplies.) He has an experience of 3 years having worked at Dima College as the Principal. He is currently pursuing an MSc in Logistics and Supply chain management. He is a graduate of Kenya Methodist University.</p>
 <p>Designation: Member Name: Mike Chebii Profession: Lawyer</p>	<p>Mr. Mike Chebii was born on 10 October 1970. He is currently a member of the Board of Baringo Technical College. He is a holder of an LLB degree from University of Nairobi. He has vast experience in private legal practice.</p>

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 <p>Designation: Member Name: Lucy J Chepkwony Profession: Accountant</p>	<p>CPA Lucy J Chepkwony was born on 27 May 1985. She is currently a member of the Board of Baringo Technical College. She has served as an Accountant with Arches Tours and Travels for 6 years. She currently practices as a management accountant. She holds a Bachelor's degree in business management (Finance option) from Moi University.</p>
 <p>Designation: Member Name: Wabwoba M. Walinywa Profession: Media and public affairs consultant</p>	<p>Mr. Wabwoba M. Walinywa, was born on 27 March 1952. He is currently a Member of the Board of Baringo Technical College. He is a holder of MA in public Administration, international Law and diplomacy (Jersey University) and a BA in social sciences. He has vast experience in public service and private sector having worked as a media consultant. He was recently appointed a member of Bungoma town management council.</p>
 <p>Designation: Member Name: Margaret Mwangi Murugi Profession: ICT expert</p>	<p>Ms Margaret Mwangi Murugi was born on 5 February 1993. She is currently a member of the Board of Baringo Technical College. She is a holder of a bachelor's degree in computer science. She has five years experience having worked at ITEC Systems Ltd for the last two years. She currently practices as a business development consultant. She is a graduate in computer science from University of Eldoret (2015).</p>
 <p>Designation: Member Name: Kelunyo Profession: Architect</p>	<p>Architect Ivan Kelunyo was born on 13 August 1974. He is currently the member of the Board of Baringo Technical College. He is a holder of a bachelor of Architecture degree (University of Nairobi) and is a registered architect with the AAK. He has over 15 years experience having worked in public service since March 2005. He currently is in private practice.</p>

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	<p>Isaac Bwambok was born on 28 February 1967. He is the Principal/Secretary to the Board of Baringo Technical College. He has a wealth of experience in educational administration management having served as a Principal in Kipkabus Training Institute. He has been head of department Building and Civil Engineering, at RVTTI. He holds a bachelors degree in technology education from Moi University, School of Education Technology.</p>
<p>Designation: Principal Name: Isaac Bwambok Profession: Building and Civil Engineer</p>	

BOARD OF GOVERNORS COMMITTEES






Name of the Committee	Members
Finance, administration and general-purpose committee	<ol style="list-style-type: none"> 1. M/s. Lucy Chepkwony (Chairlady) 2. Arch. Ivan Kelunyo 3. Mr. Wabwoba Walinya 4. Mr. Isaac Bwambok (Secretary)
Academic Committee	<ol style="list-style-type: none"> 1. Mr. Gideon Manyasi (Chairman) 2. Mr. Mike Chebii 3. Mr. Isaac Bwambok (Secretary)
Executive Committee	<ol style="list-style-type: none"> 1. Rev. Ezekiel Kimosop (Chairman) 2. Arch. Ivan Kelunyo 3. Mr. Isaac Bwambok (Secretary)

SENIOR MANAGEMENT TEAM**Key Senior Management**

NAME OF THE EMPLOYEE	BRIEF DESCRIPTION
 <p>Designation: Principal Name: Isaac Bwambok</p>	<p>Principal, Personal number 199623456 Mr. Isaac Bwambok holds a Bachelor's degree in building technology from Moi University and has teaching experience of over 20 years.</p>

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 <p>Designation: Deputy Principal Name: Benjamin Kimitei</p>	<p>Deputy Principal Personal number 1994073668 Mr. Benjamin Kimitei holds MBA degree from African Nazarene university with teaching experience of over 20 years</p>
 <p>Designation: Registrar Name: Lucy Boboti</p>	<p>Registrar Personal number 1995089171 Ms Lucy Boboti holds a Diploma in Clothing Technology from KTTC with teaching experience of over 20 years.</p>
 <p>Designation: Dean of students NAME: Rufus Muriiki</p>	<p>Dean of Students Personal number 1998045873 Mr. Rufus Muriiki is the dean of student on appointment on acting capacity. He holds a diploma in Technical education accounting option</p>
 <p>Designation: Finance Officer Name: CPA Rebecca Chelanga</p>	<p>Finance Officer Personal Number: BTC/BOG/O3 Rebecca Chelanga is a CPA graduate and a member of ICPAK. An on-going Bachelor of commerce student of Egerton University, Finance option. She has an Experience of 7 years in accounting and finance field.</p>
 <p>Designation: Procurement Officer Name: Robert Kiprochirchir</p>	<p>Personal Number: BTC/BOG/O7 Mr Robert Kiprochirchir is a member of KISM; He holds a degree in Business management procurement option. He has an experience of 4 years in procurement field</p>

3. CHAIRMAN'S STATEMENT FOR THE PERIOD ENDED 30 JUNE 2019
KEY ACHIEVEMENTS

The institution made several milestones during the period under review. Here are some of the highlights:

Growth in Student Enrolment

We doubled our enrolment of students from slightly over 400 in 2017-2018 to over 1,000 by the close of the period. This was largely propelled by our community stakeholder initiatives. This has seen the increased demand for additional infrastructure facilities including classrooms, hostels and workshops.

