

REPUBLIC OF KENYA



**REPORT**

**OF**


PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**BUTERE TECHNICAL AND VOCATIONAL  
COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2023**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>DATE:</b> 11 MAR 2026	<b>DAY:</b> WED
<b>TABLED BY:</b>	DEPUTY MAJORITY PARTY WHIP
<b>CLERK-AT THE-TABLE:</b>	OBIERO



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**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2023**

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

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## **I. KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

Butere Technical and vocational college is located in Kakamega County, western region of Kenya along Mumias-Buyangu Road, on 19acre piece of land with the following academic departments; Engineering , Institutional Management, Business, Agriculture and ICT. Other departments include Finance, Procurement, sports, Guiding and counselling, Research and development.

### **(b) Principal Activities**

**Mission:** To produce high-end TVET graduates that are capable of effectively participating in national development through improvement and enhancement of productivity, value addition and evolving modern technologies.

**Vision:** To be a centre of excellence in TVET in Kenya and beyond.

### **CORE VALUES:**

**Professionalism:** The College has a highly skilled technical resource base. These skills will be harnessed for effective service delivery. Performance management as a service delivery culture will be integrated in all aspects of the college operations.

**Integrity/accountability:** The College will endeavour to be accountable and transparent to its clients and uphold high integrity in the provision of its services.

**Innovations:** The College will encourage and support innovative and creative ideas in order to keep abreast with emerging scientific and technological developments in its environment and leadership

The *institution* was incorporated/ established under the TVET Act in 2016. The entity is domiciled in Kenya. The institute is under the Ministry of Education.

### **(c) Key Management**

Butere technical and vocational college day-to-day management is under the following key organs:

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

# BUTERE TECHNICAL AND VOCATIONAL COLLEGE

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023

- Head of departments

### (b) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Zedekiah Chanzu
2	Deputy principal administration	Grace Titi
3	Deputy principal academics	Violet Mwale
4	Registrar	Lydia Andove
5	Dean of Students	Charles Kakai
6	Head of Finance	Simon Kavunga
7	Head of Procurement	Ephraim Amekhala

### (c) Fiduciary Oversight Arrangements

#### (i) Full Board of Governors Committee

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

#### (ii) Finance, Infrastructure and Resource Mobilization Committee

- Oversee the development and administration of policies, procedures and strategies that will promote prudent financial management, high quality infrastructural development and acceptable resource mobilization practices including recruitment, reward, retention, motivation and development of Butere Technical and Vocational College staff.
- Oversee the Institute's compliance with legal, statutory and regulatory requirements relating to finance, infrastructure and resource mobilization matters as well as compliance with ethical and quality standards adopted by the institution.
- Receive and consider proposals and reports on matters relating to finance, development projects and resource mobilization in the institution.
- Oversee the development of policies and procedures to enhance effective and efficient utilization of all the resources of Butere Technical and Vocational College

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

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

- Promote quality assurance mechanisms in all academic departments.
- Promote a culture of research, innovation, and knowledge creation among staff and students.
- Oversee formulation and implementation of institutional research and innovation policies.
- Identify and recommend research partnerships, collaborations, and funding opportunities.
- Support dissemination and application of research findings for institutional and community development.
- Oversee implementation of industrial attachments, internships, and competency-based training programs.
- Recommend staff development and training initiatives to enhance professional competence.
- Facilitate linkages and collaborations with industries and other training institutions.
- Monitor and evaluate the effectiveness of training programs for both staff and students.
- Advise the Board on recruitment, appointment, promotion, and deployment of staff in accordance with government and institutional policies.
- Oversee implementation of performance management systems and staff appraisal processes.
- Review and recommend staff development, motivation, and welfare programs.
- Address staff disciplinary issues in line with established procedures and regulations.
- Participate in the formulation, review, and implementation of human resource policies and succession planning strategies.

