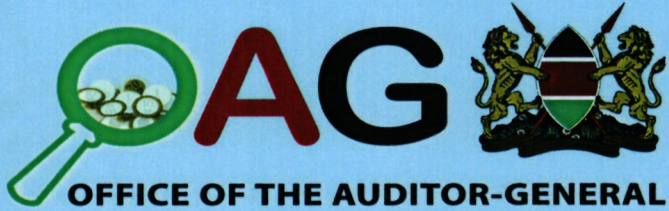


REPUBLIC OF KENYA



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REPORT

THE NATIONAL ASSEMBLY
PAPER NO. 12

OF DATE: 23 MAR 2022

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THE AUDITOR-GENERAL

ON

**BURETI TECHNICAL TRAINING
INSTITUTE**

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



BURETI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The *institution* was incorporated/ established under the TVET Act 2013 of 25th January, 2013. The entity is domiciled in Kenya. The institute is under the Ministry of Education.

The institute currently has five functional departments namely;

1. Electrical and electronics engineering
2. Building and mechanical engineering
3. Agriculture and social sciences
4. Information communication technology
5. Business studies

(b) Principal Activities

The principal mandate of the *Bureti TTI* is captured in our vision and mission statements as well as our strategic objectives guided by our core values as sated below.

(a) Vision

To develop human resource that is skilful, flexible and dynamic

(b) Mission

To objectively meet the needs of the dynamic socio-economic challenges with innovation and creativity

(c) Strategic objectives

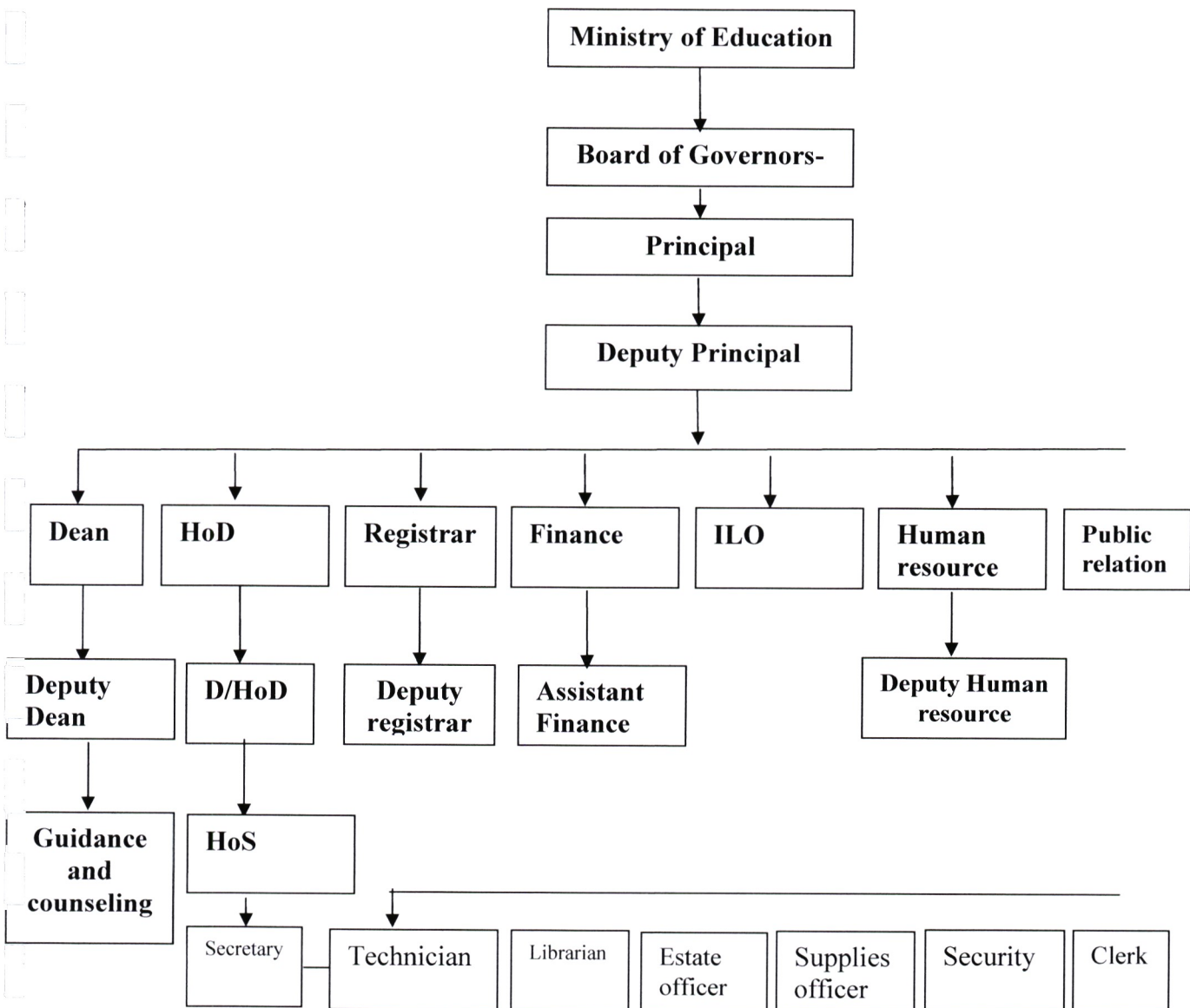
- I. Enhance equity and access
- II. Improve institutes governance
- III. Promote effective application of ICT
- IV. Institutionalize effective research and development
- V. Diversify sources and increase funding
- VI. Develop effective communication internally and externally
- VII. Enhance collaboration and linkages
- VIII. Enhance competitiveness
- IX. Upgrade infrastructure

d) Core Values

Professionalism
Integrity
Accountability
Efficiency
Teamwork
Discipline and hard work
Respect

(c) Key Management

Bureti TTI day-to-day management is under the following key organs:



(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Sammy K. Chemoiwa
2.	Deputy Principal	Elly K. koross
3.	Registrar	Shadrack K. Tonui
4.	Ag. Dean of Students	Dennis Milgo
5.	Head of Finance	Gilbert Ngeno
6	Head of Procurement	Eddahchebet

(e) Fiduciary Oversight Arrangements

The board of governors has three committees in place name;

1. Audit committee with the membership as follows

- | | | | |
|------|-----------------|----------|---------------------|
| i. | Harrison Mwangi | Chairman | Procurement officer |
| ii. | Irine ngeno | member | Education |
| iii. | Anthony moseka | member | Lawyer |

The committee is in charge of oversight activities involving internal control systems Implementation and ensuring compliance to laws and regulation in financial reporting. Internal auditor reporting to the committee is currently not available but the management is currently looking for one to employ

2. Finance and human resource committee with the membership as follows

- | | | | |
|------|-----------------|----------|---------------------|
| i. | Anthony Moseka | Chairman | Lawyer |
| ii. | Harrison Mwangi | member | Procurement officer |
| iii. | Irine Ngeno | member | Education |

The committee is in charge of oversight activities involving hiring and management of human resource personnel within the institution.