Recruitment of Additional Employees.

The institution has recruited additional employees in order to respond to the growth opportunities. We recruited technicians and administration staff in 2018 and we are looking forward to receiving 20 Public service technical trainers in 2019.

Connection to Municipal Water Supply

The institution was able to connect to the Kirandich water supply in March 2019. This was a major milestone that saw the resolution of the perennial water scarcity that the institution had experienced for a long time. We are grateful to the County Government of Baringo and the local community leaders for the support they gave us during this venture.

Technical Collaboration Programs

We were privileged to access collaboration engagements with some German technical assistance agencies courtesy of the support of the area member of Parliament, Honourable Joshua Kandie. Three of our technical trainers were trained in Germany in November 2018. We are expecting more technical staff to benefit from the collaboration program in 2019.

Completion of Construction for Mentor Institutions

We are proud to report on the completion of two major projects for which we were assigned mentorship by the Ministry of Education. Kapchepkor Technical and Vocational College and Mochongoi Technical and Vocational College are now complete and awaiting certification and handing over.

Management Transition

During the period, we had changes in management that saw a new Principal take the helm of the institution. Mr. Isaac Bwambok took over from Mr. Barnabas Too on 6 March 2019.


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CHALLENGES EXPERIENCED

We experienced a number of challenges during the period under review. Funding for our Tuition Block project has been slow and this has seen delays in project completion since 2016. We have been able to compensate land owners who surrendered land to the institution but the challenge now lies in securing the section of the land which was illegally converted into conservancy by some activists. This land belongs to the institution. Student housing is still a major challenge. Our hostels are congested and the supply of local community hostels has been fairly slow, forcing students to seek accommodation in Kabarnet Town. We are facing a shortage in the number of technical trainers. We wish to appeal to the government to post additional technical staff to the institution.

WAY FORWARD/FUTURE OUTLOOK

We are looking forward to increased enrolment in numbers to over 5000 students by 2022. We are engaging with the community stakeholders in an effort to increase housing facilities for students. We also seek to grow our collaboration linkages with various local and international development partners so that we may propel the institution to greater heights. It is our hope that we shall realize key industry linkages with major industry partners. This will see the rise in the quality and relevance of technical courses offered in the institution. Our vision is to grow the institution to a National Polytechnic status in the next ten years.


.....
Ezekiel K. Kimosop

Chairman of Board

27 September 2019

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REPORT OF THE PRINCIPAL

Technical education plays a key role in training qualified individuals who are capable of implementing new technology and using innovative methods to allocate resources more effectively to enhance quality education.

In a Competency Based Education and Training (CBET) based curriculum, Training institutions are given the mandate to establish their own mechanisms and source for data on labour market skills demand by forming proper relationships with industry.

Despite the fact that statistics in the country reveal that most graduates from colleges lack suitable employability skills, Due to large number of unemployed trained youths. Competency Based Education and Training (CBET) based curriculum is at the heart of the big four agenda and will alienate this situation which has been attributed to low quality of training in our institutions.

In furtherance of Baringo Technical College mandate, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs in several ways that will ensure their competitiveness in terms of quality and relevance. With the guidance of the Board of Governors, we worked hard in setting up structures and policies aimed at guiding the institution in the right strategic direction. Under my leadership and the overall direction of the Baringo Technical College's Board of Governors, we have been able to ensure that all resources are utilized efficiently and effectively for optimum output. Despite the many challenges brought about by economic constraints, for example lack of tuition classrooms among others Baringo Technical College will discharge its mandate of teaching, research and outreach of assisting the current administration in attaining the big four and vision 2030.

The National Youth Service (NYS) has sponsored a total of 285 students for this financial year 2018-2019.

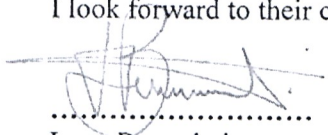
The Baringo Technical College being an institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition. To do so, however the college requires a lot of support from the Government and other stakeholders in this crucial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

On behalf of Baringo Technical College Board of Governors, I take this opportunity to thank the Government for its unequivocal support during the quarter under review. I also appreciate the financial, material and moral support of our collaborators, partners and friends during the period. It is because of the co-operation with the Government through the Ministry of Education, other stake holders and more

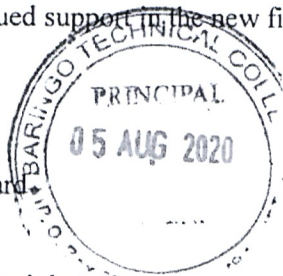
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importantly guidance of the Board of Governors steered by the able chairman of the Board as well as the mutual cooperation of the management team, all staff and our students that we ended the quarter within an environment of peace and stability. I wish to register my gratitude to them all.

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




.....
Isaac Bwambok
Principal/Secretary to the Board
27 September 2019




Approval of the Annual financial statements

The financial statements of Baringo Technical College were approved by the Board on 28 September 2019 and signed on its behalf by the chairman and principal as below:



.....
Ezekiel K. Kimosop
Chairman of the Board


.....
Isaac Bwambok
Principal/Secretary to the Board

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30 JUNE 2019

CORPORATE GOVERNANCE STATEMENT

The current Board of Governors was appointed into office in 9 December 2016 and upon appointment immediately took charge of their mandate to steer the college forward through application of best governance practices and standards.

The Board of Governors have been forging a united front in confronting challenges facing an institution that started small way back in 2013 and then grew consistently.

