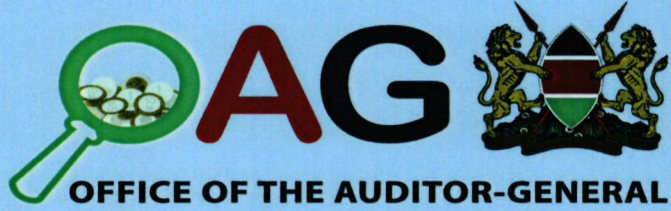

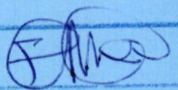


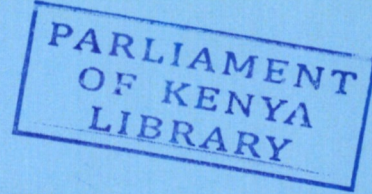
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

 THE NATIONAL ASSEMBLY	
DATE:	10 MAY 2022
	TUESDAY
TABLED BY:	MAJORITY LEADER
CLERK-AT THE TABLE:	



REPORT

OF

THE AUDITOR-GENERAL

ON

BARINGO TECHNICAL COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2017**



BARINGO TECHNICAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2017**

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

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Principal Activities

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

Vision

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

Mission

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

Core Values

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

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

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

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

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(c) Key Management

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

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

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2017 and who had direct fiduciary responsibility were:

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

(e) Fiduciary Oversight Arrangements

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

Audit committee activities

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

Land Committee

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

(f) Budget and Appropriations Committee

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

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

KEY ENTITY INFORMATION AND MANAGEMENT

(g) Entity Headquarters

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

(h) Entity Contacts

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

(i) Entity Bankers

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

(j) Independent Auditors

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

(k) Principal Legal Adviser

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

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

THE BOARD OF GOVERNORS

NAME OF THE BOARD MEMBER	POST HELD
	The board members were appointed on 9 December 2016
1. Ezekiel Kimosop	Chairman
2. Lucy Chepkwony	Member
3. Ivan Kelunyo	Member
4. Wabwoba Mukhamule walinywa	Member
5. Mike Chebii	Member
6. Gideon Manyasi	Member
7. Margaret Mwangi	Member
8. Barnabas Too	Principal/Secretary to the Board

MANAGEMENT TEAM

AREA OF RESPONSIBILITY	NAME OF THE OFFICER
Principal/Secretary to the Board (January 2015-May 2017)	Moses Sabulei
Principal/Secretary to the Board (May 2017-March 2019)	Barnabas Too
Acting Deputy Principal	Benjamin Kimiti
Registrar	Lucy Boboti
Dean of Students	Rufus Muriiki
Finance Officer	CPA Rebecca Chelanga
Procurement Officer	Robert Chirchir

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

CHAIRMAN'S REPORT


I would like to take this opportunity to welcome you all to Baringo Technical College. Baringo Technical College is one of the public Technical and Vocational Education and Training (TVET) institutions offering diploma and craft certificate and artisan courses in technical and business skill set.

Our mandate is to provide training on skills required in the job market. The management of the institution is governed through the Board of Governors operating under the Ministry of Education, State Department for Vocational and Technical Training.

I am pleased to present annual report and financial statements for the year ended 30 June 2017. This was a great year, being the third year in operation as a registered technical college.

I thank the Government for its support so far that has made it possible to implement training programs. However, I would like to appeal for more funding for capital development. This will enable the institution build new infrastructure that will support the growing student population.

Finally, I also wish to thank parents, guardian's and students for their continued support and dedication, even as we together strive to achieve greater heights of excellence in Technical Vocational Education and Training (TVET) sector.



Ezekiel K. Kimosop
Chairman of the Board
Baringo Technical College

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

REPORT OF THE PRINCIPAL

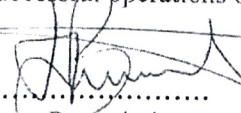
I hereby present the annual report and financial statements of Baringo Technical College for the year ended 30 June 2017 as required by Technical Vocational Education and Training (TVET) Act, 2013 and Public Finance Management Act, 2012.

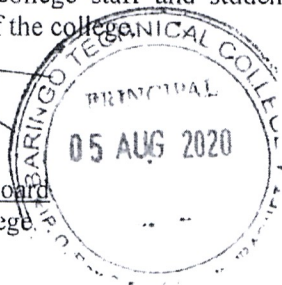
Baringo Technical College is a government flagship project set up to champion specific Technical Vocational Education and Training (TVET) courses together with other Technical institutions country wide. To be able to accomplish this, we have to set high standard quality service delivery and pursue them to fulfill our mandate. The main propellant of our commitment is the trust bestowed upon us by the government and other main stakeholders who have always and tirelessly supported us realize our goal.