They are also responsible in ensuring financial discipline in all financial related issues

3. Development and Infrastructure committee with the membership as follows

- | | | | |
|------|-----------------------|----------|----------------------------|
| i. | Engineer Richard Bett | chairman | Engineering and technology |
| ii. | Zipporah Keter | member | Management |
| iii. | Irine Ngeno | member | Education |

The committee's role and responsibility is to oversight approved project implementation schedules, observation of timelines, financial discipline in project implementation, projections of future projects based on the institute's strategic plan and government policies.

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

Bureti Technical Training Institute
P.O. Box 444, 20406
Tiriitab Moita
Off Cheplanget – Roret Road
Sotik, Kenya

(g) Entity Contacts

Telephone: (254) 0704 453 337
E-mail: buretitechnical@gmail.com
Website: www.buretitechnical.ac.ke

(h) Entity Bankers

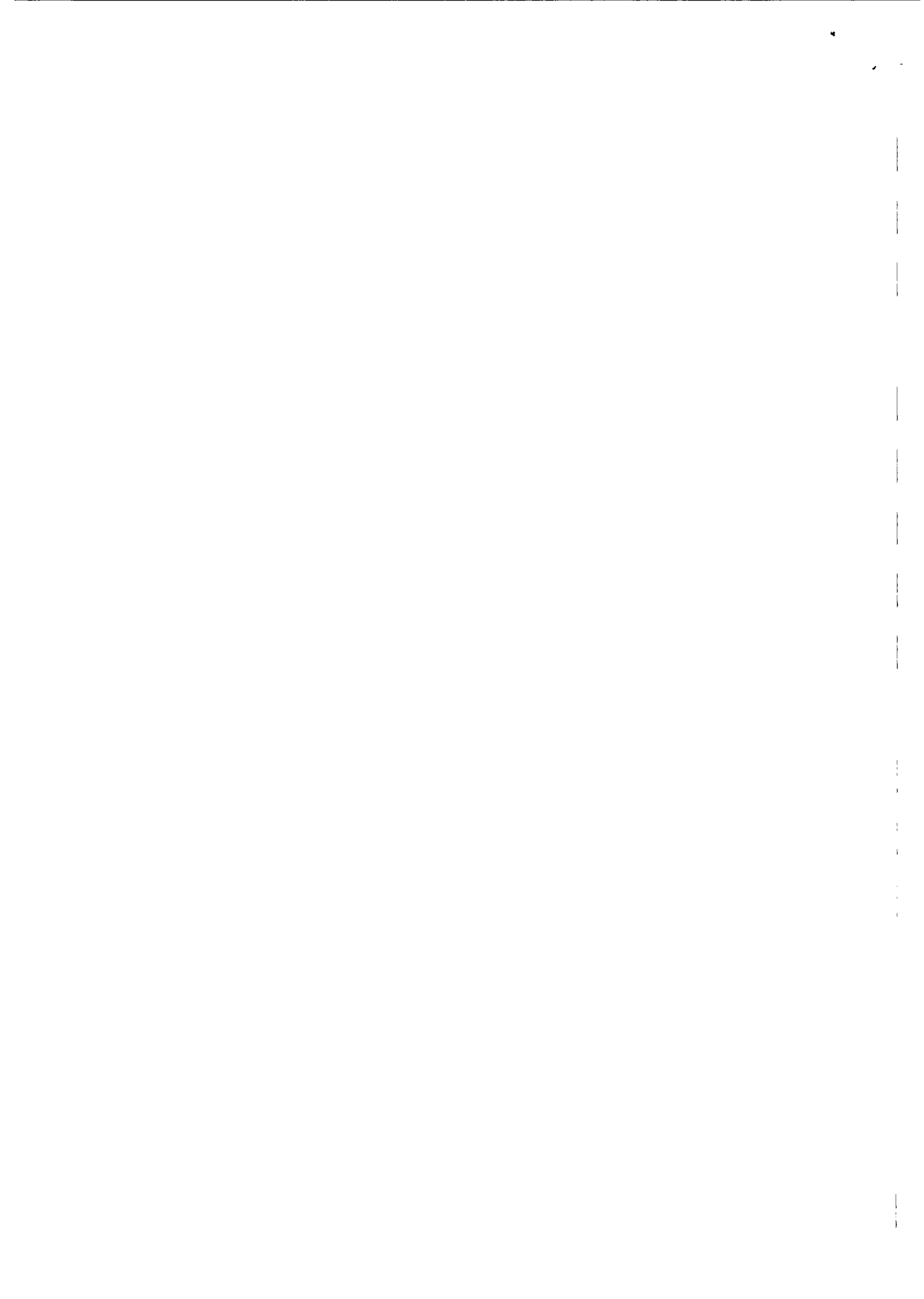
1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Sotik branch
P.O Box 264-20406
Sotik, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser





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









THE BOARD OF GOVERNORS

 <p>Jonah Langat Information communication Technology Chairman BOG</p>	<p>Date of birth: 27th November, 1956</p> <ol style="list-style-type: none"> 1. M.Sc Computer security systems. Kean University, union New Jersey, USA. 2. B.Sc in computer science, Jersey City State College, New Jersey, USA <p>Lecturer, Kabarak University Computer Science/IT Department</p>
 <p>Anthony Moseka Leadership and management Chair, Finance and Human resource committee</p>	<p>Date of birth: 6th January, 1972</p> <ol style="list-style-type: none"> 1. LLB (Bachelor of legal laws) Government Law College, University of Bombay(Mumbai) India 2. B.A Bachelor of Arts, Community Development and Education extension, BVRI Agra University. <p>Part time Lecturer, MaasaiMara university, Narok School of business</p>
 <p>Engineer Richard Bett Engineering and Technology Chair Infrastructure and development committee</p>	<p>Date of birth: 27th Feb 1961,</p> <ol style="list-style-type: none"> 1. Bsc Civil Engineering. Bangalow University India. <p>Retired Civil Servant Private practice.</p>
 <p>Harrison Mwangi Procurement Human Resource and Finance committee member</p>	<p>Date of birth: 8th January 1988,</p> <ol style="list-style-type: none"> 1. Bachelor of Purchasing and supplies management. Jomo Kenyatta university of Agriculture and Technology, Kenya 2. Graduate Diploma. Chartered of Procurement and of Supplies. Kenya Institute of Management <p>Private practitioner and Procurement consultant.</p>
 <p>Levine Mosoti Onyari</p>	<p>Date of birth: 1987</p> <ol style="list-style-type: none"> 1. B.Sc Instrumentation and Control Engineering. Egerton University, Kenya Instrumentation and Control Engineer, Kenya Electricity Generating Ltd.