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

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

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

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

Oversight role of board of governors

The Board of Governor's main responsibility is that of guiding the institution in the right path of professional growth to meet the needs of clients and satisfy other stakeholders.

It has ensured that the college management team hire up to their call of duty in ensuring for more transparency and consultation in all affairs of the college.

The board has also ensured prudent use of institution resources including finances and other important assets

Appointments and employment of support staff is the core business of the board and have performed this task in full adherence to established rules and regulations

Composition of the Board

The board of governor was appointed in accordance with the stated guidelines in terms of qualification, technical expertise, gender and age.

This was done by Cabinet Secretary in charge of education ministry and the board's composition appears as below:

Chairperson

The chairman's role is to ensure that the whole board is one and conduct business with professionalism.

The chair therefore takes the lead in guiding members in discharging their mandate with clear boundaries and rules.

BARINGO TECHNICAL COLLEGE

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i. Board tools

The board develops a calendar of meetings on annual basis and it meets three times annually. The meetings are held once in an academic calendar of three months.

This applies to the two committees for finance and projects and academics respectively. All committees of the board are tasked with the responsibility of reporting to the full board.

ii. Legal audit

Annual financial statement is prepared and presented to the board for discussion and approval. The board sits to discuss and approve annual budget every June of each year, all issues arising from prior discussion of the budget by finance and project committed are discussed and resolved during this meeting any corrections and amendments are then made and approved before the budget is finally approved for next financial year.

Within the year the college account signatories scrutinize all records on expenditure before approving and signing for withdrawals.

A) Finance and project implementation committee

- i) Ezekiel Kimosop
- ii) Ivan Kelunyo
- iii) Lucy Chepkwony
- iv) Isaac Bwambok (Secretary)

Their roles include:

- i) Scrutinizing annual budget estimates, making corrections and amendments before approval by the full board
- ii) Reporting with full board on implementation of projects sanctioned for implementation
- iii) Reporting to the board on purchase and sale of college property

B) Academic committee

- i) Walinya Wabwoba
- ii) Margaret Mwangi
- iii) Mike Chebii

Their roles include:

- i) Receive reports from the principal, deputy principal and academic heads of departments on implementation of curriculum in the college and handles any issues and challenges hindering curriculum implementation.
- ii) Authorizes expenditure on acquisition of academic materials and resource for smooth curriculum implementation.
- iii) Reports to the main board on all issues discussed and steps taken by the committee.

C) Executive committee

- i) Ezekiel Kimosop
- ii) Ivan Kelunyo
- iii) Lucy Chepkwony
- iv) Isaac Bwambok (Secretary)

MANAGEMENT DISCUSSION AND ANALYSIS

The college operational and financial performance

The operational and financial performance of Baringo Technical College is set out in pages 1 to 27

College compliance with statutory requirement

Baringo Technical college financial statements have been prepared in accordance with section 83 of the Public Finance Management Act. The college complied with statutory obligation of its employees from time to time.

Total exposure

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

Reporting framework

The college first time adoption of International Public sector accounting standards (IPSAS) Accrual in the financial year 2013-2014.

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

The college financial probity and serious governance issues

During the financial year 2018-2019 there was no major financial improprieties reported by agencies on oversight that came to the knowledge of management. In addition, the college does not have serious governance issues among the board and the top management including conflict of interest.

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CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Baringo Technical College was founded for public benefit, to promote technical education and knowledge and provide an institution open for all, irrespective of race, creed or political belief. It is pioneering institution of higher learning in making technical education available to the communities living in Baringo county and Kenya at large.

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

During the year ended 30 June 2019, Baringo Technical College did not engage in any corporate social responsibility.

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REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended 30 June 2019 which show the state of the College's affairs.

Principle activities

The principal activity of Baringo Technical College is Training.

Results

The results of the entity for the year ended 30 June 2019 are set out on pages 1 to 27

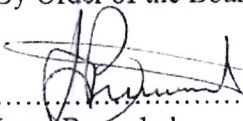
BOARD OF GOVERNORS

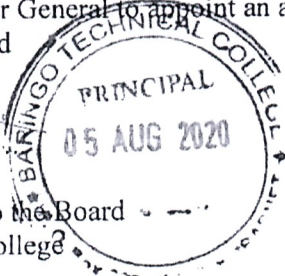
The members of the Board who served during the year are shown above.

Auditors

The Auditor General is responsible for the statutory audit of the entity in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015 to carry out the audit of Baringo Technical College for the year ended 30 June 2019 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board


.....
Isaac Bwambok
Principal/Secretary to the Board
Baringo Technical College



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**STATEMENT OF BOARD OF GOVERNORS MEMBERS'
RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and Technical Vocational Education and Training(TVET) Act, 2013 require the board members to prepare financial statements in respect of Baringo Technical College, which give a true and fair view of the state of affairs of the entity at the end of the financial year/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 are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on 30 June 2019. This responsibility includes:

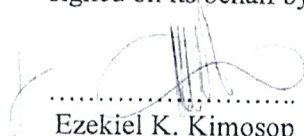
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) Designing, implementing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

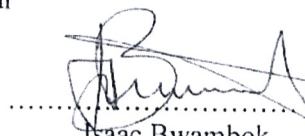
The board members accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and Technical Vocational Education and Training(TVET) Act, 2013. The board members are of the opinion that the College's financial statements give a true and fair view of the state of Baringo Technical College transactions during the financial year ended June 30 June 2019 and of the entity's financial position as at that date. The board, further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Baringo Technical College financial statements were approved by the Board on 28 September 2019 and signed on its behalf by the Chairman and Principal