It is therefore expected that as a Technical Vocational Education and Training (TVET) institution we reciprocate this gesture by intensifying creativity and innovation through quality training and in collaboration with other institutions and industry players. With God's help we shall strive to strengthen internal quality control mechanisms and expand college infrastructure to accommodate ever increasing student population and hence play our role towards actualizing vision 2030.

On behalf of Baringo technical college management and staff, I wish to take this opportunity to thank the government, our development partners and all stakeholders for their continued support.

Finally, I would like to express my sincere gratitude to the college board for providing policy and strategic guidelines, the entire college staff and students who worked conscientiously to ensure smooth and successful operations of the college.


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



CORPORATE GOVERNANCE STATEMENT

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

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

One of the core values is effective corporate governance.

There are benefits of a properly implemented effective corporate governance system as it provides stakeholders confidence. The College has built its operations on very strong corporate governance principles based on the application of high and consistent ethical standards in its relationships with all customers, employees and other stakeholders.

This is consistent with the institutions core values of effective corporate governance that has led to a strong commitment to conduct business in accordance with best business practices based on principles of transparency, accountability and responsibility, monitoring compliance with relevant laws and regulations, risk management, appropriate checks and balances and the delivery to commitments to all stakeholders. Ethical leadership and integrity, socio-environmental responsibility and determination of group strategy are the key principles that are taken into account while setting governance standards for the group.

The College has kept abreast with international developments in corporate governance for the promotion of enhanced transparency, integrity and rule of law.

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

Oversight role of board of governors

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

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

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

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

a) Composition of Board of Governors

The board of governor was appointed in accordance with the stated guidelines in terms of qualification, technical expertise, gender and age. This was done by Cabinet Secretary in charge of education ministry and the board's composition appears as below:

i) Chairperson

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

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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

i. Board tools

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

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

ii. Legal audit

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

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

A) Finance and project implementation committee

- i) Ezekiel Kimosop
- ii) Ivan Kelunyo
- iii) Lucy Chepkwony
- iv) Barnabas Too (Secretary)

Their roles include:

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

B) Academic committee

- i) Walinywa Wabwoba
- ii) Margaret Mwangi
- iii) Mike chebii

Their roles include:

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

C) Executive committee

- i) Ezekiel Kimosop
- ii) Ivan Kelunyo
- iii) Lucy Chepkwony
- iv) Barnabas Too (Secretary)

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

MANAGEMENT DISCUSSION AND ANALYSIS

The college operational and financial performance

The operational and financial performance of Baringo Technical College is set out in pages 1-29

College compliance with statutory requirement

Baringo Technical college financial statements have been prepared in accordance with section 83 of Public Finance Management Act, 2012. The college compliance with statutory obligation of its employees from time to time.

Total exposure

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

Reporting framework

The college first time adoption of International Public Sector Accounting Standard (IPSAS) Accrual in the financial year 2013-2014.

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

The college financial probity and serious governance issues

During the financial year 2016-2017 there was no major financial improprieties reported by agencies on oversight that came to the knowledge of management. In addition, the college does not have serious governance issues among the board and the top management including conflict of interest.

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

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

During the year under review Baringo Technical College did not engage in any corporate social responsibility.

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended 30 June 2017 which show the state of the College's affairs.

Principal activities

The principal activity of Baringo Technical College is training.

Results

The results of Baringo Technical College for the year ended 30 June 2017 are set out on 1 to 29

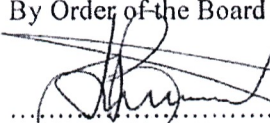
Board of Governors

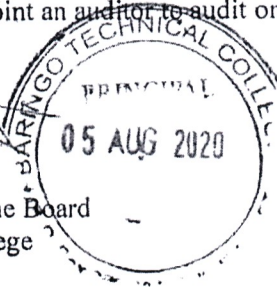
The members of the Board who served during the year are shown above.

Auditors

The Auditor General is responsible for the statutory audit of the entity in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015, to carry out the audit of the entity for the year ended 30 June 2017 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board


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



BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES

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

The Board are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on 30 June 2017.