BURETI TECHNICAL TRAINING INSTITUTE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30JUNE, 2019**

Independent Board member	
 Zipporah Keter Leadership and management	Date of birth: 3 rd June, 1985 <ol style="list-style-type: none">1. Msc Environmental and Biosystems Engineering.2. B. Tech. Chemical and Process Engineering. Safety officer, Kenya Pipeline Company
 Charles Nyota County Director DTVET Independent member	Date of birth: 26 th March, 1987 <ol style="list-style-type: none">1. BSC. Instrumentation and control Engineering
 Irine Chelangat Ngeno Representing The County Government	Date of birth: 27 th July, 1976 <ol style="list-style-type: none">1. MBA Strategic Management2. Bed Maseno University.
 Sammy K. Chemoiwa Principal Secretary to the Board of Governors	Date of birth: 18 th January, 1967 <ol style="list-style-type: none">1. BSc Agricultural Engineering University of Nairobi.2. PGDE Mt Kenya University.

MANAGEMENT TEAM

 Sammy K. Chemoiwa	Principal BSc Agricultural Engineering University of Nairobi. PGDE Mt Kenya University.
 Elly Koross	Deputy Principal BSc Agricultural Education and Extension. Egerton University.
 Shadrack K. Tonui	Registrar B.ed, Moi University, Eldoret.
 Dennis Milgo	Ag. Dean of students <ul style="list-style-type: none">• Bachelor of Technology in Electrical Engineering, Technical University of Mombasa, Kenya• Diploma in Technical Education, KTTC, Nairobi Kenya
 Gilbert Ngeno	Finance officer Certified Public Accountant of Kenya (CPA-K) KASNEB.
 Eddah Chebet	Procurement officer Bachelor of Business Administration Supply chain management, St Pauls University. Kenya

CHAIRMAN'S STATEMENT

INTRODUCTION

Bureti TTI has had a humble start and is filled with a promising future.

Situated in Tiriitab Moita, (a place for calves) as coined from the Kipsigis word, this place was known for a number of communal activities dating way back to pre-colonial times.

Herdsmen did not allow cultivation and planting of trees but permitted grass-cutting for thatching of traditional huts.

During the post-colonial era, political leaders led by notably the late Hon. Prof. Jonathan Ngeno and former Bureti Mp Hon. Paul Kipkorir Sang coined the proposals of putting up a technical training Institute.

It was in 2007 that Retired President Mwai Kibaki, in company of Dr. Noah Wekesa then Minister for science & Technology, Francis Sigei (former PC Nairobi) and Hon. Paul Sang (MP Bureti constituency) laid the foundation stone.

However, it was on 13th December 2008 that His Excellency Deputy President Dr. William Samoei Ruto, flanked by Hon. Frankline Bett, Dr. Sally Koskei and Prof. Margaret Kamar launched the construction that was done by Nanjang Foreign Engineering Co. Ltd (K)

Having been in the inaugural and current Board, I am proud that the institution is well managed and will realize its potentials.

The institution was registered by TVETA Authority as a public institution in 2016 and is offering market driven programs approved by TVETA and Examined by KNEC. More programs will be added in the near future as we anticipate actualizing Big Four Agenda.

Currently, we have three campuses namely Main campus, Chepwagan campus and Tebesonik campus with total enrollment of 1,886. Kenya Universities and Central Placement Services have been instrumental in ensuring we receive students from across the country.

Our collaboration with HELB has been fruitful since most of our students are from humble background.

In addition, we have partnered with Equity Bank in rolling out smart cards that also double up as student identity.

We are indebted to the Ministry of education for continuous support in providing us with state of the art equipment of which we are now awaiting commencement of phase III.

Our performance in KNEC examinations has been on above average and annually we surpass the PC targets. Success in our academic performance couldn't be possible without competent and committed staff totaling 76; out of this 18 are employed by PSC. We look forward to receiving more in the subsequent PSC advertisements.

The institute is privileged to have successfully mentored to fruitful success 3 institutions namely Belgut, Kericho Township TTI and Total TTI. These institutions are now operational and enrollment for January is ongoing.

BURETI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30JUNE, 2019

The institute is in the process of rolling out CBET programs as required by the Ministry. To actualize this, we have been able to host a week's CDACC training between 7th and 10th January 2020. This is a follow-up to another successful training that was conducted in April 2019. My staff is now ready and well prepared to roll out the CBET programs as we move to the future of competency skills.

Being placed in a rich agricultural area, we are privileged to engage in income generating of planting Boma Rhodes and fattening of steers. County government was instrumental in the inceptive stages when they provided us with seeds and harrowing of field. Today, we have in excess of 20 acres under Boma Rhodes. In addition, we look forward to keeping pedigree breeds for milk production in the near future.

Owing to the increase in enrollment, the institute has successfully managed to put extra temporary classrooms totaling 8 in number and two workshops namely Masonry workshop and Electrical installation workshop. Our students are therefore able to carry out practical in an enclosed place. However, Students in practical classes are more than the facilities can accommodate. We are therefore anticipating putting more structures to take care of the same.

Equally, there has been stretch in our facilities that has resulted in acute shortage. Out of this we have managed to add more chairs for the three campuses.

It has also been our aspiration to purchase a bus for usage in our academic endeavors. We are therefore receiving a 46 seater bus on 16th January 2020.

PROJECTS

We are indeed glad to report that we have developed a FOUR YEAR integrated development plan for 2018/19 to 2021/22 FY.

The overall goal of this plan is to undertake an integrated project to transform Bureti TTI into a modelcentre of excellence in technical training and environmental conservation.

We therefore intend to: Construct 12 workshops and 160 classrooms and equip them with modern equipment and learning aids. Our target for this is to introduce 30 new market demand programs and CDAC-CBET programs besides creating linkages and collaboration with four industries and two research institutions. As a technical institution, we intend to promote innovation, research, and technology through increased enrolment from 1000 to 5000 students. Robust research by our learners and trainers can be achieved through continuous internet connectivity and regular participation in science and technology trade fare. With PSC advertisements, we intend to recruit 240 competent trainers and technicians from different technology fields and improve capacity of existing trainers in modern technology and training efficiency. Finally we intend to promote environmental conservation through planting of 12,000 environmentally friendly trees within Kericho County.