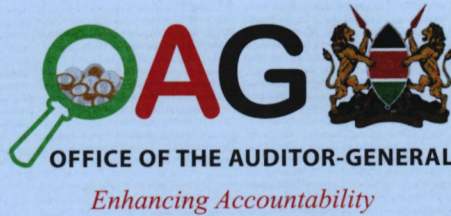

.....
Ezekiel K. Kimosop
Chairman of the Board


.....
Isaac Bwambok
Principal/Secretary to the Board



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Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON BARINGO TECHNICAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Baringo Technical College set out on pages 1 to 31, which comprise the statement of financial position as at 30 June, 2019, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Baringo Technical College as at 30 June, 2019, 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 Public Finance Management Act, 2012 and Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1.0 Errors in the Annual Reports and Financial Statements

The annual reports and the financial statements prepared and presented for audit pagination on the table of contents is not aligned to those on the body of the report. This is contrary to the format prescribed by the Public Sector Accounting Standards Board (PSASB) in accordance with Section 194(1)(d) of the Public Finance Management Act, 2012.

Consequently, the annual reports and the financial statements as prepared and presented do not comply to the format prescribed by the Public Sector Accounting Standards Board (PSASB).

2.0 Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.25,782,422 (2018 - Kshs.12,075,308) and as disclosed under Note 30 to the financial statements. As previously reported, this excludes the value of land acquired in 2011 measuring 7.20 hectares on which buildings and agricultural assets stand whose value has not been determined. Further, motor vehicle registration number KAE 604X Toyota acquired on 4 August, 1995, is yet to be registered in the name of the College. This is contrary to Section 25 of the Second Schedule of the Technical and Vocational Education and Training Act, 2013.

Consequently, the accuracy and fair statement of the property, plant and equipment balance of Kshs.25,782,422 as at 30 June, 2019 could not be confirmed.

3.0 Grants

3.1 Recurrent Grant

The statement of financial performance reflects transfers from the National Government of Kshs.12,555,000(2018-Kshs.13,502,710) and as disclosed under Note 10 to the financial statements. However, records at the parent Ministry indicate disbursements to the College amounted to Kshs.25,610,000 resulting to an unexplained variance of Kshs.13,055,000.

Consequently, the accuracy and completeness of the reported transfers from the National Government amount of Kshs.12,555,000 for the year ended 30 June, 2019 could not be confirmed.

3.2 Development Grant

The statement of changes in net assets reflects development grants of Kshs.3,357,434 (2018-Kshs.3,295,000). However, records from the parent Ministry indicate that Kshs.26,618,818 that included Kshs.22,903,951 for mentor institution was disbursed to the College during the year under review resulting to an unexplained difference of Kshs.357,433 as tabulated below:

Item	Parent Ministry Records (Kshs.)	College Records (Kshs.)	Difference (Kshs.)
Development Grant for Mentor Institutions	26,618,818	22,903,951	3,714,867
Development Grant for College	0	3,357,434	3,357,434
Total	26,618,818	26,261,385	357,433

Consequently, the accuracy and completeness of the reported development grants of Kshs.3,357,434 as at 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Baringo Technical 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

Budgetary Control and Performance

The statement of budget vs actual reflects revenue budget and actual on comparable basis of Kshs.77,590,100 and Kshs.129,647,717 respectively resulting to a positive performance of Kshs.52,057,617 or 67% of the budget. Management attributed the positive performance to increased enrolment of students. However, no adjustments were made to the budget for the student increase.

The statement also reflects expenditure budget and actual on comparable basis of Kshs.77,590,000 and Kshs.81,999,731 respectively resulting to an over expenditure of Kshs.4,409,732 or 6% of the budget as tabulated below:

Item	Budget (Kshs.)	Actual (Kshs.)	Shortfall (Kshs.)	%
Compensation of Employees	3,555,576	6,814,840	(3,259,264)	(92)
Use of Goods and Services	1,080,000	2,093,433	(1,013,433)	(94)
General Expenses	63,554,424	30,498,484	33,055,939	52
Academic Expenses	5,400,000	25,848,065	(20,448,065)	(379)
Repairs and Maintenance	1,350,000	13,894,778	(12,544,778)	(929)
BOG Expenses	2,650,000	2,850,131	(200,131)	(8)
Total Expenditure	77,590,000	81,999,731	(4,409,732)	(6)

There was however, no approval for the over expenditure on compensation of employees, use of goods and services, academic expenses, repairs and maintenance which exceeded the threshold of 25%.

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, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1.0 Lack of Credit and Debt Management Policy

The statement of financial position reflects receivables from exchange transactions of Kshs.50,425,690;(2018-Kshs.12,747,579) and as disclosed under Note 21 to the financial statements. This represents a growth of 396% in receivables. However, the College does not have a credit and debt management policy to guide on student's fee collection.

2.0 Lack of Accounting Manual

The College does not have an accounting manual in place to guide on the coding, processing of information. Consequently, the internal controls over the accounting processes are weak.

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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 overall governance.