This responsibility includes:

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

The board members accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and Technical Vocational Education and Training (TVET) Act, 2013. The board members are of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30 June 2017 and of the entity's financial position as at that date. The board, further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

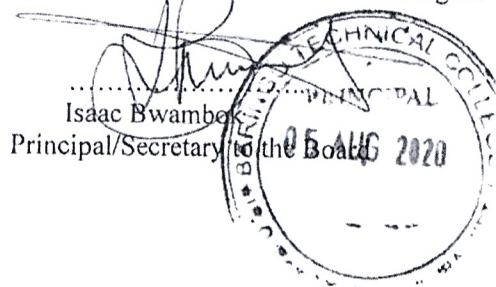
Nothing has come to the attention of the board members to indicate that Baringo Technical College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Baringo Technical College financial statements were approved by the Board on 5 October 2017 and signed on its behalf by the Chairman and Principal as below:

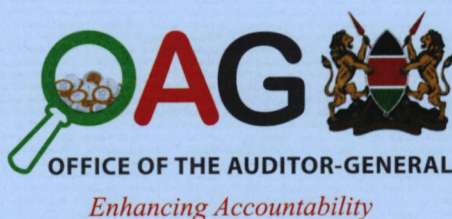
.....
Ezekiel K. Kimosop
Chairman of the Board

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



REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON BARINGO TECHNICAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Baringo Technical College set out on pages 1 to 32, which comprise the statement of financial position as at 30 June, 2017, 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 Baringo Technical College as at 30 June, 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1.0 Errors in Annual Reports and Financial Statements

The annual reports and the financial statements for the year ended 30 June, 2017 prepared and presented for audit had the following errors; -

- 1.1 The table of contents indicates Appendix II to be in page 32 whereas the correct page is 31.
- 1.2 The table of contents indicates Appendix III to be in page 33 whereas the correct page is 32.
- 1.3 On Page 26 local transport and travelling is reflected as Kshs.2,8874,36 instead of Kshs.2,887,436.
- 1.4 On Page 31 inter-entity transfer is reflected as Kshs.7,1450,00 instead of Kshs.7,145,000.

This is contrary to the format prescribed by the Public Sector Accounting Standard Board (PSASB) in accordance with Section 194(1)(d) of the Public Finance Management Act, 2012.

Consequently, the annual report and the financial statements for the year ended 30 June, 2017 as prepared and presented are not in compliance with the format prescribed by the Public Sector Accounting Standard Board (PSASB).

2.0 Unsupported Balances

The figures in the financial statements for the year ended 30 June, 2017 differed with those of the supporting schedules provided for audit resulting to a variance of Kshs7,906,098 as detailed below:

Item	Note	Financial Statements Figure	Supporting Schedule Figure	Difference
		Kshs.	Kshs.	Kshs.
Employee Costs	13	3,925,100	4,219,400	(294,300)
Caution Money	21	587,475	283,600	303,875
Repairs and Maintenance	14	13,575,269	5,678,746	7,896,523
Total		18,088,423	10,181,746	7,906,098

Consequently, the accuracy and completeness of the above balances included in these financial statements for the year ended 30 June, 2017 could not be confirmed.

3.0 Property, Plant and Equipment

The statement of financial position as at 30 June, 2017 reflects property, plant and equipment balance of Kshs.6,988,723. The College operates on land acquired in the year 2011 measuring 7.20 hectares which includes buildings and agricultural assets whose value has not been determined to date. In addition, motor vehicle registration number KAE 604X Toyota acquired on 4 August, 1995, has not been registered in the name of the College and still bears a private number plate contrary to Section 25 of the Second Schedule of the Technical and Vocational Education and Training Act, 2013 which states that all such immovable property may from time to time become the property of the institution and shall be in the name of the institution. In addition, the fixed assets schedule reflects assets additions figure of Kshs.5,745,697 while the support schedule provided for audit had a figure of Kshs.1,611,391 resulting to unreconciled nor explained variance of Kshs.4,134,306.

Consequently, the accuracy and completeness of the property, plant and equipment balance of Kshs.6,988,723 as at 30 June, 2017 could not be confirmed.

4.0 Grants

4.1 Recurrent Grant

The statement of financial performance for the year ended 30 June, 2017 reflects transfers from the National Government recurrent grants of Kshs.14,483,716. However, records from the Ministry of Education revealed that the College received recurrent grants

Report of the Auditor-General on Baringo Technical College for the year ended 30 June, 2017

of Kshs.15,883,716 resulting to a difference of Kshs.1,400,000 that has not been explained nor reconciled.

Consequently, the accuracy and completeness of the transfers from the National Government recurrent grants of Kshs.14,483,716 for the year ended 30 June, 2017 as prepared and presented could not be confirmed.