To achieve this, total expected allocation for actualization of this plan is **Kshs. 2,292,850,000**



REPORT OF THE PRINCIPAL

Introduction

Bureti TTI is a relatively young public TVET institution in South Rift region with a promising future. It is established on a ground that was and is popularly known as TiriitabMoita, coined from the kipsigis word meaning a place for herding calves. This communal activity took place between 1900-1945) under the supervision of location headmen appointed by the colonial Government.

In addition, this place was also known all across the present day Kericho, Bomet, Nandi and Narok counties for other communal activities such as boxing, wrestling, running, jumping (both high and long jumps), dancing, whistling, trumpets singing (folk song mainly) just but to name a few popular sporting activities.

Cultivation and planting of trees were never allowed but grass-cutting was common. The dry long grass that had been cut was commonly used for thatching the popular kipsigis traditional huts.

Soon after independence, came political leaders who coined the proposals of putting up a technical training Institute at TirritabMoita and among them was the late Hon. Prof. Jonathan Ngeno and former Bureti MP Hon. Paul Kipkorir Sang.

Retired President Mwai Kibaki, Dr. Noah Wekesa then Minister for science & Technology, Francis Sigei (former PC Nairobi) and Hon. Paul Sang (MP Bureti constituency) came to lay down the foundation stone for Bureti TTI in the year 2007.

A year later, on 13th December 2008, His Excellency Deputy President Dr. William Samoei Ruto, Hon. Frankline Bett, Dr. Sally Koskei and Prof. Magret Kamar visited this place together with the Chinese contractor (Nanjang) Foreign Engineering Co. Ltd (K) to do launching works before construction. This was the date when His Excellency Deputy President donated Ksh 500,000.00 to the Institute for processing of Title deed and other preliminary work.

Today, the institution is led by visionary BOG in offering skills for growth.

1. Courses we offer

The institution is registered by TVETA Authority as a public institution and we are offering 41 programs approved by TVET and Examined by KNEC. We anticipate adding more programs in the near future once Mechanical workshop is complete.

2. Campuses

We have three campuses namely Main campus, Chepwagan campus and Tebesonik campus. All of them have a combined enrollment of 1,886.

We thank the area MP Hon Japhet Mutai and Kericho County Governor His Excellency Prof Paul Chepkwony for supporting us in expansion exercise. We look forward to adding another campus in the next Financial Year in Sotik Town.

3. Equipment

Ministry of education in collaboration with AfDB has managed to supply the institution with the following;

- a) Phase 1: Electrical & electronic equipment
- b) Phase 2: Mechanical equipment

4. Staffing

We currently have staff size of 76 of which 18 are employed by Public Service Commission (PSC) out of whom 9 were recruited in the recent PSC interviews conducted in April 2019

. However due to increase in student population and more programs, we are in the process of recruiting absorbing more PSC staff once it is advertised.

5. Mentorship

We are indeed proud to have successfully mentored 3 campuses Belgut, Kericho Township TTI and Total TTI. These institutions are now operational.

The Principal posted to these institutions is Mrs Zippora Kutto

6. CBET training

We have been able to host CDACC a week's training in April 2019 and of which all my staff is now ready to roll out the CBET programs.

7. IGA

We are pleased to report to you that the institute has engaged in income generating in planting of Boma Rhode grass and fattening of steers.

We are grateful to the County government for providing us with the seeds in 2017 and preparing of the farm. We look forward to keeping pedigree breeds for milk production in the near future. It is out of this that we are going with one trainer and Board member for benchmarking in Netherlands later this month.

8. Projects

We are indeed glad to report that we have developed a FOUR YEAR integrated development plan for 2018/19 to 2021/22 FY.

BURETI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2019

The overall goal of this plan is to undertake an integrated project to transform Bureti TTI into a modern Centre of excellence in technical training and environmental conservation.

Specifically, we intend to;

- Construct 12 workshops and 160 classrooms and equip them with modern equipment and learning aids.
- Introduce 30 new market demand programs and CDAC-CBET programs.
- Create linkages and collaboration with four industries and two research institutions.
- Promote innovation, research, and technology through increased enrolment from 1000 to 5000 students, continuous internet connectivity, and regular participation in science and technology trade fairs.
- Recruit 240 competent trainers and technicians from different technology fields and improve capacity of existing trainers in modern technology and training efficiency.
- Promote environmental conservation through planting of 12,000 environmentally friendly trees within Kericho County.

Our expected output will translate into;

- A total of 12 modern workshops and 160 classrooms.
- 30 new market demand-relevant programs from CDAC-CBET programs.
- Linkages and collaborations with 4 relevant industries and 2 research institutions.
- Increased enrollment and improved innovation and technology capacity of the institution.
- Sufficient trained staffs resulting into quality training.
- Increased forest cover to mitigate effects of climate change.

Total expected allocation for actualization of this plan is **Kshs. 2,292,850,000**

CONCLUSION

The institution is progressing well and so far so good.

Thank you.



S.K Chemoiwa

Principal/BOG Secretary

CORPORATE GOVERNANCE STATEMENT

The board of governors held four Full board meetings and four subcommittee meetings in the financial 2018/2019. The current board was appointed on 15th October 2018 and inaugurated on 23rd January, 2018 for a term of three years ending 15th October 2021. Thereafter a three days induction of the new board members was done in Merica Hotel in Nakuru from 15th to 17th May 2019. The induction was aimed at familiarising the board members with their roles and responsibilities as laid out in the TVET act of 2013. On expiry of the tenure of the current board (15th October, 2021) the process of appointment of a new board of management is as laid out in the TVET act of 2013 shall be followed

Under the TVET act of 2013, the functions of Board of Governors as set out under section 28 (1) shall include -

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
- (c) Administering and managing the property of the institutions;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions; (1) receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;
- (i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;
- (l) Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- (n) Making regulations governing organization, conduct and discipline of the staff and students;
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the Board;



(p) Providing for the welfare of the students and staff of the institutions;

(q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and

(r) Discharging all other functions conferred upon it by this Act or any other written law.

The board in the period it has been in existence has endeavoured to discharge its functions independently with vigour and passion. Their diligence and prudent management of resources has been result oriented and much has been achieved during their term in office. They have been able to interpret government policies and TVET Act as well as other relevant laws in existence making the institution to move forward as we actualize the strategic plan. Moving forward, the Board is aligning its discharging of duties by improving on its operations while surpassing the set targets where possible. In the interest of quality service delivery, the board is able to read from the same script as the render their duties above board. This will be attained with the incorporation of team spirit and self-sacrifice that is deep within them.