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

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

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

Those charged with governance are responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how the College 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 control 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 control 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue 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 continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the 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 control 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

09 February, 2022

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

I. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government	10	12,555,000	13,502,710
Total Revenue from non-exchange transactions		12,555,000	13,502,710
Revenue from exchange transactions			
Rendering of services- Fees from students	11	113,335,020	27,335,698
Other income	12	410,263	193,410
Revenue from exchange transactions		113,745,283	27,529,108
Total revenue		126,300,283	41,031,818
Expenses			
Use of goods and services	13	2,093,433	1,128,989
Employee costs	14	6,814,840	4,493,100
Board expenses	15	2,850,131	-
Repairs and maintenance	16	13,894,778	549,146
Academic expenses	17	25,848,065	7,930,018
General expenses	18	30,498,484	12,575,812
Intangible asset amortisation	28	1,463,002	1,463,002
Depreciation	29	2,185,448	1,618,063
Total expenses		85,648,181	29,758,130
Net Surplus/Deficit for the year		40,652,101	11,273,687

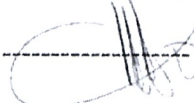
The notes set out on pages 6-27 form an integral part of the annual financial statements

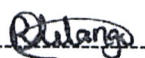
BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

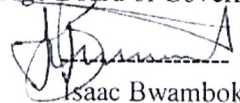
II. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	19	5,064,704	13,114,034
Inventories	20	1,721,058	-
Receivables from exchange transactions	21	50,425,690	12,747,579
Total Current Assets		57,211,452	25,861,613
Non-current assets			
Intangible asset-Automation	28	1,467,396	2,930,398
Property, plant and equipment	30	25,782,422	12,075,308
Total Non-current Assets		27,249,818	15,006,328
Total assets		84,461,271	40,867,942
Current liabilities			
Refundable deposits from customers	22	855,575	855,575
Fees received in advance	24	1,911,602	-
Trade and other payables from exchange transactions	25	12,194,916	14,522,725
Bursary	26	80,000	80,000
Total Current Liabilities		15,042,093	15,458,300
Reserves			
Development fee fund	23	510,987	510,987
Accumulated surplus	26	57,091,449	16,439,346
Development grants		11,816,742	8,459,308
Total Capital and Reserves		69,419,177	25,409,641
Total Liabilities and capital and Reserves		84,461,271	40,867,942

Financial Statements set out on pages 1-27 were signed on behalf of the College Board of Governors by


 Ezekiel K. Kimosop
 Chairman Board of Governor
 Date..... 5/8/2020


 CPA Rebecca Chelanga
 Finance Officer
 ICPAK No 20590
 Date: 5/8/2020


 Isaac Bwambok
 Principal/Secretary to Board
 Date: 05 AUG 2020



BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

III. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2019

	accumulated fund	Fees development fund	Development grants	Total
	Kshs	Kshs	Kshs	Kshs
As at 1 July 2018	5,165,659	510,987	5,164,308	10,840,954
School fees development fund receipts for the year				
Transfer to Total comprehensive income				
Transfers from national GOK/Development grants received during the year			3,295,000	3,295,000
Depreciation transferred to accumulated fund/retained earnings				
Surplus for the year	11,273,688			11,273,688
As at 30 June 2018	16,439,347	510,987	8,459,308	25,409,642

As at 1 July 2018	16,439,347	510,987	8,459,308	25,409,642
School fees development fund receipts for the year				
Transfer to Total comprehensive income				
Transfers from national Government/Development grants received during the year			3,357,434	3,357,434
Depreciation transferred to accumulated fund/retained earnings				
Surplus for the year	40,652,102			40,652,102
As at 30 June 2019	57,091,448	510,987	11,816,742	69,419,177

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

IV. STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE, 2019

		2018-2019	2017-2018
	Note	Kshs	Kshs
Cashflows from operating activities			
Receipts			
Transfers from other gov't entities/Gov't grants	10	12,555,000	13,502,710
Rendering of services- Fees from students	11	113,335,020	27,335,698
Other income (interest & Farm)	12	410,263	193,410
Total Receipts		126,300,283	41,031,818
Payments			
Use of goods and services	13	2,093,433	1,128,989
Compensation of employees	14	6,814,840	4,493,100
Board expenses	15	2,850,131	-
Repairs and maintenance	16	13,894,778	549,146
Academic expenses	17	25,848,065	7,930,018
General expenses	18	30,498,484	12,575,812
Total Payments		81,999,731	26,677,065
Net cash from operating expenses		44,300,552	14,354,753
cash from investing activities			
Purchase of assets		(15,892,563)	(6,704,647)
Decrease/(increase) in inventory	20	(1,721,058)	-
Decrease/(increase) in receivables	21	(37,678,111)	(3,185,593)
Purchase of intangible assets	29	-	(4,393,400)
Net cashflows from investing activities		(55,291,732)	(14,283,640)
cash from financing activities			
(Decrease)/increase in fees paid in advance	24	1,911,602	-
(Decrease)/increase in trade payables	25	(2,327,809)	5,872,242
Development funds	28	3,357,434	3,295,000
increase in caution money		-	268,100
Net cash flows used in financing activities		2,941,227	9,435,342
Net increase/(decrease) in cash and cash equivalents		(8,049,953)	9,506,455
Cash and cash equivalents at 1 JULY 2018	19	13,114,034	3,608,203
Cash and cash equivalents at 30 JUNE 2019	19	5,064,705	13,114,034