4.2 Development Grants

The statement of changes in net assets as at 30 June, 2017 reflects development grant of Kshs.5,164,308. However, review of records from the Ministry of Education revealed that Kshs.37,717,944 was disbursed. Although Management has provided documentation to confirm Kshs.27,718,750 was received for mentor institutions, no explanation or reconciliation has been provided to confirm the resulting variance of negative Kshs.4,834,886 as tabulated below:

Item	Records from Baringo Technical College (Kshs.)	Records from Ministry of Education (Kshs.)	Difference (Kshs)
Development Grant (Mentor Institutions)	27,718,750	37,717,194	(9,999,194)
Development Grant (College)	5,164,308	0	5,164,308
Total	32,883,058	37,717,944	(4,834,886)

Consequently, the accuracy and completeness of the development grant of Kshs.5,164,308 for the year ended 30 June, 2017 as prepared and presented could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2017 was not aligned to the statement of financial performance and statement of financial position making comparison and analysis impossible. The presentation was not in compliance with the format prescribed by the Public Sector Accounting Standard Board (PSASB).

Consequently, the accuracy and completeness of the statement of comparison of budget and actual amounts for the year ended 30 June, 2017 as prepared and presented could not be confirmed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Credit and Debt Management Policy

The statement of financial performance for the year ended 30 June, 2017 reflects rendering of services income of Kshs.17,956,736. However, there is lack of Credit and Debt Management Policy as students are able to register and sit for exams before they pay their fee in full. Further, not all student may pay for registration, student ID card, caution money and the book levy. Although, Management agrees with the issue raised and states that they are committed to develop and operationalize a credit and debt management policy to address student debtors and other receivables. However, they have not stated their workplan timelines.

2. Weak System on Expenditure Recording

During the audit, it was observed that the College has no accounting manual and the payment vouchers lack vote book certificate. The College has no account codes or chart of accounts to guide it on charging of both income and expenditure items.

The College is therefore susceptible to override of the expected accounting and internal control system.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the International Public Sector Accounting Standards (Accrual Basis) basis of accounting unless the Management is aware of the intention to terminate the College or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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


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

my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue as a going concern.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 February, 2022

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

I. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2016-2017 Kshs	2015-2016 Kshs
Revenue from non-exchange transactions		-	-
Transfers from the National Government – Recurrent grants	9	14,483,716	10,012,119
Transfers from Development fund account		-	12,442,434
Transfers from the National Government-Development grants		-	7,033,741
Revenue from exchange transactions			
Rendering of services- Fees from students	10	17,956,736	7,867,295
Other incomes	11	170,470	32,000
Revenue from exchange transactions			-
Total revenue		32,610,922	37,387,589
Expenses			
Use of goods and services	12	258,679	374,536
Employee costs	13	3,925,100	2,272,300
Repairs and maintenance	14	13,575,269	19,375,758
Academic expenses	15	6,1427,80	3,619,115
General expenses	16	9,4774,37	8,905,626
Depreciation expenses		867,724	698,250
Total expenses		34,246,989	35,245,585
Net deficit/surplus for the year		(1,636,067)	2,142,004

The notes set out on pages 8 to 29 form an integral part of the Annual Financial Statements.

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

II. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	2016-2017	2015-2016
		Kshs	Shs
Assets			
Current assets			
Cash and cash equivalents	17	3,608,203	9,449,342
Receivables from exchange transactions			
Trade Receivables	18	9,561,986	4,297,207
Non-current assets			
Property, plant and equipment	25	6,988,723	2,110,750
Total assets		20,158,912	15,857,299
Liabilities			
Current liabilities			
Refundable deposits (Caution money)	21	587,475	309,975
Trade Payables	22	8,650,483	8,534,848
Bursary	23	80,000	80,000
Total liabilities		9,317,958	8,924,823
Net assets			
Capital and Reserves			
Accumulated fund	24	5,165,659	6,801,726
Fees development fund	19	510,987	130,750
Development grants	20	5,164,308	-
Revaluation reserve			
Total Capital Fund		10,840,954	6,932,476
Total net assets and liabilities		20,158,912	15,857,299

The Financial Statements set out on pages 1 to 29 were signed on behalf of the College Board of Governors by:

