

REPUBLIC OF KENYA



REPORT


OF

THE AUDITOR-GENERAL

ON

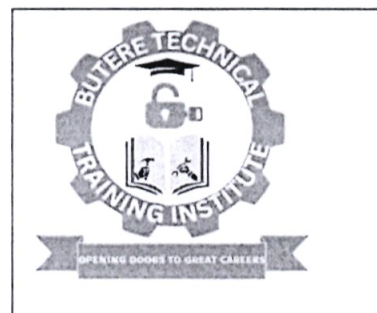
**BUTERE TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2025**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2026	DAY: WED
TABLED BY:	DEPUTY MAJORITY PARTY URP
CLERK-AT THE-TABLE:	OBIERO

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BUTERE TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2025**

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

Butere Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June, 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
BTTI	Butere Technical Training Institute
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

B. Definition of Key Terms

Board	The governing body appointed by the cabinet secretary
Management Board	Top management of the institution after the council
Mentorship Project	Projects undertaken by the institution on behalf of the government
Principal	The accounting officer and AIE holder
Fiduciary Management	Members of Management directly entrusted with the entity's financial resources.
Comparative Year	The prior period.
Young African Works	Foundation by master card to promote employment in Africa

2. Key Information and Management

(a) Background information

Butere Technical Training Institute is located on 18.8-acre piece of land in Manyala location, Butere Sub-County, Kakamega County, Western region of Kenya. The institution has the following academic departments: Agriculture and Environmental Studies, Building and Civil Engineering, Business Studies, Electrical and Electronics Engineering, Hospitality and Institutional Management, Computing and Informatics and Mechanical and Automotive Engineering.

(b) Principal Activities

The mandates of the Butere Technical Training Institute are to:

1. Develop and implement training programs for staff capacity building through continuous development of core skills and competencies;
2. Provide training and collaborations with other TVET institutions and industries through the integration of teaching, applied research and industrial attachment;
3. Participate in the discovery, transmission and prevention of knowledge in TVET and related fields;
4. Cooperate with the Government in the planned development of TVET;
5. Achieve through middle level training, consultancy and research services, development of skills and an effective workforce in Kenya and Beyond.

Our Vision

A global Centre of Excellence in Producing Modernized Technical Workforce and Innovators.

Our Mission

To produce high-end technical and employable graduates capable of effectively participating in local and international development through improving and enhancing productivity, value addition and evolving modern technologies.

Core Values

Butere Technical Training Institute is committed to embracing the following core values as a move towards realizing her vision:

1. **Professionalism:** the highest standard of achievement obtainable through competence;
2. **Integrity:** uphold fairness competency, objectivity, honesty, accountability, and discipline in the provision of services;
3. **Transparency and Accountability:** conduct the fairness of the institute with openness and responsibility;
4. **Teamwork and Mutual Respect:** work as a team aiming at meeting set objectives while treating customers with dignity and respect;
5. **Innovation:** encourage and support creative ideas to keep abreast with emerging scientific and technological developments in its environment.

Strategic Objectives

1. To implement targeted outreach and support initiatives to attract, enrol, and retain trainees from underrepresented and diverse backgrounds, ensuring equitable access and success for all.
2. To develop and implement comprehensive financial planning and resource management strategies to enhance annual funding and ensure efficient allocation aligned with institutional priorities and growth targets.
3. To foster and solidify strategic alliances with industry leaders and organizations to enhance collaborative opportunities, improve training programs, and facilitate workforce development.
4. To implement comprehensive governance reforms and best practices to improve transparency, accountability and decision-making processes within the institution.
5. To establish robust support systems and funding mechanisms to encourage and sustain innovative research and development activities within the institution.

(c) Key Management

Butere Technical Training Institute day-to-day management is under the following key organs:

- Board of Governors
- Principal/Accounting officer
- Deputy principal administration
- Deputy principal academics
- Registrar
- Dean of students
- Head of finance
- Head of procurement
- Head of Department

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Senior Principal	<i>Violet Mwale</i>
2.	Deputy principal Administration	<i>Daniel Aoyi</i>
3	Deputy principal Academics	<i>Rabecca Ombwayo</i>
4	Registrar	<i>Lydia Andove</i>
5	Dean of students	<i>Charles Kakai</i>
6	Finance officer	<i>Simon Kavunga</i>
7	Procurement officer	<i>Ephraim Amekhala</i>

(e) Fiduciary Oversight Arrangements

(i) Full Board of Governors Committee

The Board of Governors does oversight role through the use of Board committees in various areas.

(ii) Finance, Infrastructure and Resource Mobilization Committee

- Oversee the development and administration of policies, procedures and strategies that will promote prudent financial management, high quality infrastructural development and acceptable resource mobilization practices including recruitment, reward, retention, motivation and development of the TTI's staff.

- Oversee the Institute's compliance with legal, statutory and regulatory requirements relating to finance, infrastructure and resource mobilization matters as well as compliance with ethical and quality standards adopted by the institution.
- Receive and consider proposals and reports on matters relating to finance, development projects and resource mobilization in the institution.
- Oversee the development of policies and procedures to enhance effective and efficient utilization of all the resources of the TTI.

(iii) Education, Research, Training and Human Resource Committee

- Review, evaluate, and recommend academic programs and curricula to ensure relevance, quality, and alignment with national education and training standards.
- Monitor the implementation of teaching, learning, and assessment policies and procedures.
- Ensure adherence to the requirements and standards of the Technical and Vocational Education and Training Authority (TVETA) and other regulatory bodies.
- Promote quality assurance mechanisms in all academic departments.

- Promote a culture of research, innovation, and knowledge creation among staff and students.
- Oversee formulation and implementation of institutional research and innovation policies
- Identify and recommend research partnerships, collaborations, and funding opportunities.
- Support dissemination and application of research findings for institutional and community development.

- Oversee implementation of industrial attachments, internships, and competency-based training programs.
- Recommend staff development and training initiatives to enhance professional competence.
- Facilitate linkages and collaborations with industries and other training institutions.
- Monitor and evaluate the effectiveness of training programs for both staff and students.

- Advise the Board on recruitment, appointment, promotion, and deployment of staff in accordance with government and institutional policies.
- Oversee implementation of performance management systems and staff appraisal processes.
- Review and recommend staff development, motivation, and welfare programs.
- Address staff disciplinary issues in line with established procedures and regulations.
- Participate in the formulation, review, and implementation of human resource policies and succession planning strategies.

(i) Audit and Risk Management committee

- Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
- Oversee the implementation of developed policies, procedures and strategies that will promote effective and efficient management systems within the institution;
- Provide an independent review of the institutions's reporting functions to ensure the integrity of the financial reports.
- Ensure the institution effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.
- Provide oversight of the implementation of accepted audit recommendations and consider reports on matters relating to audit.
- Provide strong and effective oversight of the institute's internal audit function.
- Report to the Board regularly regarding matters considered in each of the committee's meetings.
- Oversee the development and administration of policies, procedures and strategies that will promote prudent financial management, high quality infrastructural development and acceptable resource mobilization practices including recruitment, reward, retention, motivation and development of the institute's staff.
- Oversee the Institute's compliance with legal, statutory and regulatory requirements relating to finance, infrastructure and resource mobilization matters as well as compliance with ethical and quality standards adopted by the institute.
- Receive and consider proposals and reports on matters relating to finance, development projects and resource mobilization in the Institute
- Oversee the development of policies and procedures to enhance effective and efficient utilization of all the resources of the TTI.