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

V. STATEMENT OF BUDGET VS ACTUAL FOR THE YEAR ENDED 30 JUNE 2019

	Budget	Actual	Performance difference
	2018-2019	2018-2019	2018-2019
	Kshs	Kshs	Kshs
Revenue	-	12,555,000	(12,555,000)
Capitation	-	12,555,000	(12,555,000)
Rendering of services- Fees from students	43,290,100	113,335,020	(70,044,920) (a)
Sale of goods	60,000	25,063	34,937
Other Income	-	10,000	(10,000)
Rental income	240,000	375,200	(135,200) (b)
Sub total	43,590,100	126,300,283	
Transfers from Government-Development grants	34,000,000	3,357,434	(30,642,566)
Total income	77,590,100	129,657,717	(52,067,617)
Expenses			
Compensation of employees	3,555,576	6,814,840	(3,290,563)(c)
Use of Goods and services	1,080,000	2,093,433	(1,013,433) (d)
General expenses	63,554,424	30,498,484	33,055,940
Academic expenses	5,400,000	25,848,065	(20,448,065) (e)
Repairs and maintenance	1,350,000	13,894,778	(12,544,778) (f)
BOG expenses	2,650,000	2,850,131	(200,131)(g)
Depreciation	-	2,185,448	
Intangible asset amortization	-	1,463,002	
Total expenditure	77,590,100	85,648,181	16,942,128
Surplus		40,652,102	

Budget Notes

- (a) The positive variance on this vote was as a result of increased enrolment of students.
(b) The negative variance was brought about by the tenants who never paid their monthly rent on time.
(c) The negative variance was as a result of recruitment of extra employees in the financial year.
(d) The variance in this vote was due to increased cost of water and electricity.
(e) The variance in this vote was as a result of increased expenses on training.
(f) The institution undertook more repair works on hostels, workshop which led to increased expenses.
(g) The board of governors held one extra meeting than what was budgeted for which led to the variance on the vote head

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

VI. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Baringo Technical College is established by and derives its authority and accountability from Technical Vocational Education and Training (TVET) Act, 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The College 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 College's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed.

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

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

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

i. Early adoption of standards

Baringo Technical College did not early – adopt any new or amended standards in year 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

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

Revenue from exchange transactions

Rendering of services

Baringo Technical College 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.

**BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019**

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.

a) Budget information

The original budget for the Financial year 2018-2019 was approved by the Board on 8 June 2018. 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 College'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 actual as per the statement of financial performance has been presented under Page of 5 these financial statements.

b) Taxes

Current income tax

Baringo Technical College is exempt from paying taxes as per income tax act cap.470

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

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.

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 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 derecognition.

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

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
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c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

The annual depreciation applied on straight-line basis are:

Motor vehicle	25%	
Furniture and fittings	12.5%	
Computers	30%	
Library books	25%	
Plant & Equipment	12.5%	
Intangible asset	33.3%	

In addition, financial year ended 30 June 2019; the college had the following assets which had not been valued:

- Land 7.2 hectares
- Buildings i) Hostels
- ii) Staff quarters (2 blocks)
- iii) Dining hall
- iv) Workshop block

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) 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.

e) 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

f) Research and development costs

The College 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.

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Financial assets

Initial recognition and measurement

Financial assets within the scope of International Public sector Accounting standards (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 College 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 considering 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

Baringo Technical College 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:

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (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 International Public Sector Accounting Standard (IPSAS) 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The College 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 considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) 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

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i) 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 College.

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

Baringo Technical College creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

n) 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.

o) 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.

p) Related parties

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

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q) Service concession arrangements

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

r) Cash and cash equivalents

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

s) Comparative figures

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

t) 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 30 June 2019

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Baringo Technical College's financial statements in conformity with International Public Sector Accounting Standards that 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 Institution 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. International Public Sector Accounting Standard (IPSAS) 1.140

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Useful lives and residual values

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

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

Provisions

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

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

FINANCIAL RISK MANAGEMENT

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

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

i) Credit risk

The College has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, considering 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 is net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

ii) Credit risk (continued)

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

The College has significant concentration of credit risk on amounts due from students

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

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(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the College Board, 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 Board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an on-going basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

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

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

a) Foreign currency risk

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

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

FINANCIAL RISK MANAGEMENT (Continued)

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.

6. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

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

7. EVENTS AFTER THE REPORTING PERIOD

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

8. ULTIMATE AND HOLDING ENTITY

Baringo Technical College is a State Corporation/ or a Semi- Autonomous Government agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

9. CURRENCY

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

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10. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Unconditional grants		
Operational grant	12,555,000	13,502,710
Total government grants and subsidies	12,555,000	13,502,710

11. RENDERING OF SERVICES

Description	2018-2019	2017-2018
	Kshs	Kshs
Tuition fees	42,222,597	3,247,805
Activity fees	7,147,399	1,512,464
Boarding fees	15,284,288	8,185,985
Personal emoluments	18,991,133	3,239,740
Repairs, Maintenance and Improvements	3,231,945	579,140
Local transport and travelling	7,186,238	1,956,590
Electricity and water	4,970,641	480,450
Contingencies	-	343,270
Medical	3,930,136	141,640
Book levy	-	95,810
Student Council	-	116,900
Student ID	-	36,000
Computer Fee	-	412,400
Attachment Fee	4,897,743	358,299
Development fee	-	5,414,370
Exam fee	5,472,900	1,214,835
TOTAL	113,335,020	27,335,698

12. OTHER INCOME

Description	2018-2019	2017-2018
	Kshs	Kshs
Income from farm	25,063	192,976
Interest income	-	435
Rental income	375,200	-
Sale of tenders	10,000	-
Total	410,263	193,410

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13. USE OF GOODS AND SERVICES

Description	2018-2019	2017-2018
	Kshs	Kshs
Electricity and water	2,093,433	1,128,989
Water	-	-
Security	-	-
Professional services	-	-
Subscriptions	-	-
Total good and services	2,093,433	1,128,989