Ezekiel K. Kimosop
Chairman Board of Governors

Date: _____

CPA Rebecca Chelanga
Finance Officer
ICPAK No 20590
Date: 05/06/2020

Isaac Bwambok
Principal/Secretary to Board

Date: _____
05 AUG 2020



BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

III. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2017

	Accumulated fund	Fees Development Fund	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2015	4,659,722		12,442,434	17,102,156
School fees development fund		130,750		
Fair value adjustment on quoted investments		-	-	-
Total comprehensive income		-	-	-
Capital/Development grants received during the year		-		
Transfer of statement of financial performance -for development expenditure		-	(12,442,434)	(12,442,434)
Surplus for the year	2,142,004		-	2,142,004
As at 30 June 2016	6,801,726	130,750	-	6,932,476
As at 1 July 2016	6,801,726	130,750	-	6,932,476
School fees development fund		380,237		380,237
Fair value adjustment on quoted investments				
Total comprehensive income				
Capital/Development grants received during the year			5,164,308	5,164,308
Transfer of statement of financial performance -for development expenditure			-	
Surplus for the year	(1,636,067)	-		(1,636,067)
As at 30 June 2017	5,165,659	510,987	5,164,308	10,840,954

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

IV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

		2016-2017	2015-2016
	Note	Kshs	Kshs
Cash flows from operating activities		-	-
Receipts		-	-
Transfers from national government	9	14,483,716	17,045,860
Rendering of services- Fees from students	10	17,956,736	7,867,295
Other income fees	11	170,470	32,000
Total Receipts		32,610,922	24,945,155
Payments			
Compensation of employees	13	3,925,100	2,272,300
Use of goods and services	12	258,679	374,536
Repairs and maintenance	14	13,575,269	19,375,758
Academic expenses	15	6,142,780	3,619,115
General expenses	16	9,477,437	9,200,626
Total Payments		33,379,265	34,547,335
Net cash flows from operating activities		(768,343)	(9,602,180)
Cash flow from investing activities			
Property, plant and equipment	25	(5,745,697)	(2,809,000)
Increase in Trade receivables	18	(5,264,779)	(2,808,667)
Net increase in cash flows from investing activities		(11,010,476)	(5,617,667)
Net cash flow from financing activities			
Fees development fund	19	380,237	130,750
Increase in Trade Payables-caution money	21	277,500	190,375
Development fund	20	5,164,308	-
Increase in Trade payables	22	115,635	8,534,848
Increase in Bursary not allocated	23	-	80,000
Net increase in cash flows from financing activities		5,937,680	8,935,973
Net increase/(decrease) in cash and cash equivalents		(5,841,139)	6,283,874)
Cash and cash equivalents at 1 JULY 2016	17	9,449,342	15,733,216
Cash and cash equivalents at 30 JUNE 2017	17	3,608,203	9,449,342

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

V. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2017

	Original budget	Final budget	Actual on comparable basis	Performance difference
	2016-2017	2016-2017	2016-2017	2016-2017
Revenue	Kshs	Kshs	Kshs	Kshs
Tuition	1,620,000	1,620,000	3,876,044	(2,256,044)
Repairs and Maintenance	540,000	540,000	678,023	(138,023)
Electricity and Water	432,000	432,000	528,542	(96,542)
Local Travelling	576,000	576,000	1,184,757	(608,757)
Activity	540,000	540,000	654,497	(114,497)
Personal Emoluments	1,350,000	1,350,000	1,929,823	(579,823)
Book Levy	108,000	108,000	139,094	(31,094)
Student Council	108,000	108,000	132,023	(24,023)
Medical	162,000	162,000	203,165	(41,165)
Contingencies	378,000	378,000	534,254	(156,254)
Boarding	2,430,000	2,430,000	3,773,530	(1,857,261)
Development	372,000	372,000	4,287,261	372,000
Student Id	27,000	27,000	37,100	(10,100)
Computer fee	540,000	540,000	739,964	(199,964)
Caution money	180,000	180,000	-	180,000
Attachment Fee	182,700	182,700	-	182,700
Recurrent Grants	9,972,165	9,972,165	14,483,716	(3,063,633)
Sub total	19,517,865	19,517,865	32,610,922	19,393,212
MOE Development grant	33,000,000	33,000,000	5,164,308	(27,835,692)
Total income	52,517,865	52,517,865	37,775,230	(8,442,480)

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Expenses				
Compensation of employees	1,350,000	1,350,000	3,925,100	(2,575,100) (a)
Repair and Maintenance	540,000	540,000	13,575,269	(13,035,269) (b)
Use of goods and services	432,000	432,000	258,679	173,321
Academic expense	3,467,700	3,467,700	6,142,780	(2,675,080) (c)
General expenses	3,756,000	3,756,000	9,477,437	(5,721,437) (d)
Depreciation expense	-	-	867,724	-
Development	33,000,000	33,000,000	-	-
Recurrent Grants	9,972,165	9,972,165	-	-
Total expenditure	52,517,865	52,517,865	34,246,989	23,357,265

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Budget notes

- (a) The negative variance in this vote head was as a result of recruitment of extra staff.
- (b) The negative variance was as a result of increase in repairs and maintenance in the institution
- (c) The variance in this vote head was occasioned by increase in student population resulting to procurement of more training materials and increase of practical sessions for students
- (d) The variance on this vote was as a result of increase in general operations in the college

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

VI. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value.