(f) College Contacts

Country: Kenya
County: Kakamega
Sub County: Butere
Location: Manyala
Street: Mahondo -off Butere-Sidindi Road
P.O Box 90-50101 Butere

Telephone: (254) 793818662
E-mail: info@buteretti.ac.ke
Website: www.buteretvc.ac.ke

(g) College Bankers

NO	BANK NAME	BANK ACCOUNT NUMBER	BRANCHES	POSTAL ADDERSS
1	KCB BANK	1200942043	MUMIAS	193-501502,MUMIAS
2	EQUITY BANK	0680284201108	MUMIAS	606-50102 MUMIAS
3	CO-OPERATIVE BANK	01139799513400	MUMIAS	905-50102 MUMIAS





(h) Independent Auditors

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






(i) Principal Legal Adviser

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






3.The Board of Governors

SN.	Member/ Director	Details
1.	 PROF.OTUYA ROBERT	<ul style="list-style-type: none"> -Chairman Board of Governors -PHD in business administration -Date of birth 26th January 1961 -Over 20 years work experience in various sectors.
2.	 MR.NASHON ASEKA	<ul style="list-style-type: none"> -BOG member -MSC in Building services Engineering -Lecturer at Masinde Muliro University -Date of birth,1963 -Over 20 years working experience.
3.	 MR.DICKSON NTENG'A	<ul style="list-style-type: none"> -BOG member -Date of birth,3rd may 1972 -Crrently serving as sole legal practitioner as Marube &CO Advocates -Over 10 years working experience. -Bachelor in law
4.	 MR.RODGERS OWITI	<ul style="list-style-type: none"> -BOG member -MSC in Telecommunication Engineering -14 years' work experience -Currently serving as technical sales manager at Safaricom. -Date of birth,20th, April 1987



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5.	 MR. JOSEPH SUNGUTI	<ul style="list-style-type: none"> -Currently serving as TVET regional Director, Kakamega -Masters in Education -Experience of over 15years in TVET -Date of birth, 1963
6.	 MRS. JUDITH TUWEI	<ul style="list-style-type: none"> -BOG member -MBA(strategic management) -BBA(Accounting) -ICPAK member -AWAK member -Associate member KIM -Over 10 years working experience in insurance and finance sector -Currently serving as an entrepreneur. -Date of birth 6th June 1986
7.	 MRS. JAYNE MUNYAO	<ul style="list-style-type: none"> -BOG member -MSC in Haematology and blood transfusion -Date of birth, 24/10/1974 -Over 10 years working experience -Currently serving as part time lecturer at Masinde Muliro University
8.	 ENG. MOSES MUKANGULA	<ul style="list-style-type: none"> -BOG member -Date of birth 22/09/1959 -BSC in Civil Engineering -Professional Engineer with Engineers Board of Kenya (EBK) -Corporate Member of the Institution of Engineers of Kenya (IEK) -Over 35 years of engineering design, construction and project management. -Retired civil servant currently in private consultancy practice
9.	 MRS. VIOLET MWALE	<ul style="list-style-type: none"> -Currently serving as Secretary, BOG/Senior principal at Butere Technical Training Institute -Bachelors of Education -Over 10 years working experience in education -Date of birth 29/08/1971

4. Key Management Team

SN.	Member	Details
1	 Mrs. Violet Mwale	Accounting officer, Bachelors of Education
2	 Dr. Daniel Aoyi	Deputy principal administration, PhD in Leadership
3	 Mrs. Rebecca Obwayo	Deputy principal academics, bachelors of education
4	 Mrs. Lydia Andove	Registrar, Bachelors of education TED
5	 Mr. Charles Kakai	Dean of students, Bachelors of Education

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6	 Mr. Ephraim Amekhala	Procurement officer, bachelors of supply chain
7	 Mr. Simon Kavunga	Finance officer, bachelors of commerce, ICPAK member.

5. Chairman's Statement

This past financial year was defined not by stability, but by necessary and ambitious **strategic transformation**. Driven by our core commitment to producing a globally competitive workforce, the institution embarked on an aggressive program of change to align with national educational mandates and contemporary industry needs. Key among these was the successful launch of the **Competency based Education and Training (CBET) modularized curriculum** across all departments, marking a complete overhaul of our training philosophy. This fundamental shift, alongside the Ministry's directive to phase out the older **Kenya National Examination Council (KNEC) programs**, signifies our determination to future-proof the institution and ensure that every graduate possesses immediately applicable skills. We believe these bold steps are crucial in maintaining our reputation as a leader in technical and vocational education.

The success of these initiatives can be seen in our early results. The establishment of **Dual Training** programs has created robust pipelines, integrating real-world practice with classroom instruction and significantly boosting graduate employability rates. Furthermore, the official launch of the **Recognition Prior Learning (RPL)** system is a landmark achievement, finally providing a vital pathway for experienced workers to gain formal certification based on their practical competencies. These successes underscore the effective collaboration between the Board, management, faculty, and our industry partners, demonstrating that focused commitment to a shared vision yields tangible, impactful outcomes for our students and the national economy.

However, such deep-seated transformation is not without its trials. The shift to the CBET model demanded substantial **staff upskilling** and required significant investment in specialized equipment and pedagogical resources to meet the new modular standards—a challenge exacerbated by prevailing resource constraints. Managing the complex logistics and human element involved in the simultaneous implementation of multiple new systems, while phasing out long-standing traditional programs, tested our organizational agility. We acknowledge these hurdles, but rather than viewing them as setbacks, we see them as indicators of the scale of change achieved and a call to strengthen our internal capacities further.

Looking ahead, our focus is clear: to **consolidate the gains** made this year and accelerate institutional growth. The way forward involves deepening our commitment to industry partnerships to expand our Dual Training capacity and ensure the sustainability of the CBET framework. We will prioritize securing additional resources to upgrade our physical and technological infrastructure, thereby supporting the scaled implementation of RPL and new training modules. With the groundwork laid, we are positioned to enhance our efficiency, drive innovation, and cement our role as a vital contributor to skills development for years to come. We thank all our stakeholders for their dedication and continued trust.

Signature 

Prof. Otuya Robert Ingabo
Chairperson, BTTI Board of Governors

6. Report of the Senior Principal

I am honoured to present this annual report, reflecting a year of unprecedented institutional transformation and operational intensity. The strategic direction set by the Board, which prioritized aligning our institution with national skills development agendas, was not merely executed—it was embraced. This period saw us successfully navigate the simultaneous implementation of revolutionary training models and the necessary, yet complex, phasing out of long-established programs. Our commitment remains clear: to deliver quality, industry-relevant training that directly contributes to the nation's economic vitality.

Part I: Strategic Curriculum Overhaul

The Mandate and Implementation of CBET

The full rollout of the Competency-Based Education and Training (CBET) modularized curriculum stands as the single most critical achievement this year. This was a multi-faceted project, moving us entirely away from time-based academic cycles to a flexible, standards-driven assessment model. Operationally, this required the complete restructuring of every departmental learning plans, the development of new assessment tools tied directly to industry occupational standards, and the certification of over 85% of our instructional staff as certified CBET trainers and assessors. This paradigm shift ensures that our graduates are not just theoretically knowledgeable, but demonstrably competent in specific, high-demand skills.

Phasing Out of KNEC Programs

In compliance with the Ministry's directive, we have diligently managed the structured phasing out of older KNEC programs. This process, while essential for future-proofing our training, required careful handling to protect the interests of continuing students. We established dedicated student transition and counselling support units, ensuring clear pathways for legacy cohorts to complete their qualifications under the existing frameworks while simultaneously reallocating resources to the growing CBET divisions. This logistical exercise was managed successfully, minimizing disruption and ensuring a smooth, compliant exit from the previous system.

Part II: Key Operational Successes

Excellence in Dual Training Implementation

The **Dual Training** framework, a high-impact success highlighted by the Board Chair, has now been formalized across our three core economic sectors. This model is a true partnership, where students spend 50% of their time in the institution and 50% embedded within our partner industries. This year, we increased our registered industry partners by, placing trainees into structured apprenticeships. The result is a dramatically reduced skills gap and immediate post-graduation absorption rates. This success is directly attributable to the dedicated liaisons who maintained continuous communication and quality assurance checks between our institution and the factory floors.

Recognition Prior Learning (RPL) System Launch

The official launch of the Recognition Prior Learning (RPL) system marks a significant milestone in fulfilling our social mandate. This system provides a rigorous, verifiable mechanism for experienced artisans and workers, who lack formal paper qualifications, to have their existing skills assessed and certified. Since its inauguration, we have processed 100 applications across the trades. This not only empowers the individuals but injects formally recognized competency into the informal sector, boosting overall economic productivity.