14. EMPLOYEE COST

	2018-2019	2017-2018
	Kshs	Kshs
Salaries and wages	6,814,840	4,493,100
Employee related costs- contribution to pension's and medical aids		-
Travel, motor car, accommodations' subsistence and other allowances		-
Housing benefits and allowances		-
Overtime payments		-
Performance and other bonuses		-
Social contributions		-
Employee costs	6,814,840	4,493,100

15. BOARD EXPENSES

Description	2018-2019	2017-2018
	Kshs	Kshs
Board allowances	2,850,131	-
Total Board expenses	2,850,131	-

16. REPAIRS AND MAINTENANCE

Description	2018-2019	2017-2018
	Kshs	Kshs
General repairs	3,756,858	549,146
Renovation of hostels	4,316,000	-
Fencing	178,650	-

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Repairs of workshops	5,643,270	
Total	13,894,778	549,146

17. ACADEMIC EXPENSES

Description	2018-2019	2017-2018
	Kshs	Kshs
Training materials	11,055,776	4,232,792
Activity	4,277,345	1,096,995
Medical	365,100	137,410
Book levy	-	10,665
Industrial Attachment	1,945,687	333,578
Student council	-	27,600
TVET fairs	766,667	1,015,764
Capacity building	1,300,000	142,060
Marketing of courses	620,500	704,154
CAPA trips	-	124,000
Computer	-	105,000
Examination	5,516,990	-
Total Academic expenses	25,848,065	7,930,018

18. GENERAL EXPENSES

Description	2018-2019	2017-2018
	Kshs	Kshs
Boarding	22,250,728	9,469,591
Local transport and travelling	7,101,431	1,826,020
Contingencies	-	408,690
Katti/MOE workshops	-	170,400
Performance contracting	514,155	571,200
Capacity Building workshops	-	113,000
Strategic plan	607,754	
Bank charges	24,416	16,911
Total general expenses	30,498,484	12,575,812

19. (a) CASH AND CASH EQUIVALENTS

Description	2018-2019	2017-2018
	Kshs	Kshs
Current account	5,064,704	13,114,034
On - call deposits	-	-
Fixed deposits account	-	-

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Staff car loan/ mortgage	-	-
Others(specify)	-	-
Total cash and cash equivalents	5,064,704	13,114,034

19. (b) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2018-2019 KShs	2017-2018 KShs
a) Current account			
Kenya Commercial bank	1137331836	2,524,327	6,246,449
Kenya Commercial bank	1175704199	2,008,3345	6,325,443
Kenya Commercial bank	1167847253	521,066	391,132
Sub- total		5,053,728	12,963,024
b) Others(specify)			
cash in hand	1137331836	-	2,463
cash in hand	1175704199	4,094	148,289
cash in hand	1167847253	6,883	883
Sub- total		10,977	151,010
Grand total		5,064,705	13,115,282

20. INVENTORY

Description	2018-2019 KShs	2017-2018 KShs
Stationery	208,120	-
Repairs	263,730	-
Building	87,210	-
Electrical	47,950	-
Catering	668,958	-
Fashion Design	113,195	-
Housekeeping	34,746	-
Food and Beverage	297,147	-
Total	1,721,058	-

21. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019 KShs	2017-2018 KShs
Student arrears	50,425,690	12,747,579
Total	50,425,690	12,747,579

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22. REFUNDABLE DEPOSITS FROM CUSTOMERS

Description	2018-2019	2017-2018
	KShs	KShs
Opening balance	855,575	587,475
Receipts during the year	-	271,100
Refunds	-	(3,000)
Total	855,575	855,575

23. DEVELOPMENT FUND INTERNAL

Description	2018-2019	2017-2018
	KShs	KShs
Receipts during the year	510,987	510,987
Total	510,987	510,987

24. FEES RECEIVED IN ADVANCE

Description	2018-2019	2017-2018
	KShs	KShs
Receipts during the year	1,911,602	-
Total	1,911,602	-

25. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Sundry creditors	12,194,916	14,522,725
Total	12,194,916	14,522,725

26. BURSARY

Description	2018-2019	2017-2018
	KShs	KShs
Receipts	80,000	80,000
Total	80,000	80,000

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27. ACCUMULATED FUND

Description	2018-2019	2017-2018
	Kshs	Kshs
Opening balance B/F		
Fees collection account	57,091,449	16,439,347
Total	57,091,449	16,439,347

28. INTANGIBLE ASSET

Description	2018-2019	2017-2018
	KShs	KShs
Cost	2,930,398	4,393,400
Amortization @33.3%	(1,463,002)	(1,463,001)
Total	1,467,396	2,930,398

29. DEVELOPMENT GRANTS

Description	2018-2019	2017-2018
	Kshs	Kshs
Receipts during the year	3,357,434	3,295,000
Total	3,357,434	3,295,000

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30. PROPERTY, PLANT AND EQUIPMENT