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed.

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

The financial statements have been prepared in accordance with the Public Finance Management Act 2012, the State Corporations Act, 2004 the Technical Vocational Education and Training (TVET) Act, 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

i. Early adoption of standards

Baringo Technical College did not early – adopt any new or amended standards in year 2017

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for the financial year 2016-2017 was approved by the Board on 25 June 2016. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The College's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis.

The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 5 of these financial statements.

c) Taxes

Current income tax

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Taxes (continued)

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

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

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

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

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

e) Property, plant and equipment

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

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

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

The annual depreciation applied on straight-line basis are:

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

Additionally, in the financial year ended 30 June 2017, the college had the following assets which had not been valued:

Land 7.2 hectares

- Buildings
- i) Hostels
 - ii) staff quarters (2 blocks)
 - iii) dining hall
 - iv) workshop block

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

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

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

g) Intangible assets

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

h) Research and development costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of International Public Sector Accounting Standard (IPSAS) 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The College determines the classification of its financial liabilities at initial recognition.

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

Loans and borrowing

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

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

i) Inventories

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

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

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

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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

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

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

i) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Nature and purpose of reserves

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

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

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

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

m) Foreign currency transactions

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

n) 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.

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Related parties

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

p) Service concession arrangements

Baringo Technical College analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, 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.

q) 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.

r) Comparative figures

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

s) 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 June 2017

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Baringo Technical College 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 College based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

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

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

FINANCIAL RISK MANAGEMENT

Baringo Technical College 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:

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(i) Credit risk

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

Management assesses the credit quality of each customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position 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.

(i) Credit risk (continued)

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

The entity has significant concentration of credit risk on amounts due from students. 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 College's board, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an 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 College's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

a) Foreign currency risk

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

The College 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.

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FINANCIAL RISK MANAGEMENT (Continued)

b) Interest rate risk

Interest rate risk is the risk that the Baringo Technical College 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.

5. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Baringo Technical College, holding 100% of the Baringo Technical College 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 Governors.

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6. EVENTS AFTER THE REPORTING PERIOD

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

7. ULTIMATE AND HOLDING ENTITY

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

8. CURRENCY

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

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
9. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2016-2017	2015-2016
	KShs	KShs
Unconditional grants		
Operational grant	14,483,716	10,012,119
Development grants	-	7,033,741
Transfer from development fund account	-	12,442,434
Total government grants and subsidies	14,483,716	29,488,294

10. RENDERING OF SERVICES

Description	2016-2017	2015-2016
	Kshs	Kshs
Tuition fees	3,876,044	2,015,056
Activity fees	654,497	311,575
Boarding fees	4,287,261	1,851,963
Personal emoluments	1,929,823	848,081
Repairs, Maintenance and Improvements	678,023	372,006
Local transport and travelling	1,184,757	524,906
Electricity and water	528,542	259,159
Contingencies	534,254	240,860
Medical	203,165	82,088
Book levy	139,094	56,540
Student Council	132,023	54,265
Student ID	37,100	24,275
Computer Fee	739,964	326,475
Attachment Fee	323,185	41,764
Exam fee	2,676,506	794,157
Registration fee	32,500	64,125
TOTAL	17,956,738	7,867,295

11. OTHER INCOME

Description	2016-2017	2015-2016
	Kshs	Kshs
Income from farm	32,470	-
Income from sale of tender	-	30,000
Rent of property	138,000	2,000
Income from disposal of assets	-	-
Total other income	170,470	32,000

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

12. USE OF GOODS AND SERVICES

Description	2016-2017	2015-2016
	Kshs	Kshs
Electricity and water	258,679	374,536
Water		
Security		
Professional services		
Subscriptions		
Total good and services	258,679	374,536

13. EMPLOYEE COSTS

	2016-2017	2015-2016
	Kshs	Kshs
Salaries and wages	3,925,100	2,272,300
Employee costs	3,925,100	2,272,300