Part III: Challenges Encountered and Mitigation Strategies

Resource Allocation and Infrastructure Gaps

The primary operational challenge remains the high cost of maintaining modern, industry-standard infrastructure. The CBET curriculum demands highly specialized and often expensive consumables and machinery. While financial performance was strong, the speed of curriculum change outpaced our capital reserves. Our strategy for mitigation involves pursuing a diversified funding model, including establishing a commercialization unit to generate revenue from institutional workshops and services, thereby subsidizing equipment maintenance and replenishment.

Staff Development and Mentorship

The transition to CBET required an intensive program of staff upskilling. While we certified most trainers, moving from theoretical teaching to pure competency assessment requires ongoing mentorship and a cultural shift. The challenge lies in providing continuous professional development (CPD) without interrupting the training calendar. Our solution has been the introduction of peer-to-peer coaching groups and a mandatory online CPD module, ensuring that assessment quality remains consistent and aligned with the national qualification framework.

Operational Logistics and Concurrency

Managing the concurrency of four major institutional events—launching CBET, implementing Dual Training, piloting RPL, and phasing out KNEC—created significant logistical pressure. This complex operational environment required establishing a dedicated Change Management Task Force to oversee inter-departmental coordination, risk analysis, and communication protocols. This structure successfully minimized administrative overload and allowed us to execute the transformation projects without compromising the quality of ongoing student support.

Part IV: The Future Trajectory

The groundwork laid this year provides a solid foundation for future growth. Our strategic focus for the next cycle centers on consolidation and expansion:


1. **Deepening Industry Integration:** We aim to achieve 100% industry participation for all eligible CBET programs, turning every department into a robust Dual Training hub. This will include formalizing Memorandums of Agreement (MOAs) to co-develop curriculum and share resources.
2. **Resource Mobilization:** A critical focus will be on maximizing our Internally Generated Revenues (IGAs). We will launch a comprehensive capital campaign targeting external development partners and government bodies to secure funding specifically dedicated to facility upgrades (e.g., constructing a dedicated, modern RPL assessment center) and expanding our digital learning infrastructure.
3. **Performance Metrics:** We will now focus on quantifiable outcomes, including increasing the retention rate of apprentices in Dual Training by 10% and reducing the average time-to-certification for RPL applicants by 20%.

Butere Technical Training Institute

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In closing, this was a challenging yet profoundly rewarding year. The success of this immense undertaking is a testament to the hard work and professionalism of our management team, our dedicated faculty, and the resilience of our students. We look forward to the continued journey of growth and remain fully committed to our mandate as a premier institution for technical and vocational skills development.

Violet Mwale
Senior Principal /Board Secretary

Date: 11/2/2025 Sign: 



7. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the National Government Performance against predetermined objectives.

Butere Technical Training Institute has strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2023 to FY 2027. These strategic pillars are as follows:

Strategic Issue 1: Quality and Relevance

Strategic Issue 2: Access and Inclusivity

Strategic Issue 3: Governance and Accountability

Butere Technical Training Institute achieved its performance targets set for the FY 2024/2025 period for its FY 2024 - FY 2027 strategic pillars, as indicated in the table below;

Strategic Pillar	Objective	Key Performance Indicator	Activities	Achievement
Accessibility and equity in Training and Learning programmes	To implement targeted outreach and support initiatives to attract, enrol and retain trainees from underrepresented and diverse backgrounds, ensuring equitable access and success for all.	Percentage of the CBET courses accredited.	1620	Trainee enrolment increased by 215 trainees
Financial Resource Capacity	To develop and implement comprehensive financial planning and resource management strategies to enhance annual funding and ensure efficient allocation aligned with	Percentage trainee population sensitized	100	

Butere Technical Training Institute

Annual Report and Financial Statements for the year ended 30th June, 2025

	institutional priorities and growth targets.			
Research Strategy and Planning	To establish robust support systems and funding mechanisms to encourage and sustain innovative research and development activities within the institution.	Percentage of the Research and Development strategy components developed and finalized according to the institute's goals and industry needs.	40	

8. Corporate Governance Statement

i) Appointment and Removal of Board Members

During the year, the new Board was formed and inaugurated in April 2025. The member's details and dates of appointment are as below:

Incoming Board Members

NO.	NAME	Category	Appointment date
1.	Prof. Otuya Robert	Chairman	28 th February 2025
2.	Eng. Moses Mukangula	Member	17 th July 2024
3.	Mr. Nashon Aseka	Member	17 th July 2024
4.	Mrs Jayne Munyao	Member	28 th February 2025
5	Mr. Rodgers Owiti	Member	28 th February 2025
6	Mrs Judith Tuwei	Member	17 th July 2024
7	Mr. Dickson Nteng'a	Member	28 th February 2025

Appointment Process:

The Cabinet Secretary initiates the appointment process, which may involve consultations with relevant stakeholders or a selection panel.

Gazettement:

Appointments are formally announced through a notice in the Kenya Gazette.

Terms of Office:

Members typically serve a term of three years, with the possibility of reappointment for one further term.

Balanced Representation:

The Cabinet Secretary is mandated to ensure balanced competencies, gender equity, and inclusion of persons with disabilities in the appointments.

Removal Process:

Members can be removed for reasons such as non-performance, contravention of Chapters Six or Thirteen of the Constitution (relating to leadership and integrity), or other specified grounds.

Suspension:

The Cabinet Secretary can suspend a member to pave the way for investigations related to potential misconduct.

Vacancy:

When a vacancy occurs, the Cabinet Secretary appoints a replacement for the remaining term of the vacant position.

The Size Diversity and Demographics of the Board Size

The Board of Governors/Governing Council of a public institution shall consist of not less than seven and not more than nine members appointed by the Cabinet Secretary.

Diversity

The membership of the Board of Governors/Governing Council shall comprise:

- (a) a chairperson;
- (b) County Director of the Ministry responsible for technical and vocational training;
- (c) a representative of the area Member of parliament of the constituency within which the institution is located; and
- (d) six other persons appointed on the basis of their knowledge and experience in;
 - (i) Leadership and management;
 - (ii) Financial management;
 - (iii) Technology;
 - (iv) Industry;
 - (v) Engineering;
 - (vi) Information communication technology.
- (e) The principal of the institution shall be the Secretary to the Board of Governors.

Demographics

The appointment of Board members shall consider ethnic and gender balance, and promote inclusion of persons with disabilities, minorities and the marginalized, and ensure balanced competencies among the members.

ii) Roles and Functions of the Board

- a) It provides overall direction and governance for the institution, ensuring it operates in accordance with the TVET Act and other relevant laws.

- b) It is responsible for developing and implementing the institution's strategic plan, outlining its goals, objectives, and strategies for achieving them.
- c) Ensure that the institution maintains high standards of education and training, and that programs are relevant to the needs of the labour market.
- d) Responsible for managing the institution's finances, including budgeting, fundraising, and ensuring efficient use of resources.
- e) Fosters partnerships with industries and other organizations to enhance training opportunities, promote work-based learning, and facilitate the transfer of technology.
- f) Responsible for ensuring the well-being of students and staff, including creating a conducive learning and working environment.
- g) Ensure that the institution complies with all relevant laws, regulations, and policies.
- h) Represent the institution in interactions with government agencies, industry partners, and other stakeholders.
- i) Prepare and submits annual reports on the institution's performance to the relevant authorities.
- j) Recruiting and appointing qualified trainers and support staff, and determining their terms and conditions of service.
- k) Approval of new training programs and reviews existing ones to ensure they meet the needs of the industry and the learners.
- l) Oversee the development and maintenance of the institution's infrastructure, including classrooms, workshops, and other facilities.
- m) Make regulations governing the conduct of students and staff, and handles cases of indiscipline.

iii) Induction Training and Development

The College Board of Governors Have not undertaken any induction training since its inauguration

iv) Number of Board Meetings Held and Attendance of Board of Governors Meetings by Members

Butere TTI meets at least once every four months. Every meeting is convened by giving at least fourteen days' notice in writing to every member unless three quarters of the total members of members otherwise agree. Notwithstanding the chairperson of aBoard may, on his/her own motion

or upon requisition in writing by at least five members of the Board, convene a special meeting of the Board of Governors at any time for the transaction of specific business.

Attendance of Board Meetings by Members:

The quorum for the conduct of business at a meeting of the Board shall be two-thirds of the total number of members of the Board. No proceedings of a Board shall be invalid by reason only of a vacancy among the members thereof.