Asset	Motor Vehicles	Building/W.I.P	Furniture and Fittings	Computers	Books	Plant and Equipments	Totals
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at June 2017	2,350,000	4,495,806	1,321,991	365,000	21,900	-	8,554,697
As at 1 July 2017	2,350,000	4,495,806	1,321,991	365,000	21,900	-	8,554,697
Additions	-	3,616,757	115,009	1,177,345	1,266,536	529,000	6,704,647
As at 30/2018	2,350,000	8,112,563	1,437,000	1,542,345	1,288,436	529,000	15,259,344
Depreciation							
As at 30 June 2018	1,175,000	-	184,499	201,000	5,475	-	1,565,974
Depreciation	587,500	-	179,625	462,704	322,109	66,125	1,618,063
Accumulated depreciation as at 1 July 2018	1,762,500	-	364,124	663,704	327,584	66,125	3,184,036
Net Book Value	587,500	8,112,563	1,072,876	878,642	960,852	462,875	12,075,308
30 June 2018							
Net Book Value 30 June 2017	1,175,000	4,495,806	1,137,492	164,000	16,425		6,988,723
As at 1 July 2018	2,350,000	8,112,563	1,437,000	1,542,345	1,288,436	529,000	15,259,344

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At 30 JUNE 2019	2,350,000	20,613,661	2,546,750	2,710,645	1,288,436	1,642,415	31,151,907
Depreciation							
Accumulated depreciation July 2018	1,762,500		364,124	663,704	327,585	66,125	3,184,036
Depreciation	587,500	-	318,344	752,194	322,109	205,302	2,185,448
Accumulated depreciation June 2019	2,350,000	-	682,468	1,415,897	649,693	271,427	5,369,484
Net Book Value	-	20,613,661	1,864,282	1,294,748	638,743	1,370,988	25,782,422
Net Book Value	587,500	8,112,563	1,072,876	878,642	960,852	462,875	12,075,307

Notes	Ksh
i) Depreciation on computers	
Computers at cost 30 June 2019	2,710,645
Less-computers bought 2015-16	(305,000)
Balance to depreciate at 30%	2,405,645
Depreciation – other computers	721,693
Add balance to depreciate 2015-16 computers	30,500
2018/19 depreciation computers	752,193
ii) Computers on final years on depreciation	
Computers bought 2015-2016	305,000
Less accumulated depreciation for three years 91,500*3(i.e. at 30% per year)	(274,500)
Balance to depreciation of 2018-2019	30,500
iii) Fully depreciated assets	
a) Motor vehicle now fully depreciated by 2018-2019	
b) Computers of 2015/16 now fully depreciated by 2018-2019	

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

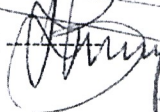
APPENDIX I: INTER-ENTITY TRANSFERS

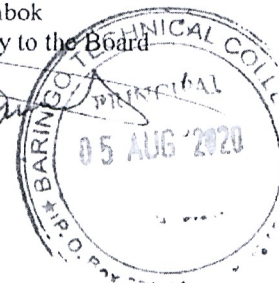
	ENTITY NAME:	BARINGO TECHNICAL COLLEGE		
	Break down of Transfers from the State Department of Technical, Vocational, Education and Training (TVET)			
	Financial Year 2018-2019			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Financial Year to which the amounts relate</u>
		5.10.2018	3,000,000	2018-2019
		18.02.2019	9,555,000	2018-2019
		Sub-Total	12,555,000	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Financial Year to which the amounts relate</u>
		11.03.2019	1,678,716	2018-2019
		8.10.2018	1,678,716	2018-2019
		Sub-Total	3,357,434	
		TOTAL KSHS	15,912,434	

The above amounts have been communicated to and reconciled with the parent Ministry
 CPA Rebecca Chelanga
 Finance Officer

Sign 

Isaac Bwambok
 Principal/Secretary to the Board

Sign 



BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

APPENDIX II (a): INTER-ENTITY TRANSFERS
DISCLOSURE OF MENTOR INSTITUTION

ANALYSIS OF CASH AND CASH EQUIVALENTS

In the financial year under review, the college was involved in mentoring Kapchepkor Technical and Vocational College and Mochongoi Technical and Vocational College. This was meant for construction of the technical colleges in Baringo North and south respectively.

Financial institution	Account number	2018-2019	2017-2018
		KShs	KShs
a) Current account			
Transnational bank-Mochongoi	142549002	6,618,798	15,586,824
Transnational bank-Kapchepkor	142550002	6,480,455	14,231,454
Grand total		13,099,252	29,818,278

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
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APPENDIX II (b): INTER-ENTITY TRANSFERS
DISCLOSURE OF MENTOR INSTITUTION

ENTITY NAME:		BARINGO TECHNICAL COLLEGE		
Break down of Transfers from the State Department of Technical, Vocational, Education and Training (TVET)				
FY 2018/2019				
a.	Mochongoi Technical and Vocational College			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>The Financial Year to which the amounts relate</u>
		25.01.2019	10,514,614	2018-2019
		08.10.2018	2,628,654	2018-2019
		Sub-Total	13,143,268	
b.	Kapchepkor Technical and Vocational College			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>The Financial Year to which the amounts relate</u>
		25.1.2019	4,352,996	2018-2019
		08.10.2018	5,407,687	2018-2019
		Sub-Total	9,760,683	
		TOTAL KSHS	22,903,951	

The above amounts have been communicated to and reconciled with the parent Ministry
 CPA Rebecca Chelanga
 Finance Officer

Sign 

Isaac Bwambok
 Principal/Secretary to the Board

Sign 



BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019

APPENDIX III: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

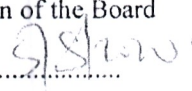
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comment	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

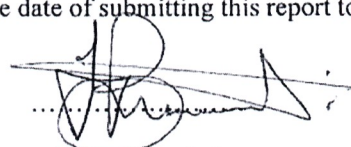
Guidance Notes:

- (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


 Ezekiel K. Kimosop

Chairman of the Board

Date.....


 Isaac Bwambok

Principal/Secretary to the Board

Date.....