MANAGEMENT DISCUSSION AND ANALYSIS

The projects under consideration in the FY 2018/2019 are summarised in the table below

S/N	Name of Project	Location	Budget (Kshs)	Key deliverables	Completion rate	Timeline
	Hospitality complex annex	Main campus	3,470,000	Finishing	80	1 year
	Resource center	Main campus	300,000	Partially done	30	1 year
	Automotive engineering shade	Main campus	2,500,000	Finishing	100	1 year
	Equipping of automotive workshop	Main campus	400,000	Equipment for automotive workshop purchased as per proposal of HOD	100	1 year
	Business incubator	Main campus	1,500,000	Not done	0	1 year
	Completion of external pit latrines	Main campus	600,000	Finishing	100	1 year
	Procurement of dairy cows	Main campus	1,050,000	Not done	0	1 year
	Sentry house gate B	Main campus	57,000	Not done	0	1 year
	College bus	Main campus	6,600,000	52 seater bus procurement ongoing	50	1 year
	students' ablution block for hospitality annex	Main campus	2,200,000	Not done	0	1 year
	Construction of tuition block	Main campus	100,000,000	Not done	0	1 year

BURETI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30JUNE, 2019

*Statutory and other financial obligations**The table below gives a summary of all statutory payments during the FY 2018/2019*

Sno.	Month	NHIF	NSSF	Total
1	July, 2018	16650	53264	69914
2	Aug, 2018	16650	53264	69914
3	Sept, 2018	17150	55184	72334
4	Oct, 2018	30050	100718	130768
5	Nov, 2018	34200	112032	146232
6	Dec, 2018	34200	112032	146232
7	Jan, 2019	33400	109322	142722
8	Feb, 2019	38400	122872	161272
9	Mar, 2019	38200	125974	164174
10	Apr, 2019	38100	125642	163742
11	May, 2019	37600	123843	161443
12	Jun, 2019	41600	122000	163600
Totals		376200	1216147	1592347

Major risks facing the organisation.

The institutes' major risks are mainly related to its core business which is training and human resource development. Some of the identified risks include;

- i. Low student enrolment.
- ii. Student turnover
- iii. Inadequate student accommodation and support facilities
- iv. Delayed disbursement of capitation and HELB grants
- v. Staff turnover due to inability to retain them

Material arrears in statutory and other financial obligations

The institute was able to pay all its statutory obligation and liabilities and therefore there were no accrued arrears in the FY 2018/2019

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

During the financial 2018/2019 the institute was able to carry out some CSR activities some of which includes the following;

- (a) Installation of internet and wifi connectivity which is shared with the local schools within reach, specifically TiriitabMoita Primary school.
- (b) Tree planting activities in collaboration with Equity bank, wings to fly foundation and Eco-green community self-help group
- (c) Training of staff in particular;
 - i. LIWA Training which was carried out in Nairobi and involved 2 staff members
 - ii. CBET training that was carried out in Nairobi and it involved 14 staff members
 - iii. CDACC training within Bureti TTI where 90 staff members including the neighbouring TVET colleges and institutions



REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with for the year ended June 30, 2019 which show the state of Bureti Technical training institute affairs.

Principal activities

The principal activities of the entity are training and development of human resource in various fields

Results

The results of the Bureti TTI for the year ended June 30, 2019 are set out on page xvii

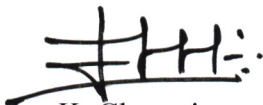
Council/boardof governors

The members of the Board who served during the year are shown on pages vi and vii.
During the year none of ourdirectors retired or was appointed into the board

Auditors

The Auditor General is responsible for the statutory audit of Bureti TTI in accordance with Article 229 of the Constitution of Kenyaand the Public Audit Act 2015.

By Order of the Board



Sammy K. Chemoiwa
Principal/BOG Secretary

Date:.....

STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013*) require the council members to prepare financial statements in respect of Bureti TTI, which give a true and fair view of the state of affairs of Bureti TTI at the end of the financial year and the operating results of Bureti TTI for that year. The council members are also required to ensure Bureti TTI keeps proper accounting records which disclose with reasonable accuracy the financial position of Bureti TTI. The council members are also responsible for safeguarding the assets of Bureti TTI


The council members are responsible for the preparation and presentation of Bureti TTI financial statements, which give a true and fair view of the state of affairs of Bureti TTI for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Bureti TTI(v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

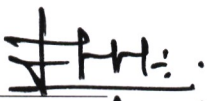
Approval of the financial statements

The Bureti TTI financial statements were approved by the Board on _____ 2020 and signed on its behalf by:


Board Member
For the Chairman
27/04/2021

Board Member

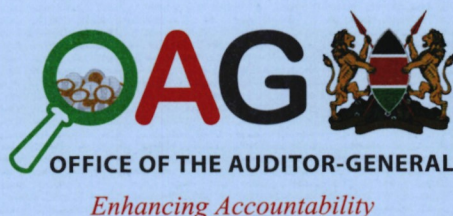
Board Member


27/04/2021



REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR GENERAL ON BURETI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of Bureti Technical Training Institute set out on pages 1 to 24, which comprise the statement of financial position as at 30 June, 2019, and statement of financial performance, statement of changes in net asset, 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis Disclaimer of Opinion

1. Comparative Balances

The financial statements for 2018/2019 submitted for audit reflects comparative balances in respect of the financial year 2017-2018. However, the financial statements for the year 2017/2018 were not submitted for audit review.

Consequently, the accuracy and completeness of comparative balances in respect of 2017/2018 as reflected in the financial statements for the year ended 30 June, 2019 could not be confirmed.

2. Cash and Cash Equivalents

As disclosed in Note 15 to the financial statements, the statement of financial position reflects a cash and cash equivalents balance of Kshs.37,522,871 as of 30 June, 2019 includes cash on hand amount of Kshs.501,147 which is however not supported by board of survey report.

Under the circumstances, the cash and cash equivalent balance of Kshs.37,522,871 as at 30 June, 2019 could not be confirmed.

3. Property, Plant and Equipment

3.1 Unsupported Additions to Fixed Assets

As disclosed in Note 19 to the financial statements, the statement of financial position reflects a property, plant and equipment balance of Kshs.294,685,155 which includes additions of Kshs.12,974,232. However, additions costing Kshs.6,013,480 were not supported by the necessary documentations such as payment vouchers as detailed below;

Particulars of Item	Additions not Supported (Kshs.)
Buildings & Structures	3,651,244
Furniture & Fittings	519,552
Capital Work in Progress	1,842,684
Total	6,013,480

In addition, the Management did not maintain an asset register in respect of land, buildings, furniture and fittings, plant and machinery and capital work in progress to show when they were acquired, when, cost and location among others.

3.2 Lack of Valuation for Land and Buildings

The property, plant and equipment balance of Kshs.294,685,155 includes balances of Kshs.225,000,000 and Kshs.47,814,243 relating to land and buildings respectively. Information available indicates that the land was allocated to the Institute by the government and the building (administration block and lecture halls) was funded by the African Development Bank (ADB). However, no valuation reports were provided for audit review in support of the values.