14. REPAIRS AND MAINTENANCE

Description	2016-2017	2015-2016
	Kshs	Kshs
General repairs	539,900	70,370
Renovation of hostels	312,548	576,243
Fencing	28,939	670,477
Workshop materials	4,578,463	11,332,037
Repairs of hostels	348,900	901,952
Construction of septic tank	-	511,086
Painting administration Block	2,055,519	40,000
Clerk of works	15,000	100,000
Repairs of offices	134,000	91,500
Labour on power house	-	11,500
Workshop (electric works)	1,607,337	4,812,593
Public works	-	204,500
Automation	130,600	-
Equipping offices	-	28,500
Temporary classrooms	2,723,953	-
Workshop renovation	950,110	-
Environmental impact assessment	150,000	25,000
Total repairs and maintenance	13,575,269	19,375,758

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

15. ACADEMIC EXPENSES

Description	2016-2017	2015-2016
	Kshs	Kshs
Tuition	2,628,828	1,806,377
Activity	286,000	97,050
Medical	50,860	20,900
Book levy	24,570	14,010
Student ID	52,050	30,200
Industrial Attachment	-	6,300
Student council	48,030	-
Reference material	600,138	-
TVET fairs	741,720	-
Examination fee	-	704,230
Capacity building	734,950	-
Marketing of courses	440,734	711,048
CAPA trips	-	21,000
Computer	534,900	208,000
Total Academic expenses	6,142,780	3,619,115

16. GENERAL EXPENSES

Description	2016-2017	2015-2016
	KShs	KShs
Boarding	4,369,445	1,519,894
Local transport and travelling	2,8874,36[521,630
Contingencies	657,718	176,243
Katti/MOE workshops	-	2,208,675
Land compensation	916,000	612,300
ISO Certification	60,000	64,190
Strategic plan	-	18,000
Performance contracting	169,000	2,633,430
Capacity building workshops	-	21,000
Mentorship programme	-	102,070
Tender advertisement	145,575	-
Opening ceremony	-	571,694
Bank charges	27,788	16,700
Administrative costs	244,475	95,800
Nema levy	-	14,000
Student beds	-	330,000
Total general expenses	9,477,437	8,905,626

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

17 (a) CASH AND CASH EQUIVALENTS

Description	2016-2017	2015-2016
	KShs	KShs
Current account	3,608,203	9,449,342
On - call deposits		
Fixed deposits account		
Staff car loan/ mortgage		
Others(specify)		
Total cash and cash equivalents	3,608,203	9,449,342

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

Financial institution	Account number	2016-2017	2015-2016
		KShs	KShs
a) Current account			
Kenya Commercial bank	1137331836	1,828,764	988,907
Kenya Commercial bank	1175704199	1,555,479	3,404,741
Kenya Commercial bank	1167847253	214,451	5,043,038
Sub- total		3,598,694	9,436,686
b) Others(specify)			
cash in hand	1137331836	6,458	259
cash in hand	1175704199	2,168	5,709
cash in hand	1167847253	883	360
Sub- total		9,509	6,328
TOTAL		3,608,204	9,449,342

18. TRADE RECEIVABLES

Description	2016-2017	2015-2016
	Kshs	Kshs
Total	9,561,986	4,297,207

19. DEVELOPMENT FUND INTERNAL

Description	2016-2017	2015-2016
		KShs
Opening balance	130,750	-
Receipts during the year	380,237	130,750
Total	510,987	130,750

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

20. DEVELOPMENT GRANTS

Description	2016-2017	2015-2016
	KShs	
Receipts during the year	5,164,308	-
Total	5,164,308	-

21. CAUTION MONEY

Description	2016-2017	2015-2016
	KShs	
Opening balance	309,975	119,600
Receipts during the year	277,500	190,375
Total	587,475	309,975

22. TRADE PAYABLES

Description	2016-2017	2015-2016
	KShs	
Sundry creditors	8,650,483	8,534,848
Total	8,650,483	8,534,848

23. BURSARY ACCOUNT

Description	2016-2017	2015-2016
	KShs	
Opening Balance	80,000	
Receipts during the year	5,988,200	553,600
Less allocation during the year	(5,988,200)	(473,600)
Total	80,000	80,000