1. BOARD OF GOVERNORS

Membership:

NO.	NAME	TITLE
1.	Prof. Otuya Robert	Chairman
2.	Eng. Moses Mukangula	Member
3.	Mr. Nashon Aseka	Member
4.	Mrs Jayne Munyao	Member
5.	Mr. Rodgers Owiti	Member
6.	Mrs Judith Tuwei	Member
7.	Mr. Dickson Nteng'a	Member
8.	Mrs Violet Mwale	Principal/Secretary to BOG

Mandate

The main role of the Board of Governors is to oversee governance and ensure that training programs are relevant, standards are maintained and resources are managed prudently.

2. Finance, infrastructure and resource mobilization committee

Membership:

NO.	NAME	TITLE
1.	Mrs Judith Tuwei	Chairperson
2.	Eng.Moses Mukangula	Member
3.	Mr. Dickson Nteng'a	Member

Mandate

The role of Finance and Budgeting Committee is to prepare annual estimates of revenue and expenditure for the institution, audit books of accounts internally and initiate production unit

3. Education, research, training human resource committee

Membership:

NO.	NAME	TITLE
1.	Ms. Jayne Munyao	Chairperson
2.	Mr. Rodgers Owiti	Member
4.	Mr. Nashon Aseka	Member

Mandate

The role of the committee is to oversee the quality and relevance of training programs to ensure they meet international standards and industry needs.

4. Audit and risk management committee

Membership:

NO.	NAME	TITLE
1.	Mr.Rodgers Owiti	Chairperson
2.	Mrs Jayne Munyao	Member
4.	Mr. Nashon Aseka	Member

Mandate

The function is to ensure available resources is utilized as per the Public Finance Management Act

Below is the board attendance schedule.

S/N	Date of meeting	Nature of Board meeting	Attendance
1	April 2025	Full Board	8
2	April 2025	Full Board	8
3	May 2025	Full board	8
4	June 2025	Committee	2
5	June 2025	Committee	3

9. Management Discussion and Analysis

1. Statement of Comprehensive Income

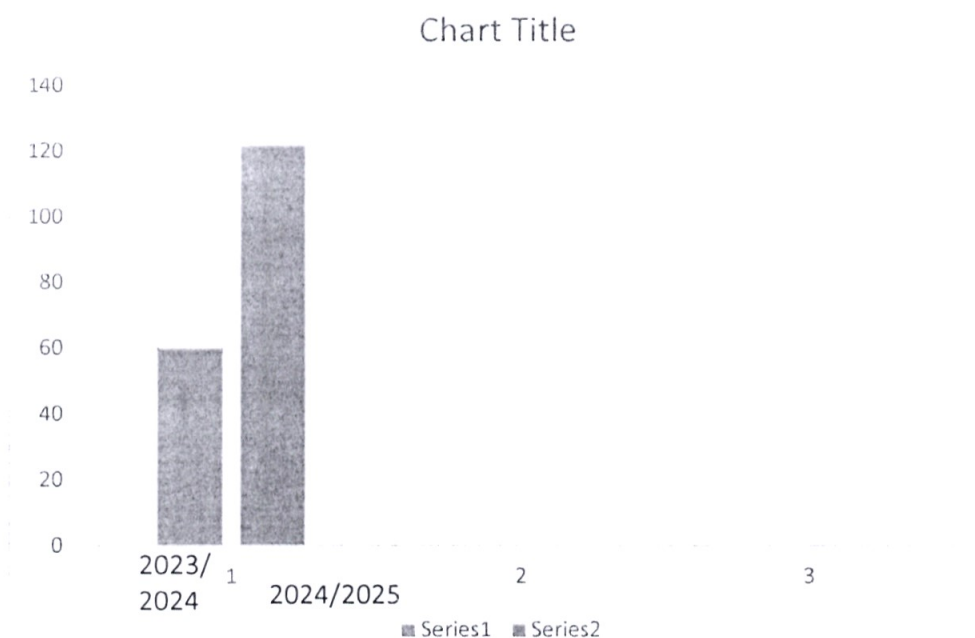
This section provides an overview of the financial position of Butere TTI for the year ended 30th June 2025 and the comparative information for the year ended 30th June 2024. This overview has been prepared by management and should be read in conjunction with the financial statements.

1.1. Revenue

The institution recorded a total revenue of KES. 73,393,515 for FY 2024/2025 from KES. 49,227,923 for FY2023/2024, representing a 49% increase. This was largely attributed to disbursement of scholarship, fees and capitation by the parent ministry.

1.2. Expenses

Total expenditure increased by 56% from KES 68 M in 2023/2024 to KES 122M in 2024/2025.



2.1 Financial Position

Total assets of the institution increased by KES 25m while liabilities have increased by KES.46M

10. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

Butere Technical Training Institute is guided by other policy objectives as follows:

- Provide a framework for an integrated approach to planning and sustainable management of BTTI's environment and natural resources.
- Strengthen the legal and institutional framework for good governance, effective coordination and management of the environment and natural resources.
- Ensure sustainable management of the environment and natural resources such as unique terrestrial and aquatic ecosystems for national economic growth and improved livelihoods.
- Promote and support research and capacity development as well as use of innovative environmental management tools such as incentives, disincentives, total economic valuation, indicators of sustainable development, Strategic Environmental Audits (SEAs), Environmental Impact Assessments (EIA), Environmental Audits (EA), and Payment for Environmental Services (PES).
- Promote and enhance cooperation, collaboration, synergy, partnerships and participation in the protection, conservation, sustainable management of the environment and natural resources.
- Ensure inclusion of cross-cutting and emerging issues.

The College is involved in various activities to enhance environmental sustainability:

- i. Management of Ecosystems and Sustainable use of Natural resources.
- ii. Environmental stewardship
- iii. Environmental quality and Health
- iv. Integration of Environmental concern in all policy, planning and Development process.
- v. Implementation framework
- vi. Research monitoring and evaluation

Environmental performance

As for efforts to manage biodiversity, wastes management are concerns, Butere Technical Training Institute has put in place adequate systems of collecting solid, plastic and organic wastes by hiring a qualified and capable cleaning enterprise – Selmer General supplies, that does general cleanliness and disposes the wastes at proper dumping sites. The college undertook several activities for environmental sustainability.

i) Tree planting

The College conducted several tree planting exercises during the year in line with Presidential directives on tree planting as well as donation of tree seedlings to various staff and community.

Employee Welfare

The institution is committed to ensuring employee welfare is given priority since Human Resource is the most critical and important resource in any organization. In this regard, we have the following welfare activity

OSHA

The College observes the relevant regulations governing Occupational Health and Safety Act (OSHA) and has put in place the following; the relevant health certificates/licences for those who work in the kitchen and school cafeteria and staff who handle food and beverages, protective gears for doing their work, Establishment of safety committee and ensuring we have fire extinguishers and fire assembly points.

Market place practices-

a) Responsible competition practice

Butere Technical Training Institute has put in place several strategies to ensure responsible competition practice as outlined below:

- Appointment and training of Integrity Assurance Officers (IAOs) to sensitize its staff on integrity issues as well as setting up a corruption prevention committee (CPC).
- Internal control system through coming up with Human resource, Finance and procurement manuals.
- Compliance with the public procurement and asset disposal act 2015 when it comes to its procurement activities. Giving preference to the marginalized by setting up aside 30% of the procurement opportunities for the women, youth and PWD.
- Set up a customer feedback mechanism by coming up with suggestion boxes and complain boxes where customer rates their satisfaction with the services offered.
- Placing supply advertisement in local newspaper and college website to ensure it reaches as many suppliers as possible

b) Responsible supply chain and supplier relations

Butere Technical Training Institute has maintained good business practices with its suppliers by:

- Promoting clear and consistent communication on the basis of equal partnerships. Tenders are advertised on public forums where suppliers are able and can easily access information for instance on newspapers, websites etc.
- Use of technology for mutual benefit. Butere Technical Training Institute has embraced the use of modern technology which has made it easy to come up with procurement documents and also promoted faster communication through the use of emails. It's easier to update contracts information, submit invoices and respond to quotations, which helps in creating an audit trail.
- Understanding and honouring contractual obligation. Clear contracts/orders spelling the terms and conditions, coming up with an effective inspection and acceptance team has boosted confidence in contracts relationship with supplier.
- Timely/prompt payment. Suppliers are paid on time to enable them stay afloat and stable.
- Supplier appraisal regularly reviewing reviews performance of suppliers promoting vendor accountability, reducing loss and improving customer satisfaction.
- Giving feedback/ notification to all bidders/ suppliers anytime there is any tendering process.
- Conducting suppliers' satisfaction survey by independent group to ascertain their level of satisfaction

c) Responsible marketing and advertisement.