**(i) Audit and Risk Management committee**

- Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
  - Oversee the implementation of developed policies, procedures and strategies that will promote effective and efficient management systems within the institution;
  - Provide an independent review of the institutions's reporting functions to ensure the integrity of the financial reports.
  - Ensure the institution effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.
  - Provide oversight of the implementation of accepted audit recommendations and consider reports on matters relating to audit.
- 
- Provide strong and effective oversight of the institute's internal audit function.
  - Report to the Board regularly regarding matters considered in each of the committee's meetings.
  - Oversee the development and administration of policies, procedures and strategies that will promote prudent financial management, high quality infrastructural development and acceptable resource

## **BUTERE TECHNICAL AND VOCATIONAL COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023

mobilization practices including recruitment, reward, retention, motivation and development of the institute's staff.

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

**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(a) Entity Headquarters**

BUTERE TECHNICAL AND VOCATIONAL COLLEGE  
Along Mumias Bunyala Road

**(b) Entity Contacts**

Telephone 0735079708  
P.O BOX 90-50101, BUTERE  
E-mail: [buteretti@gmail.com](mailto:buteretti@gmail.com)  
Website: [www.buteretti.ac.ke](http://www.buteretti.ac.ke)

**(c) Entity Banker**

KCB BANK KENYA LIMITED  
MUMIAS BRANCH  
PO BOX 193-50102  
MUMIAS

**(d) Independent Auditors**

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

**(e) Principal Legal Adviser**

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

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**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**THE BOARD OF GOVERNORS**

1.PROF.ROBERT PTUYA	-Chairman
2.ENG.MOSES MUKANGULA	-MEMBER
3.PATROPA KIPTOO (Member, BOG)	-Date of Birth:1 <sup>ST</sup> Feb 1989 -B.A Business Management, MSC Corporate Finance and CPAK. -over 5 years working experience with USAID -A member of the executive BOG
4.ALEX MASIBO	-MEMBER
5.VICTORIA WAKASA	-MEMBER
6.BERNARD OPONDO	-MEMBER
7.BIRIR THOMAS	-MEMBER
8.JOSEPHINE AYIENDA	-MEMBER
9. JOSEPH SUNGUTI (A member, BOG)	-Born in 1963 -He is the TVET regional Director ,Kakamega -Masters in Education -Experience of over 10years in TVET -Executive Member of BOG

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
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**MANAGEMENT TEAM**

ZEDEKIAH CHANZU	-The Principal -Bachelor of Education
GRACE TITI	-Deputy Administration - Bachelors of Education
VIOLET MWALE	-Deputy Principal -Bachelors of Education
LYDIA ANDOVE	-Registrar - Bachelor of Education
CHARLES KAKAI	-Dean of students -Bachelor of Education
EPHRAIM AMEKHALA	-Head of procurement. -Bachelor of purchasing and supplies management
SIMON S KAVUNGA	-Finance officer -CPAK, ICPAK member -BCOM, Finance option

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## **II. CHAIRMAN'S STATEMENT**

Kenya's Vision 2030 is the long-term development blue print for the country. It reaffirms the government's commitment to create a conducive economic, social and political environment that will lead to higher level living standards for Kenyans by the year 2030. The Vision aims at creating a globally competitive and prosperous country and transforming Kenya into a newly industrialized middle-income country: this has been embraced by our institution to be part of this great achievement.

Butere Technical and vocational college through this Strategic Plan will play a role in the implementation of the Political, Economic and Social pillars. Implementation of the Vision is structured into five-year Medium-term Plans (MTP)

Our institution is committed to implementing the big four agenda by:

- Provision of skilled artisans and technicians
- Provision of skilled field extension personnel and Extension services through farm demonstrations
- Establishment of production unit that support foot and value addition
- Sensitize parents/ guardians to identify appropriate NHIF Outpatient accredited facility nearest to the college to cater for students' treatment
- Training of skilled artisans and technicians to support in the building and construction industry
- Production of building blocks for construction

The year under review Butere Technical and vocational college was keen on the development agenda of the nation by:

- Developing a collaborative approach between TVET institutions and the relevant industries which will be an aid in making it easy for our trainees and industries identifying each other's strengths and weaknesses.
- Developing and implementing of training programs for human resource capacity building through continuous development of core skills and competencies.
- Providing increased training opportunities for the increasing school leavers and other trainees to increase employability.