Consequently, the accuracy and completeness of the property, plant and equipment balance of Kshs.294,685,155 as at 30 June, 2019 could not be confirmed.

4.0 Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects approved revenue budget of Kshs.102,725,000 and actual revenue of Kshs.104,393,319 resulting to budget over-realization of Kshs.1,668,319. The statement also reflects an approved expenditure budget of Kshs.120,589,537 and actual expenditure of Kshs.42,169,606 resulting to an under-expenditure of Kshs.78,419,931 or approximately 65% of the budget.

The under expenditure represents equivalent services budgeted for but not delivered to the residents of Kericho County.

5. Irregular Procurement of Treated Posts

The Institute procured a total of 286 pieces of treated timber posts for fencing the Institute at a total cost of Kshs.244,324. However, the institution used single sourcing method to purchase the timber posts inviting for quotations contravening Section 106 (a) of the

Public Procurement and Disposal Act, 2015, which states that a procuring entity shall prepare a request for quotations if the estimated value of goods, works or non-consultancy services being procured is less than or equal to the prescribed maximum value for using request for quotations.

Consequently, the Management was in breach of the law.

6. Staff Ethnicity Composition

Review of the staff establishment records revealed that the Institute had a total of eighty-nine (89) permanent staff all who were from the same dominant ethnic community of the area which is against the National Cohesion and Integration Commission Act, 2008 Section 7 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff, and that no public establishment shall have more than one third of its staff from the same ethnic community.

Consequently, the Management was in breach of the law.

7. Failure to Establish Internal Audit Department and Audit Committee

The Institute has not established an internal audit department and audit committee contrary to Regulation 160 of the Public Finance Management (National Government) Regulations, 2015—which requires the board on National government entities to establish an internal audit function and audit committee which would review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes.

The resources of the institute are therefore at risk due to lack of proper internal control mechanism.

8. Failure to Establish Human Resource Department and Staff Establishment

The Institute did not have Human Resource Department and the Payroll was being processed through Microsoft Excel and not through Integrated Payroll and Payroll Database (IPPD) as a requirement by Section 20 (1) of the Employment Act, 2012 which states that an employer shall give a written statement to an employee at or before the time at which any payment of wages or salary is made to the employee.

Further, it was noted that Institute did not have approved staff establishment to indicate authorized staffing levels in position for each category and variance contrary to Human Resource Policies and Procedures Manual for the Public services, May 2016. There was also no evidence that the Institute had carried out job evaluation to determine the staff requirement for each category.

Under the circumstances, the it could not be confirmed if the Institute was operating at optimal staff levels.

9. Lack of an Approved ICT Policy

The Institute did not have an ICT policy and Business Continuity Plan that stipulates how ICT related risk are identified, managed and how to utilize ICT in monitoring the performance of the Institute.

Consequently, the Institute's IT assets may not be efficiently utilized.

10. Lack of Debtors and Creditors Policies

The institution did not have a debtors or creditors policies that stipulates how to deal with the debtors and creditors. Further ageing analysis for both creditors and debtors was not provided for audit review as required.

Consequently, fair statement of the receivables from exchange transactions and trade and other payables balances of Kshs.47,223,978 and Kshs.13,186,527 respectively could not be confirmed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit 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.

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Institute 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 money is applied in an effective manner.

Those charged with governance are responsible for overseeing 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

My responsibility is to conduct an audit of the financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is 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. I also consider internal control, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion on lawfulness and effectiveness in use of public resources, and on effectiveness of internal controls, risk management and governance.

I am independent of the Bureti Technical Training Institute 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 February, 2022

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2019

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

	Notes	2018/2019	2017/2018
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – Recurrent grants		29,483,900	5,433,069
Total Revenue from non-exchange transactions	6	29,483,900	5,433,069
Total Revenue from non-exchange transactions		29,483,900	5,433,069
Revenue from exchange transactions			
Rendering of services- Fees from students	7	74,369,559	15,108,086
Other income	8	179,860	466,263
Sale of goods	30	360,000	-
Revenue from exchange transactions		74,909,419	15,574,349
Total revenue		104,393,319	21,007,418
Expenses			
Use of goods and services	9	2,076,139	5,673,971
Employee costs	10	15,643,091	4,493,502
Depreciation and Amortization Expense	11	2,431,895	1,373,600
Repairs and maintenance	12	1,622,132	3,879,955
Remuneration of directors	13	2,490,690	-
General expense	14	18,785,525	7,128,002
Finance cost	29	32,535	-
Total expenses		43,082,007	22,549,030
Net Surplus for the year		61,311,312	-1,541,612

The notes set out on pages 6 to 18 form an integral part of the Annual Financial Statements.



BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

V. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2019

	Notes	2018/2019	2017/2018
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	37,522,871	22,388,207
Receivables from exchange transactions	16	47,223,978	-
Receivable from mentored institution	17	-	3,000,000
Biological assets	18	900,000	900,000
Total Current Assets		85,646,849	26,288,207
Non-current assets			
Property, plant and equipment	19	294,685,155	283,690,418
Intangible assets	20	603,200	1,055,600
Total Non-current Assets		295,288,355	284,746,018
Total assets		380,935,204	311,034,225
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	13,186,527	4,638,160
Refundable balances	22	143,630	102,280
Deferred income	23	4,948,382	4,948,382
Total Current Liabilities		18,278,539	9,688,822
Total liabilities		18,278,539	9,688,822
Capital and Reserves			
Accumulated surplus	24	90,656,715	29,345,403
Development funds	25	272,000,000	272,000,000
Total Reserves		362,656,715	301,345,403
Total Liabilities and Reserves		380,935,254	311,034,225

The Financial Statements set out on pages 1 to 18 were signed on behalf of the Institute Board of Governors by

[Signature]
 For Chairman of Board of Governors

[Signature]
 Finance Officer

[Signature]
 Principal

Date: 27/04/2021

ICPAK No. 23089
 Date:

Date: 27/04/2021

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

VI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2019

	Accumulated surpluses	Capital grants	Total
Balance b/f at July 1, 2018	30,887,015	272,000,000	302,887,015
Surplus for the year	(1,541,612)	-	(1,541,612)
Balance c/d as at June 30, 2018	29,345,403	272,000,000	301,345,403
Balance b/f at July 1, 2018	29,345,403	272,000,000	301,345,403
Surplus for the year	61,311,312		61,311,312
Balance c/d as at June 30, 2019	90,656,715	272,000,000	362,656,715