The following are efforts being undertaken to maintain ethical marketing practices:

- Being transparent by sharing the information on public platforms such as our websites.
- Protecting supplier data and privacy
- Responding meaningfully to our customer for instance through our able customer care staff.
- Carrying out corporate social responsibility with an intention to have a positive image and help force a stronger bond with immediate surrounding environment.
- Committing to sustainability and human rights.
- Being honest about our products and supply chain.

During the year 2024/2025, Butere Technical Training Institute conducted marketing in the entire western region, Nyanza region and parts of the Rift valley region being main catchment for the institution.

a) Product stewardship

Butere Technical Training Institute has outlined efforts to safeguard consumer rights and interest by:

- Setting up a Quality Assurance Officer to check on the standards of quality of products/services.
- Setting an Inspection and Acceptance Committee to verify on the goods/services being delivered.
- Providing quality services to its clients so as to be competitive on the job market

Corporate Social Responsibility / Community Engagements

Butere Technical Training Institute is majored in training by producing high skilled labourers whom at the end of the training sessions can be attractive to the market. Apart from producing highly skilled labourers, the college has collaborated with the community by giving out free water for their own consumption since the borehole at hand its cubic per metre is sustainable. Furthermore, we have engaged the community in tree planting exercise which is part of environmental conservations in the college and Kenya. Within the compound, we have planted trees as part of the government agenda. Again due to enough space and text books, we have allowed the community to make use of our library for free for increasing partnership with the community. During the period under review the institution allowed the locals to graze in the fields and hired the locals to do both manual semi-skilled jobs that was available within the institution. During the period, we engaged *boda boda* by giving them free reflector jackets for their safety as well as marketing the college. Butere Technical Training Institute has a vast field which we have allowed locals to make use of it by organizing their own tournaments in the same field. This has reduced vices from youth which arises due to idle mind. In future we pray that the same spirit to sail as we support each other for the well-being of the college and its environment as we head to the new financial year. This can only be sustained through collaborations, cooperations and unity

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the TTI's affairs.

Principal activities

The principal activities of the TTI are to;

1. Develop and implement training programs for staff capacity building through continuous development of core skills and competencies;
2. Provide training and collaborations with other TVET institutions and industries through the integration of teaching, applied research and industrial attachment;
3. Participate in the discovery, transmission and prevention of knowledge in TVET and related fields;
4. Cooperate with the governance in the planned development of TVET;
5. Achieve through middle level training, consultancy and research services, development of skills and an effective workforce in Kenya and Beyond.

Results

The results of the Institute for the year ended 30th June 2025 are set out on page 1-44

Board of Governors

The members of the Board who served during the year are shown on pages xi to xiii. The Board was formed and inaugurated in April 2025. Effective dates of appointment are set out in page xxiii.

Auditors

The Auditor General is responsible for the statutory audit of Butere Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board
Violet Mwale

.....

Secretary of the Board of Governors

Date: 11/12/2025 Sign: 



12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the board members to prepare financial statements in respect of Butere Technical Training Institute, which give a true and fair view of the state of affairs of Butere Technical Training Institute e at the end of the financial 2024/2025 and the operating results Butere Technical Training Institute for the year 2024/2025. The board members are also required to ensure that Butere Technical Training Institute keeps proper accounting Butere Technical Training Institute records which disclose with reasonable accuracy the financial position of Butere Technical Training Institute. The board members are also responsible for safeguarding the assets of Butere Technical Training Institute

The board members are responsible for the preparation and presentation of Butere Technical Training Institute financial statements, which give a true and fair view of the state of affairs of Butere Technical and Vocational College for and as at the end of the financial year ended on June 30, 2025. 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 Butere Technical Training Institute; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for Butere Technical Training Institute financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The board members are of the opinion that the Butere Technical Training Institute financial statements give a true and fair view of the state of Butere Technical Training Institute transactions during the financial year ended June 30, 2025 and of the Butere Technical Training Institute financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the Butere Technical Training Institute, which have been relied upon in the preparation of the

Butere Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June, 2025

Butere Technical Training Institute 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 the Butere Technical Training Institute will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Butere Technical Training Institute financial statements were approved by the Board on _____ 2025 and signed on its behalf by:

Prof. Robert Otuya
.....

Name

Chairperson of the Board

Sign.....*Robert Otuya*.....Date.....*11/12/2025*.....

Violet Mwale
.....

Name

Accounting Officer/Principal

Sign.....*Violet Mwale*.....Date.....*11/12/2025*.....



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON BUTERE TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Butere Technical and Vocational College set out on pages 1 to 41, which comprise of the statement of financial position as

at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Butere Technical and Vocational College as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.268,347,596 as disclosed in Note 18 to the financial statements. However, the following anomalies and inconsistencies were noted;

1.1 Unconfirmed Land Ownership, Acreage and Valuation

The statement of financial position reflects property, plant and equipment balance of Kshs.268,347,596 which includes land value of Kshs.29,200,000 as disclosed in Note 18 to the financial statements relating to two (2) parcels of leasehold land measuring 1.4164 HA and freehold measuring 15.3 acres valued at Kshs.20,000,000 and Kshs.9,200,000 respectively both registered in favour of Butere Technical and Vocational College. However, it was not possible to conduct physical verification of the leasehold land valued at Kshs.20,000,000, approximately 1.4164 HA leased for a period of 99 years with effect from 26 October, 2011. Management indicated that they did not have knowledge of the land's location, status, usage, size and no visit has been made by Management since it was acquired. Further, Management conducted land searches on 5 February, 2019 and 13 June, 2022 which indicated that College's leased land measured 0.58HA and 1.42 HA respectively. Management vide letter dated 6 March 2019 sought information on the discrepancy from the Land Registrar of Kakamega County but response had not been received in November, 2025.

In addition, out of freehold land measuring 15.3 acres, approximately six (6) acres is occupied by the seller's relatives who claim the land belongs to them and had been sold without their knowledge back in 2011. Further, the land remains open without a fence and identifiable beacons or boundary marks.

1.2. • Non-Disclosure of Depreciation Policy and Rates

Note 18 to the financial statements reflects depreciation charge for the year of Kshs.12,336,263. However, supporting asset management policy or finance policy defining the depreciation method and rates was not provided for review.

1.3. Anomalies in Property, Plant and Equipment Balance

The statement of financial position and Note 18 show property, plant and equipment balance of Kshs.268,347,596. However, the following anomalies were observed:

- i. The net book value for the year of Kshs.268,347,596 is net of accumulated depreciation from previous financial years despite the assets revaluation conducted in the financial year 2022-2023.
- ii. The depreciation charge for the year of Kshs.12,336,363 was incorrectly arrived at after deducting accumulated depreciation for previous years before and after assets revaluation in the financial year 2022-2023.
- iii. The revaluation gain/loss was adjusted against cost of the assets instead of net book values as required by accounting standards.
- iv. Note 18 to the financial statements excludes comparative analysis of costs and depreciation of assets for the year ended 30 June 2024 as required by the reporting template prescribed by the Public Sector Accounting Standards Board
- v. The property, plant and equipment balance of Kshs.268,347,596 includes intangible assets balance of Kshs.8,511,600 incorrectly categorized under property, plant and equipment instead of separate disclosure as required by the reporting template prescribed by the Public Sector Accounting Standards Board
- vi. The asset movement schedule on Note 18 is not properly arranged as provided in PSASB reporting template prescribed by the Public Sector Accounting Standards Board

In the circumstances, the existence, accuracy and completeness of property, plant and equipment balance of Kshs..268,347,596 could not be confirmed.