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### **Achievements**

Human resource functions were enhanced by recruiting interns, hiring board employed trainers and setting employees annual performance targets. Productivity mainstreaming framework was developed and high base productivity index was achieved.

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
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The financial year ended 30<sup>th</sup> june,2023 has been a base year for the college.

Challenges faced by the institution were;

- Mobilization of students to enrol.
- Fees payment of the enrolled students.
- Lack of enough trainers
- Lack of enough infrastructure.

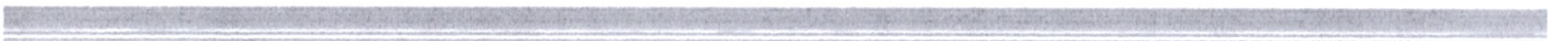
**Appreciation**

I would consequently like to thank the board for diligent work displayed in providing effective oversight and guidance to the management. The board's skill, wisdom and experience paid significantly towards the overall achievement of the institution during the period.

Prof. Robert Otuya

**Chairman, Board of Governors**

Sign.....*Robert Otuya*.....Date.....*21/6/23*.....



**III.REPORT OF THE PRINCIPAL**

I am pleased to present to you our Annual Report and Financial Statements for the fiscal year 2022-23 This report reflects our commitment to transparency, accountability, and the principles of good corporate governance even as we remain true to our mission to opening doors to great careers

The year under review was marked by both challenges and opportunities. We have experienced low student enrolment being our first year in operation. Low trainee numbers mean lower government capitation and fee collection. In addition, there was slow disbursement of funds from the national government compounded by low capacity by the parents/guardians to pay fees. We are glad to report that, through prudent management of funds, we have been able to pull through. We must tightening our belts and making sure that all the opportunities bear fruit.

Our commitment to financial discipline and efficiency allowed us to manage costs effectively.

We are proud to report that Butere Technical and Vocational College has embarked on enhancing blended learning. The purpose was to enhance flexibility in training. Recognition of Prior Learning policy is being developed and consequently be domesticated

Total revenue from exchange transactions remained static, while capitation too reduced by 8.98M.This prompted us to rationalize our expenditure to match the expected revenue and also reduce our payables. Overall expenses reduced by 21.57M.Giving a surplus 5.04 M

During the period: we started to prepare the strategic plan 2022-2027 which is to conform to the requirements of BETA model;Standard Operation Procedures (SOP) for internal quality assurance is being developed and will be approved by the board. We are also in the process of developing various policies for internal use.The institution also valued the assets as at 30<sup>th</sup> June 2023. This has shown an increase in assets.

I would like to express my deepest gratitude to our staff and all stakeholders for their unwavering support and trust in our organization. Our accomplishments would not have been possible without your dedication and partnership.

As we move forward, we are committed to creating value and upholding the highest standards of corporate

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Thank you

Violet Mwale

**Principal /BOG Secretary.**

Sign.....Date.....



#### **IV. CORPORATE GOVERNANCE STATEMENT**

##### **1. Audit and Risk Management committee**

###### **Membership:**

<b>NO.</b>	<b>NAME</b>	<b>TITLE</b>
1	Patropa Kiptoo	Member
2	Alex Masibo	Member
3	Bernard Opondo	Member
4	Moses Kegode	Member

###### **Mandate**

- Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
- Oversee the implementation of developed policies, procedures and strategies that will promote effective and efficient management systems within the institution;
- Provide an independent review of the institution's reporting functions to ensure the integrity of the financial reports.

##### **2. Finance, Infrastructure and Resource Mobilization Committee**

###### **Membership:**

<b>NO.</b>	<b>NAME</b>	<b>TITLE</b>
1.	Patropa Kiptoo	Chairperson
2.	Alex Masibo	Member
4.	Bernard Opondo	Member

- 
- ###### **Mandate**
- Oversee the development and administration of policies, procedures and strategies that will promote prudent financial management, high quality infrastructural development and acceptable resource mobilization practices including recruitment, reward, retention, motivation and development of the Butere Technical and Vocation College staff.