BURETI TECHNICAL TRAINING INSTITUTE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019****STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2018/2019	2017/2018
		Kshs	Kshs
Receipts			
Transfers from the National Government – Recurrent grants		29,483,900	5,433,069
Other income	8	179,860	466,263
Sale of goods	30	360,000	-
Total revenue		104,393,319	21,007,418
Payments			
Use of goods and services	9	2,076,139	5,673,971
Employee costs	10	15,643,091	4,493,502
Depreciation and Amortization Expense	11	2,431,895	1,373,600
Repairs and maintenance	12	1,622,132	3,879,955
Remuneration of directors	13	2,490,690	-
General expense	14	18,785,525	7,128,002
Finance cost	29	32,535	
Total payments		43,082,007	22,549,030
Net Surplus for the year		61,311,312	-1,541,612
Depreciation and amortization		2,431,895	1373600
Working Capital adjustments			
(Increase) in receivables		-44,223,978	-801650
Decrease in payables		8,589,717	-17282632
Net cash flows from operating activities	26	28,108,946	-18,252,295
Cash flows from investing activities			
Purchase of property, plant, equipment	19	-12,974,232	-3,633,069
Purchase of intangible			-1,508,000
Net cash flows used in investing activities		-12,974,232	-5,141,069
Net increase in cash and cash equivalents		15,134,714	-23,393,363
Cash and cash equivalents at start of year		22,388,207	45,781,570
Cash and cash equivalents at end of year	15	37,522,921	22,388,207

BURETTI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

VII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019

	2018-2019 budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Percentage
Revenue	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019	
Transfers from Government	Kshs 29,750,000	Kshs	Kshs 29,750,000	Kshs 29,483,900	Kshs 266,100	0.89%
Rendering of services- Fees from students	70,935,000		70,935,000	74,369,559	-3,434,559	-4.84%
Other income	2,040,000		2,040,000	539,860	1,500,140	73%
Total income	102,725,000	-	102,725,000	104,393,319	-1,668,319	-1.62%
Expenses						
Compensation of employees	19,188,000		19,188,000	15,643,091	3,544,909	18.47%
Use of Goods and services	70,785,437		70,785,437	2,076,139	68,709,298	97%
Repair and maintenance	9,082,100		9,082,100	1,622,132	7,459,968	82%
General expenses	19,059,000		19,059,000	18,785,527	273,473	1.43%
Other expenses	2,475,000		2,475,000	2,523,225	-48,225	-1.95%
Depreciation	-		-	1,519,492	-1,519,492	
Totalexpenditure	120,589,537	-	120,589,537	42,169,606	78,419,931	
Surplusfortheperiod	57,099,537	-	57,099,537	61,311,312	-4,211,775	
Capital expenses	63,490,000		63,490,000	42,169,606	54,033,939	85%

VIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Bureti Technical Training Institute is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer technical skills and knowledge.

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 Bureti TTI accounting policies.

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non exchange transactions are covered purely under Public Sector combinations as amalgamations. <i>(The Entity has not adopted the standard as at 30 June 2019)</i>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(The Entity has not adopted the new standard)</i></p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p><i>(The Entity has not adopted the new standard)</i></p>

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2019.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

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.

b) Budget information

The original budget for FY 2018/2019 was approved by the Council or Board on **30/06/2018**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

c) Property, plant and equipment

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

d) 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

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



BURETI TECHNICAL TRAINING INSTITUTE
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JUNE, 2019

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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

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

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

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

The Entity has not created any reserves so far

l) Changes in accounting policies and estimates

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

m) Related parties

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

n) 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.

o) Comparative figures

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

p) 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, 2019.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
Unconditional grants		
Development grants	6,158,900	1,800,000
Capitation	23,325,000	3,633,069
Total Government grants and subsidies	29,483,900	5,433,069

7 RENDERING OF SERVICES

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
Tuition fees	72,407,509	13,499,986
Activity fees	145,480	1,343,000
Attachment	158,630	-
Registration fees	47,900	71,000
Examination fee	657,420	23,000
Boarding and catering income	952,620	-
Total Rendering of Services	74,369,559	15,108,086

8 OTHER INCOME

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
Student council	70,500	-
Insurance	109,360	104,500
Interest income		164,263
Total other income	179,860	268,763

9 USE OF GOODS AND SERVICES

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
Electricity and water	1,781,403	976,275
Internet expenses	294,736	-
Total good and services	2,076,139	5,673,971

10 EMPLOYEE COSTS

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
Salaries and wages	10,239,729	4,493,502
Travel, motorcar, accommodation, subsistence and other allowances	3,811,015	
Social contribution	1,592,347	
Total Employee costs	15,643,091	4,493,502



BURETI TECHNICAL TRAINING INSTITUTE
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JUNE, 2019

11 DEPRECIATION AND AMORTIZATION EXPENSE

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
Property, plant and equipment	1,979,495	921,200
Intangible assets	452,400	452,400
Total depreciation and amortization	2,431,895	1,373,600

12 REPAIRS AND MAINTENANCE

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
General repairs and maintenance	1,622,132	3,879,955
Total Repairs and Maintenance	1,622,132	3,879,955

13 REMUNERATION OF DIRECTORS

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
Chairman's Honoraria	527,000	-
Other board members allowances	1,963,690	-
Total director emoluments	2,490,690	-

14 GENERAL EXPENSES

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
Student council	304,250	36,600
Students identity cards	20,500	33,003
Administrative costs	3,099,757	1,724,933
Medical expenses	12,335	4,840
Tuition expenses	6033865	3,440,399
Boarding expenses	962,160	-
Activities	2,273,323	667,727
Insurance	163,100	-
Attachment	57,350	589,570
Registration	54,500	-
Training expenses	191,700	-
Animal feeds	114,825	-
Examination expenses	5,497,860	597,870
Total general expenses	18,785,525	18,950,667



NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 CASH AND CASH EQUIVALENTS

Description	Bank account	FY/2018/2019	FY/2017/2018
	No.	KShs	KShs
KCB Recurrent account	1169796559	22,428,743	4,787,047
KCB Enterprise account	1223552888	373,983	300,100
KCB Development account	1169796303	14,218,998	17,140,579
Cash on hand		501,147	160,481
Total cash and cash equivalents		37,522,871	22,388,207

16 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
Current receivables		
Student debtors	47,223,978	-
Total current receivables	47,223,978	-

Student debtors includes both fee arrears from the students and capitation for the period ended 30 June 2019 that was received in the financial year 2019/2020.