2. Unsupported Student Debtors

The statement of financial position reflects receivables from exchange transactions balance of Kshs.20,042,732 relating to student debtors. However, the student debtor's ledgers and ageing analysis were not provided for review. Further, Management did not have a debt management policy detailing debt recovery measures.

In the circumstances, the accuracy, completeness and recoverability of receivables from exchange transactions balance of Kshs.20,042,732 could not be confirmed.

3. Long Outstanding Student Debtors

The statement of financial position reflects receivables from exchange transactions balance of Kshs.20,042,732 as disclosed in Note 16 to the financial statements. However,

review of ageing analysis revealed that student debtors amount of Kshs.3,286,720 had been outstanding for a period of more than twelve (12) months and Management did not have clear recovery framework. Further, Management did not provide approved debt management policy for audit review.

In the circumstances, the accuracy, completeness and recoverability of the student debtors balance of Kshs.3,286,720 could not be confirmed.

4. Inaccuracies of the Financial Statements

4.1. Statement of Changes in Net Assets

Review of the statement of changes in net assets revealed the following anomalies:

- i. The statement shows adjustment in sundry creditors paid during the year and adjustment in fees arrears for previous year of Kshs.13,470,742 and Kshs.6,942,501 respectively. However, journal entries for the adjustments, nature of the adjustments and disclosure notes in relation to the adjustments were not provided for audit review.

The statement shows capital fund of Kshs.325,331,592, which includes Kshs.12,450,000 for capital funds received during the year. However, the bank statements and supporting schedules to support the grants were not provided for audit review.

- iv. The statement shows retained earnings negative balance of Kshs.77,003,319, which includes Kshs.49,306,966 in respect of deficit for the year. However, the balance of Kshs.49,306,966 has been erroneously omitted in the totals column.

In the circumstances, the accuracy and completeness of the respective amounts reflected in the statement of changes in net assets could not be confirmed.

4.2 Statement of Cash Flows

The statement of cash flows reflects net cash flows from operating activities of Kshs.262,586. However, reconciling disclosure note has not been made and the statement of cash flows has not been presented in the prescribed format in the reporting template issued by the Public Sector Accounting Standards Board.

Further, the statement shows net cash flow from operating activities comparative negative balance of Kshs.9,954,830. However, the 2023-2024 financial statements show Kshs.Nil net cash flow from operating activities resulting to unreconciled variance of Kshs.9,954,830.

In addition, the statement shows other bank deposits reflected in the statement of cash flows balances of Kshs.485,532. However, the nature of other bank deposits has not been disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the respective amounts reflected in the statement of cashflows could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the period under review revealed that the College had a revenue budget of Kshs.116,266,570 against actual receipts of Kshs.73,393,515 resulting to an under-funding of Kshs.42,873,055 or 37% of the budget.

Similarly, the College expended an amount of Kshs.110,364,217 against actual revenue of Kshs.73,393,515 resulting in over-utilization of Kshs.36,970,703 or 50% above the actual revenue.

The under-funding affected planned activities and may have impacted negatively on service delivery.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Management is responsible for the Other Information set out on page iii to xxxiv which comprise of Key Entity Information and Management, Board of Governors, Management Team, Report of the Chairperson, Report of the Principal, Statement of Performance Against Predetermined Objectives, Statement of Corporate Governance, Management Discussion and Analysis, Statement of Corporate Social Responsibility/Sustainability Reporting, Report of the Board of Governors, and Statement of the Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Anomaly in Presentation and Disclosure of the Annual Report and Financial Statements

The annual report and financial statements have been prepared under the name Butere Technical Training Institute. However, registration certificate provided for audit shows the institution is registered under the name Butere Technical and Vocational College in accordance with the Technical and Vocational Education and Training Act, 2013 Section 20(a).

In the circumstances, the name of the College disclosed in the annual report and financial statements is not in accordance with the College's registered name.

2. Failure to Maintain Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.268,347,596 as disclosed in Note18 to the financial statements. However, Management did not maintain an updated asset register during the year under review. This was contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

3. Optimum Enterprise Resource Planning (ERP) System

Management acquired an Enterprise Resource Planning (ERP) system from a local contractor at one-off installation and set-up fee of Kshs.500,000 with other charges levied per module installed on 4 April, 2025 with system implementation period commencing on 7 April, 2025 to 30 June, 2025. However, Management acquired three (3) modules namely Procurement and Stores, HR and Payroll Management and Asset Management modules at a cost of Kshs.2,700,000 that were not fully utilized.

Further, it was observed that the ERP was not integrated with mobile money or bank payment gateways for real time reconciliation of student fees payment for effective collection and accounting of revenue.

In the circumstances, value for money spent on acquisition of ERP could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of 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 governance were not effective.

Basis for Conclusion

1. Lack of Human Resource Plan and Established Human Resource Department

During the year under review, the College lacked a human resource plan and an approved scheme of service for employees. Further, review of the internal structure arrangement and staff establishment, revealed that the human resource department did not have technical staff to operationalize the department. No explanation was provided for failure to establish the human resource department.

In the circumstances, the effectiveness of the internal controls in management of human capital could not be confirmed.

2. Lack of Internal Audit Function

The College did not have in place an Internal Audit Function during the year under review. This was contrary to Section 73(1) of the Public Finance Management Act, 2012 which requires every public entity to have arrangements in place for internal audit function for the purpose of carrying out in depth reviews of Management operations and internal controls.

In the circumstances, the effectiveness of the College's internal controls could not be confirmed.

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

Responsibilities of Management and the Board of Governors

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

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

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

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

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

and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 December, 2025

Butere Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

14. Statement of Financial Performance For The Year Ended 30th June, 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	34,489,250	16,651,193
		34,489,250	16,651,193
Revenue from Exchange transactions			
Rendering of services- fees from students	7	37,587,456	31,976,627
Other income	8	1,316,808	600,103
Revenue from Exchange transactions		38,904,264	32,576,730
Total Revenue		73,393,514	49,227,923
Expenses			
Use of goods and services	9	77,090,496	27,246,982
Employee costs	10	8,910,915	11,206,196
Board Expenses	11	761,400	634,200
Depreciation and amortization expense	12	12,336,263	9,451,133
Repairs and maintenance	13	690,523	352,100
General expense	14	22,910,883	19,743,275
Total Expenses		122,700,480	68,633,886
Net surplus/(deficit) for the year		(49,306,966)	(19,405,963)

The Financial Statements set out on pages 1 to 44 were signed by:

Prof. Robert Otuya

.....*[Signature]*.....

Chairman Board

Date: 11/12/25 Sign:

Violet Mwale

.....*[Signature]*.....

Principal

Date: 11/12/25 Sign: *[Signature]*

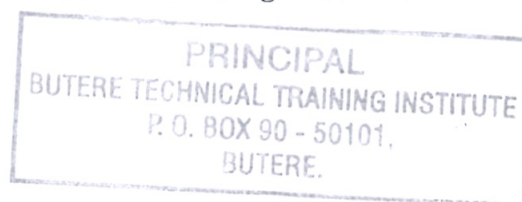
Simon Kavunga

.....*[Signature]*.....