# BUTERE TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023

- Oversee the Institute's compliance with legal, statutory and regulatory requirements relating to finance, infrastructure and resource mobilization matters as well as compliance with ethical and quality standards adopted by the institution

### 3. Education, Research, Training and Human Resource Committee

#### Membership:

NO.	NAME	TITLE
1.	Josephine Ayienda	Chairperson
2.	Thomas Birir	Member
3.	Victoria Wakasa	Member

#### Mandate

- Review, evaluate, and recommend academic programs and curricula to ensure relevance, quality, and alignment with national education and training standards.
  - Monitor the implementation of teaching, learning, and assessment policies and procedures.
  - Ensure adherence to the requirements and standards of the Technical and Vocational Education and Training Authority (TVETA) and other regulatory bodies.
  - Promote quality assurance mechanisms in all academic departments.
- During the year under review, there was no conflict of interest for all the Board Members.
- The Board is remunerated within the law as per Salaries and Remuneration guidelines which is done through Head of Public Service.
- The Board is appointed by the Cabinet Secretary of Education and its composition is as per the TVET Act 2013 and Mwongozo.
- During the period under review, the institution did not have most of the requirements, Board requirements (Board Charter, member performance and trainings) were not carried out.

Below is the board attendance schedule.

#### 4. Board meetings, Attendance

S/N	Date of meeting	Nature of Board meeting	Attendance
1	06/10/2022	Full Board	8
2	28/12/2022	Full Board	8
3	14/02/2023	Executive	5
4	20/06/2023	Executive	5

**V.MANAGEMENT DISCUSSION AND ANALYSIS**

**1. Statement of Comprehensive Income**

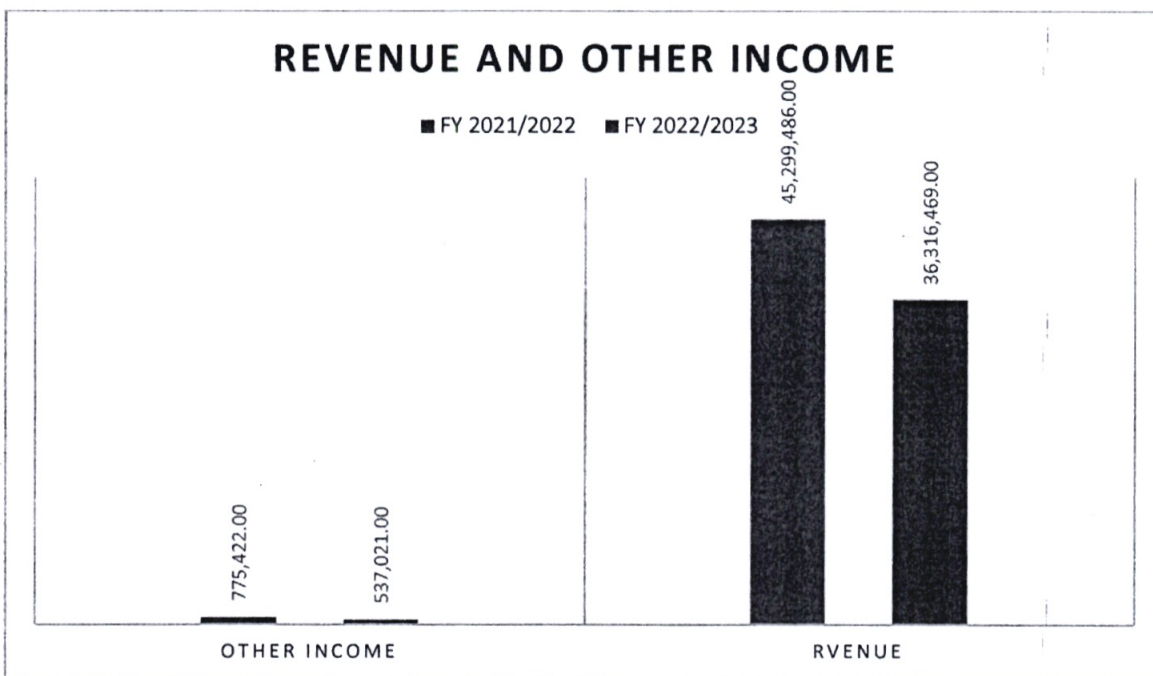
This section provides an overview of the financial position of Butere Technical and Vocational College for the year ended 30<sup>th</sup> June 2023 and the comparative information for the year ended 30<sup>th</sup> June 2022. This overview has been prepared by management and should be read in conjunction with the financial statements.