17 RECEIVABLES FROM MENTORED INSTITUTION

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
Current receivables		
Belgut tvc	-	3,000,000
Total current receivables	-	3,000,000

18 BIOLOGICAL ASSETS

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
30 bulls valued at KES 30,000 each	900,000	900,000
Total deposits	900,000	900,000



BURETI TECHNICAL TRAINING INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

19 PROPERTY, PLANT AND EQUIPMENT

Cost		Buildings and Structures	Motor vehicles	Furniture and fittings	Computers and Accessories	Plant and equipment	Capital Work in progress	Total
		Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 30th June 2018	225,000,000	47,000,000 2%	-	-	-	-	13,551,618	285,551,618
Additions	-	3,651,244	-	1,941,552	2,475,000	148,000	4,758,436	12,974,232
At 30th June 2019	225,000,000	50,651,244	-	1,941,552	2,475,000	148,000	18,310,054	298,525,850
Accumulated Depreciation and impairment								-
At 30 June 2018	-	1,861,200	-	-	-	-	-	1,861,200
Depreciation for the year	-	975,801	-	242,694	742,500	18,500	-	1,979,495
Accumulated Depreciation and impairment At 30th June 2019	-	2,837,001	-	242,694	742,500	18,500	-	3,840,695
Net book values								
At 30th June 2019	225,000,000	47,814,243	-	1,902,721	2,425,500	145,040	18,310,054	294,685,155

BURETI TECHNICAL TRAINING INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20 INTANGIBLE ASSETS-SOFTWARE

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
Cost		
At beginning of the year	1,508,000	-
Additions	-	1,508,000
Cost end of the year	1,508,000	1,508,000
Amortization and impairment		
At beginning of the year	(452,400)	-
Amortization	(452,400)	(452,400)
Amortization at end of the year	(904,800)	(452,400)
NBV	603,200	1,055,600

21 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
Trade payables	456,200	
Fees paid in advance	4,230,160	4,638,160
Third-party payments	8,500,167	-
Total trade and other payables	13,186,527	4,638,160

22 REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
Caution money		
Balance brought forward	102,280	57,930
Add: Receipts	41,350	44,350
Less: Expenses		-
Closing balance	143,630	102,280

23 DEFERRED INCOME

Description	Accumilated Surpluses	Capital Grants
	KShs	KShs
Balance brought forward	4,948,382	5,481,451
Add: Receipts from MOE	-	3,100,000
Less: Capital expenditure	-	(3,633,069)
Closing balance	4,948,382	4,948,382

BURETI TECHNICAL TRAINING INSTITUTE
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24 ACCUMULATED SURPLUS

Description	2018-2019 KShs	2017-2018 KShs
Balance brought forward	29,345,403	30,887,015
Surplus for the year	62,223,715	(1,541,612)
Closing balance	91,569,118	29,345,403

25 CAPITAL GRANTS

Description	2018-2019 KShs	2017-2018 KShs
Land donated by community	225,000,000	225,000,000
Administration block	47,000,000	47,000,000
Total capital grants	272,000,000	272,000,000

26 Cash generated from operating activities

	2018-2019 KShs	2017-2018 KShs
Surplus for the year	61,311,312	(1,541,612)
Adjusted for:		
Depreciation and amortization	2,431,895	1,373,600
Working Capital adjustments		
(Increase) in receivables	(44,223,978)	(801,650)
Decrease in payables	8,589,717	(17,282,632)
Net cash flow from operating activities	28,108,946	18,252,294

27 EVENTS AFTER THE REPORTING PERIOD

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

28 ULTIMATE AND HOLDING ENTITY

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

29 Finance cost

Description	FY/2018/2019 KShs	FY/2017/2018 KShs
Bank charges	32,535	-
Total finance cost	32,535	-

30 Sale of goods

Description	FY/2018/2019 KShs	FY/2017/2018 KShs
Animal feeds	360000	-
Total	360,000	-

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,
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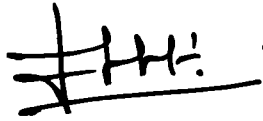
31 currency

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

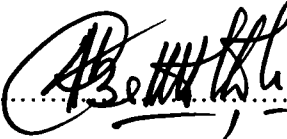
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APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

This would be the first year of Audit under the new reporting accounting standards i.e. IPSAS Accrual basis.

 27/04/2021

Principal Sammy K. Chemoiwa

For the
Chairman of the Board..... 

Date..... 27/04/2021

BURETI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,
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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

Status of Projects completion

S/N	Name of Project	Location	Budget (Kshs)	Key deliverables	Completion rate	Timeline
	Hospitality complex annex	Main campus	3,470,000	Finishing	100	1 year
	Resource center	Main campus	300,000	Finishing	100	1 year
	Automotive engineering shade	Main campus	2,500,000	Finishing	100	1 year
	Equipping of automotive workshop	Main campus	400,000	Equipment for automotive workshop purchased as per proposal of HOD	100	1 year
	Business incubator	Main campus	1,500,000	Finishing	100	1 year
	Completion of external pit latrines	Main campus	600,000	Finishing	100	1 year
	Procurement of dairy cows	Main campus	1,050,000	10 cows purchased	100	1 year
	Sentry house gate B	Main campus	57,000	Finishing	100	1 year
	College bus	Main campus	6,600,000	52 seater bus purchased	100	1 year
	students' ablution block for hospitality annex	Main campus	2,200,000	Finishing	100	1 year
	Construction of tuition block	Main campus	100,000,000	Finishing	100	1 year

BURETI TECHNICAL TRAINING INSTITUTE
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APPENDIX III: INTER-ENTITY TRANSFERS

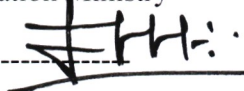
	ENTITY NAME:	BURETI TECHNICAL TRAINING INSTITUTE		
	Break down of Transfers from the State Department of Education			
	FY 18/19			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		5/10/2018	3,000,000	2018/2019
		18/2/2019	23,325,000	2018/2019
		11/3/2019	1,579,450	2018/2019
		Total	27,904,450	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		14/12/2017	3,100,000	2017/2018
		12/3/2018	1,579,450	2018/2019
		15/10/2018	1,579,450	2018/2019
		27/6/2019	7,500,750	2018/2019
		Total	13,759,650	

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

Finance Manager
 Bureti TTI

Sign 

Head of Accounting Unit
 Education Ministry

Sign 

BURETI TECHNICAL TRAINING INSTITUTEANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019**APPENDIX IV****(a) Government development and operation grants received on-behalf of other institutions**

Description	FY/2018/2019	FY/2017/2018
	KShs	KShs
Total TTI Development grants	12,926,998	9,191,617
Kericho TTI Development grants	10,748,158	7,125,962
Belgut TTI Development grants	17,833,798	4,125,962
Belgut TTI operation grants	1,000,000	
Amount transferred to mentored institutions	(34,008,787)	(20,443,541)
Balance payable to mentored institution	8,500,167	-