Finance Officer

ICPAK No 28663

Date: 11/12/25 Sign: *[Signature]*



15. Statement of Financial Position As At 30th June, 2025

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	780,720.65	32,603.35
Current portion of receivables from exchange transactions	16	20,042,732.00	1,024,221
Inventories	17	15,755,308.14	6,259,314.65
Total Current Assets		36,578,760.79	7,316,139
Non-Current Assets			
Property, plant, and equipment	18	268,347,596	268,223,860
Total Non-Current Assets		268,347,596	268,223,860
Total Assets (A)		304,926,356.79	275,539,999
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	19	56,598,083.95	10,768,004
Total Current Liabilities		56,598,083.95	10,768,004
Total Liabilities (B)			
Net Assets (A-B)		248,328,272.84	264,771,995
Represented By:			
Retained earnings		(77,003,319.16)	(48,109,597)
Capital Fund		325,331,592	312,881,592
Net Assets		248,328,272.84	264,771,995

The Financial Statements set out on pages 1 to 44 were signed by:

Prof. Robert Otuya

Violet Mwale

Simon Kavunga

.....
Chairman of Council/Board

.....
Principal

.....
Finance Officer

.....
Date: 11/21/25

.....
Date: 11/21/25

.....
Date: 11/21/25

.....
Sign: [Signature]

.....
Sign: [Signature]

.....
Sign: [Signature]



I.C.P.A.K No 28667

16. Statement of Changes in Net Asset For The Year Ended 30th June 2025

Description	Retained earnings	Capital/Development Grants/Fund	Total
Balance b/f at July 1,2023	(28,703,634)	312,881,592	284,177,958
Comprehensive income	(19,405,963)	0	(19,405,963)
At June 30, 2024	(48,109,597)	312,881,592	264,771,995
At July 1, 2024	(48,109,597)	312,881,592	264,771,995
Surplus/(deficit) for the year	(49,306,966)	0	0
Capital funds received during the year	0	12,450,000	12,450,000
Adjustments in sundry creditors paid this year-refer note 14	13,470,742	0	13,470,742
Adjustment in fees arrears for previous years-refer note 7b	6,942,501.84	0	6,942,501.84
At June 30, 2025	(77,003,319)	325,331,592	248,328,273

17. Statement of Cash Flows For The Year Ended 30 June 2025

Description		2024-2025	2023-2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	34,489,250	16,651,193.00
Rendering of services- fees from students	7b	19,682,661.33	31,976,627
Other income	8b	1,316,808.47	600,103
Total Receipts		55,488,720	49,227,923
Payments			
Use of goods and services	9b	30,120,333	27,246,982
Employee costs	10b	5,784,485	11,206,196
Board Expenses	11b	345,000	634,200
Repairs and maintenance	13	690,523	352,100
General expenses	14b	18,285,793	19,743,275
Total Payments		55,226,134	59,182,753
Net Cash Flows from operating activities		262,586	(9,954,830)
Increase/Decrease in Assets for the year		0	6,462,486.25
Increase/Decrease in creditors for the year		0	(1,024,221)
Other bank deposits	15a	485,531.50	15,321.00
Cash and Cash equivalents at 1 JULY 2024		32,603.35	4,533,847.10
Cash and Cash equivalents at 30 JUNE 2025	15	780,720.65	32,603.35

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Receipts						
Transfers from other National Government entities	42,600,000	0	42,600,000	34,489,250	8,110,750	81
Rendering of services- fees from students	32,570,000	0	32,570,000	37,587,456	(5,017,456)	115
Other Income	41,096,570	0	41,096,570	1,316,808	39,779,762	3
Total Receipts	116,266,570	0	116,266,570	73,393,514	42,873,056	
Payments						
Use of goods and services	80,000,000	0	80,000,000	77,090,496	2,909,504	96
Employee costs	8,925,870	0	8,925,870	8,910,915	14,955	100
Board Expenses	1,824,324	0	1,824,324	761,400	1,062,924	42
Repairs and maintenance	1,726,210	0	1,726,210	690,523	1,035,687	40
General expenses	23,790,166	0	23,790,166	22,910,883	879,283	96
Total Expenditure Payments	116,266,570	0	116,266,570	110,364,217	5,902,353	
Surplus	0	0	0	(36,970,703)	36,970,703	

Budget notes

1. Student enrolment affected expected revenue since the turn up was below. Furthermore, delayed funding from the government also affected expected revenues within the period

19. Notes to the Financial Statements

1. General Information

Butere Technical Training Institute is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

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 judgment in the process of applying the TTI'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 in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There are no new and amended standards issued in the financial year.

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>Butere TTI was not affected by this standard since there were no transaction dealing with Leases during the year ended 30 June 2025.</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>Butere TTI was not affected by this standard since they did not have any transaction dealing with Non- Current Assets Held for Sale and Discontinued Operations during the year ended 30 June 2025.</i></p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the</p>

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	<p>criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>This standard did not affect Butere TTI since the institution does not have any heritage assets.</i></p>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>The standard was not applied anywhere in the financial statements for the period ending 30th June, 2025.</i></p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>During the year ended 30 June 2025, Butere TTI did not use the new standard because it has not been adopted. (Applicable date: 1st January 2026)</i></p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard</p>

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	<p>for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>During the year ended 30 June 2025, Butere TTI did not use the new standard because it has not been adopted. (Applicable date: 1st January 2026)</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>During the year ended 30 June 2025, Butere TTI did not use this standard because it has not been adopted. (Applicable date: 1st January 2026)</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>During the year ended 30 June 2025, Butere TTI did not use the new standard because it has not been adopted. (Applicable date: 1st January 2026)</i></p>

iii. Early adoption of standards

The TTI did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The TTI is exempted from paying corporation taxes as per income tax Act. However, it is KRA agent in collection of other taxes such as PAYE, VAT, housing levy, Withholding taxes on contractors, professional and consultancies as per KRA regulations in place.

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.

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

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

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

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

j) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is

recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) 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:

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

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

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

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

n) Nature and purpose of reserves

Butere TTI does not have a reserve created for specific function. However, the reserves it has represent the value of its assets as shown in the statement of changes in net assets

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

BTTI 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.

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

r) 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.

s) Related parties

BTTI 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 institute, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

t) Service concession arrangements

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

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the *BTTI*.
- 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.

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6. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	34,489,250	16,275,425
Commonwealth of learning		375,768
Total unconditional Grants	34,489,250	16,651,193

(a) Transfers from other Government entities

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of Technical, vocational Education and training	34,489,250	0	0	34,489,250	16,275,425
Commonwealth of learning	0	0	0	00	375,768
Total	34,489,250	0	0	34,489,250	16,651,193

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7. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition fees	9,043,929	3,495,058
Activity fees	1,942,428	3,104,508
LT&T	2,591,293	2,390,512
Arrears	6,942,501	
EW&C	1,806,547	1,946,618
Personal Emolument	7,001,647	13,665,168
Student Council	11,807	24,152
RMI	2,589,522	1,652,092
Medical	3,738,113	5,151,849
Exam	1,480,348	79,651
Contingencies	14,128	93,849
Registration	17,063	30,399
Re-grant(Gvt fees charged per student)	0	231,321
KUCCPS	390,100	74,239
ID	18,030	26,011
Packages	0	11,200
Totals	37,587,456	31,976,627

This is fees collection from student for the financial year ended 30th June 2025 as part of revenues from exchange transaction

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7b. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition fees	4,985,865.15	3,495,058
Activity fees	272,428.45	3,104,508
Arrears	6,942,501.84	
LT&T	191,293.83	2,390,512
EW&C	233,815.95	1,946,618
Personal Emolument	4,471,647.88	13,665,168
Student Council	11,807	24,152
RMI	119,522	1,652,092
Medical	538,113.19	5,151,849
Exam	1,480,348.04	79,651
Contingencies	10,128	93,849
Registration	17,060	30,399
Re-grant(Gvt fees charged per student)	0	231,321
KUCCPS	390,100	74,239
ID	18,030	26,011
Packages	0	11,200
Totals	19,682,661.33	31,976,627

This is fees collection from student for the financial year ended 30th June 2025 as part of revenues from exchange transaction

8. Other Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Hostel fee	833,008	300,103
Production Fee	478,800	300,000
Tender	5,000	00
Total other income	1,316,808	600,103

8b. Other Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Hostel fee	833,008.47	300,103
Production Fee	478,800	300,000
Tender	5,000	00
Total other income	1,316,808.47	600,103

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9. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Learning materials	71,444,651	20,001,522
Activity	1,239,300	626,730
Contingencies	14,256	12,503
Exam	3,885,108	6,429,304
Attachment Expenses	507,181	176,923
Total good and services	77,090,496	27,246,982
9b. Use of Goods and Services		
Description	2024-2025	2023-2024
	Kshs	Kshs
Learning materials	24,474,488	20,001,522
Activity	1,239,300	626,730
Contingencies	14,256	12,503
Exam	3,885,108	6,429,304
Attachment Expenses	507,181	176,923
Total good and services	30,120,333	27,246,982

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10. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	8,910,915	11,206,196
Totals	8,910,915	11,206,196

10b. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	5,784,485	11,206,196
Totals	5,784,485	11,206,196