24. ACCUMULATED FUND

Description	2016-2017	2015-2016
	KShs	
Total	5,165,659	6,801,726

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

25. PROPERTY PLANT AND EQUIPMENTS FOR THE YEAR 2016-2017

	Motor Vehicles	Building/W.I.P	Furniture & Fittings	Computers	Books	Totals
Rate	0.25		0.13	0.3	0.25	
COST	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
PROPERTY PLANT AND EQUIPMENTS FOR THE YEAR 2015-2016						
At 1 July 2015	-	-	-	-	-	-
Additions	2,350,000		154,000	305,000	-	2,809,000
AT 30 JUNE 2016	2,350,000		154,000.00	305,000	-	2,809,000
Depreciation	587,500		19,250.00	91,500	-	698,250
Net Book Value	1,762,500		134,750	213,500		2,110,750
PROPERTY PLANT AND EQUIPMENTS FOR THE YEAR 2016-2017						
At 1 July 2016	2,350,000	-	154,000	305,000	-	2,809,000
Additions	-	4,495,806	1,167,991	60,000	21,900	5,745,697
Disposals		-	-			-
AT 30 JUNE 2017	2,350,000	4,495,806	1,321,991	365,000	21,900	8,554,697
DEPRECIATION						
Accumulated Depreciation 1 July 2016	587,500	-	19,250	91,500	-	698,250
Depreciation for the year	587,500	-	165,249	109,500	5,475	867,724
Accumulated Depreciation 30 June 2017	1,175,000	-	184,498	201,000	5,475	1,565,973
NBV						
NBV 30 June 2017	1,175,000	4,495,806	1,137,492	164,000	16,425	6,988,723
NBV 30 June 2016	1,762,500	-	134,750	213,500	-	2,110,750

Note:

Depreciation is calculated on straight line basis over the useful life of the asset

BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

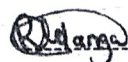
APPENDIX I: INTER-ENTITY TRANSFERS

ENTITY NAME:		BARINGO TECHNICAL COLLEGE		
Break down of Transfers from the State Department of Technical, Vocational Education and Training (TVET)				
FY 2016-2017				
a. Recurrent Grants				
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		9.7.2016	3,983,716	2016-2017
		23.10.2016	3,500,000	2016-2017
		13.3.2017	3,500,000	2016-2017
		9.5.2017	3,500,000	2016-2017
		TOTAL	14,483,716	
b. Development Grants				
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		9.8.2016	2,582,154	2016-2017
		27.3.2017	1,291,076	2016-2017
		19.5.2017	1,291,078	2016-2017
		TOTAL	5,164,308	

The above amounts have been communicated to and reconciled with the parent Ministry

CPA Rebecca chelanga
Finance officer

Sign



Isaac Bwambok
Principal/Secretary to the Board

Sign



BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
APPENDIX II (a): INTER-ENTITY TRANSFERS (DISCLOSURE OF MENTOR INSTITUTIONS)

ANALYSIS OF CASH AND CASH EQUIVALENTS

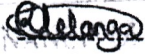
In the financial year under review, the college was involved in mentoring Kapchepkor Technical College and Mochongoi Technical College. This was meant for construction of the Technical Colleges in Baringo North and South respectively.

Financial institution	Account number	2017	2016
		KShs	KShs
Current account			
Transnational bank-Mochongoi	142549002	15,586,824	19,999,995
Transnational bank-Kapchepkor	142550002	14,231,454	19,217,097
Grand total		29,818,278	39,217,092

APPENDIX II (b): INTER-ENTITY TRANSFERS

ENTITY NAME:		BARINGO TECHNICAL COLLEGE		
Break down of Transfers from the State Department of Technical, Vocational, Education and Training (TVET)				
FY 2016-2017				
a	Mochongoi Technical and Vocational College	10.8.2016	7,145,000	2016-2017
	Mochongoi Technical and Vocational College	27.3.2017	6,714,375	
			13,859,375	2016-2017
B	Kapchepkor Technical and Vocational College	10.8.2016	7,145,000	2016-2017
	Kapchepkor Technical and Vocational College	27.3.2017	6,714,375	
			13,859,375	2016-2017

CPA Rebecca chelanga
 Finance officer

Sign 
 BARINGO TECHNICAL COLLEGE
 P.O. BOX 208-30000, KABARNE

Isaac Bwambok
 Principal/Secretary to the Board

Sign 


BARINGO TECHNICAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

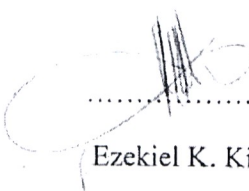
APPENDIX III: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)

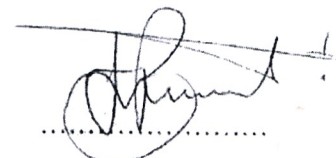
Guidance Notes:

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


.....
Ezekiel K. Kimosop

Chairman of the Board

Date..... 2/8/2020


.....
Isaac Bwambok

Principal/Secretary to the Board

Date