11. Board Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Directors Emoluments	761,400	634,200
Totals	761,400	634,200

11b. Board Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Directors Emoluments	345,000	634,200
Totals	345,000	634,200

12. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	12,336,263	9,451,133
Total depreciation and amortization	12,336,263	9,451,133

13. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property	690,523	352,100
Total Repairs and Maintenance	690,523	352,100

14. General Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Local Transport and Travel	6,020,937	3,381,057
Boarding expenses	1,615,057	946,938
Catering expenses	303,980	420,640
COL	0	648,692
Electricity, Water and Conservancy	1,237,352	787,621
Farm Expenses	38,270	115,950
Student council	109,845	6,910
KUCCPS	114,700	00
Sundry creditors	13,470,742	13,435,467
Total	22,910,883	19,743,275
14.b General Expenses		
Description	2024-2025	2023-2024
	Kshs	Kshs
Local Transport and Travel	1,395,847	3,381,057
Boarding expenses	1,615,057	946,938
Catering expenses	303,980	420,640
COL	0	648,692
Electricity, Water and Conservancy	1,237,352	787,621
Farm Expenses	38,270	115,950
Student council	109,845	6,910
KUCCPS	114,700	00
Sundry creditors	13,470,742	13,435,467
Total	18,285,793	19,743,275

15. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current account	780,572.65	32,449.35
Others-Cash at hand	148	154
Total cash and cash equivalents	780,720.65	32,603.35

15 (a). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current account			
Kenya Commercial bank	1200942043	295,041.15	17,128.35
Equity Bank	0680284201108	483,561.50	12,871
Co-operative bank	01139799513400	1,970.00	2,450
b) Sub- total		780,572.65	32,449.35
Others			
cash in hand		148.00	154.00
Sub- total		148.00	154.00
c) Grand total		780,720.65	32,603.35

16. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	20,042,732	1,024,221
Total Current Receivables	20,042,732	1,024,221

16(b) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of total	2023-2024	% of the total
Less than 1 year	16,756,012	84%	1,024,221	100%
Between 1- 2 years	3,286,720	16%	0	0
Total (a+b)	20,042,732	100%	1,024,221	100%

17. Inventory

Description	2024-2025	2023-2024
	Kshs	Kshs
Inventory	15,755,308.14	6,259,314.65
Totals	15,755,308.14	6,259,314.65

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18. Property, Plant and Equipment

Cost	Land	Buildings	Motor Bike	Motor vehicles	Furniture and fittings	Computers	Generator	Software	Plant and equipment	Total
	Kshs	Kshs		Kshs	Kshs	Kshs			Kshs	Kshs
Depreciation Rate	0%	2%	10%	25%	12.5%	25%	10%	10%	12.5%	
At 1 July 2024	29,200,000	240,867,202	99,900	3,500,000	14,871,073	3,415,462	5,000,000	6,438,000	9,489,956	312,881,593
Additions	0		0	8,000,000	0	0	0	4,450,000	0	12,450,000
Disposals	0	0	0	0	0	0	0	0	0	0
At 30 th June 2025	29,200,000	240,867,202	99,900	11,500,000	14,871,073	3,415,462	5,000,000	10,888,000	9,489,956	325,331,593
Depreciation And Impairment										
At 1 July 2024	0	27,157,436	39,960	1,750,000	4,721,809	2,710,237	4,000,000	1,287,600	2,980,692	44,647,734
Depreciation for the year	0	4,817,344	9,990	2,875,000	1,858,884	0	500,000	1,088,800	1,186,245	12,336,263
At 30 Jun 2025										
Depreciation	0	31,974,780	49,950	4,625,000	6,580,693	2,710,237	4,500,000	2,376,400	4,166,937	56,983,997
Disposals	0	00	0	0	0	0	0		0	0
Net Book Values										
At 30 th June 2024	29,200,000	213,709,766	59,940	1,750,000	10,149,264	705,225	1,000,000	5,150,400	6,509,264	268,233,858
At 30 th June 2025	29,200,000	208,892,422	49,950	6,875,000	8,290,380	705,225	500,000	8,511,600	5,323,019	268,347,596

Reducing balance as a method of depreciation is used on the Institutes Property, plant and Equipment. However, computers could not undergo further depreciation.

Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by value consult ltd professional valuers on 30th June 2023. These amounts were adopted in the financial statements on 30th June 2024

18 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Depreciation	NBV
	Kshs	Kshs	Kshs
Land	29,200,000	0	29,200,000
Buildings	240,867,202	4,817,344	236,049,858
Motor Bike	99,900	9,990	89,910
Plant And equipment	9,489,956	1,186,245	8,303,711
Motor Vehicles	11,500,000	2,875,000	8,625,000
Computers	3,415,462	0	3,415,462
Office Equipment, Furniture, And Fittings	14,871,073	1,858,884	13,012,189
Generator	5,000,000	500,000	4,500,000
Software	10,888,000	1,088,800	9,799,200
Total	325,331,593	12,336,263	312,995,330

19. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	56,598,083.95		10,768,004	
Total Trade and Other Payables	56,598,083.95		10,768,004	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	23,762,546.45	42%	4,084,359	38%
1-2 years	26,899,987.50	48%	4,248,645	39%
2-3 years	5,935,550.00	10%	2,435,000	23%
Total (to tie to totals above)	56,598,083.95	100%	10,768,004	100

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Retirement benefit Asset/ Liability

The TTI does not operate a defined benefit scheme for all full-time employees from July 1, 2024.

Description	2024-2025 FY	2023-2024 FY
	Kshs	Kshs
Discount Rates	N/A	N/A
Future Salary Increases	N/A	N/A
Future Pension Increases	N/A	N/A
Mortality (Pre- Retirement)	N/A	N/A
Mortality (Post- Retirement)	N/A	N/A
Withdrawals	N/A	N/A
Ill Health	N/A	N/A
Retirement	N/A	N/A

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 12% per employee per month.

20. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Financial risk management (continued)

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	0	0	56,598,083.95	56,598,083.95
Total	0	0	56,598,083.95	56,598,083.95

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial Assets (Investments, Cash, Debtors)	NA	NA	NA
Liabilities	NA	NA	NA
Trade and Other Payables	NA	NA	NA
Borrowings	NA	NA	NA
	NA	NA	NA
Net Foreign Currency Asset/(Liability)	NA	NA	NA

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.

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
N/A	N/A	N/A	N/A

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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iv) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the entity's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	2024-2025	2023-2024
	Kshs	Kshs
Retained Earnings	(77,003,319)	(48,109,597)
Capital Reserve	325,331,592	312,881,592
Total Funds	248,328,273	264,771,995
Total Borrowings	0	0
Less: Cash and Bank Balances	780,720.65	32,603.35
Net Debt/(Excess Cash and Cash Equivalents)	780,720.65	32,603.35
Gearing	0.3%	0.01%

21. 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 Butere Technical Training Institute, holding 100% of the institution's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

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

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

22. Segment Information

BTTI does not operate in any other geographical area a part from the geographical area of main

23. Events After The Reporting Period

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

24. Ultimate And Holding Entity

The entity is a Semi-Autonomous Government Agency under the Ministry of Education state department of TVET. Its ultimate parent is the Government of Kenya.

25. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

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 the implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to the National Treasury.

.....

Violet Mwale

(Senior Principal, Butere Technical Training Institute)

Date 11/12/2025 Sign [Signature]



Appendix II: Projects Implemented by Butere Technical Training Institute

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	N/A	N/A	N/A	N/A	N/A	N/A

Status of Projects completion

Butere Technical Training Institute did not have any project during the financial year

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity.....Ministry of Education state department of TVET

Name of beneficiary entity.....Butere Technical Training Institute

Confirmation of amounts received by Butere Technical Training Institute as at 30th June 2025

Reference Number	Date Disbursed	Recurrent	Development	Total	Remarks
	23/09/2024	Recurrent	0	8,502,825	Fully utilized
	27/02/2025	Recurrent	0	25,986,425	Fully utilized

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name : SIMON KAVUNGA Sign  Date... 1/2/25

Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Program me	Sub-program me	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expendit ure item	Amou nt Kshs.	Com ments
N/A	N/A	N/A	N/A	N/A	N/A	N/A