**1.1. Revenue**

The institution recorded a total revenue of KES. 36,316,469 for FY 2022/2023 from KES. 45,299,486 for FY2021/2022, representing a 19.83% decrease. This was largely attributed to non-disbursement of scholarship and capitation by the parent ministry and less enrolment of the students.

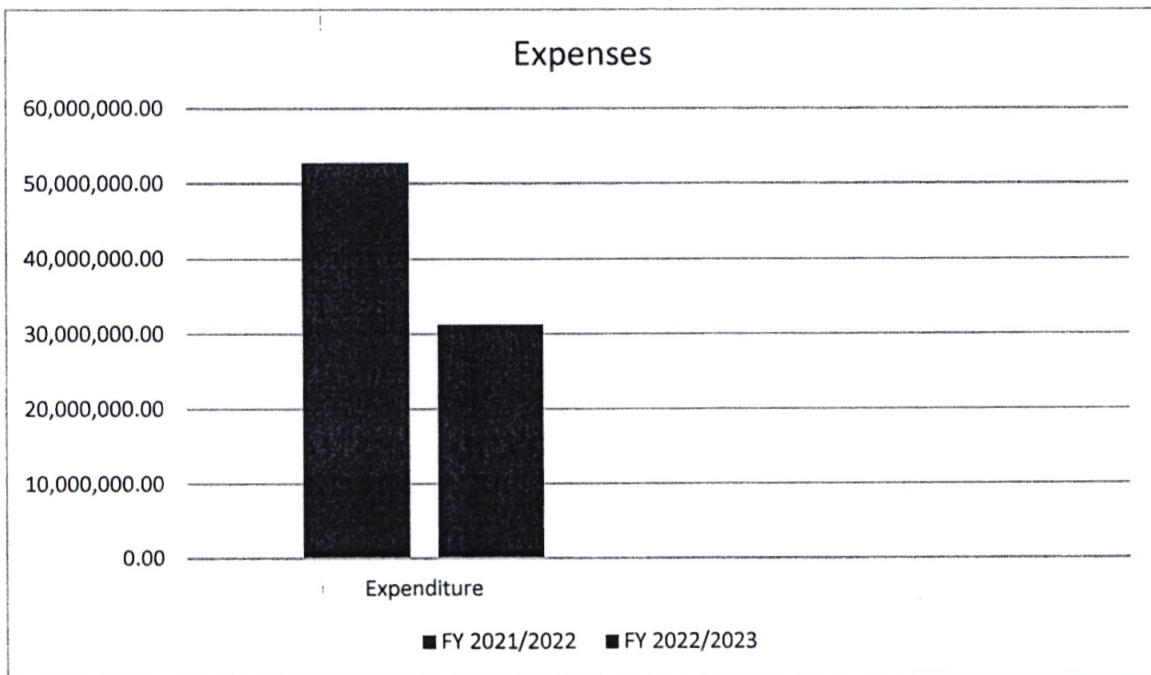
**1.2. Other Income**

The institution recorded decrease in revenue from other income from KES. 775,422 in the FY 2021/2022 to KES. 537,021 in 2022/2023 representing 30.7% loss. This was largely attributed to decrease in Non-Academic Production Unit activities during the period.



**1.3. Expenses**

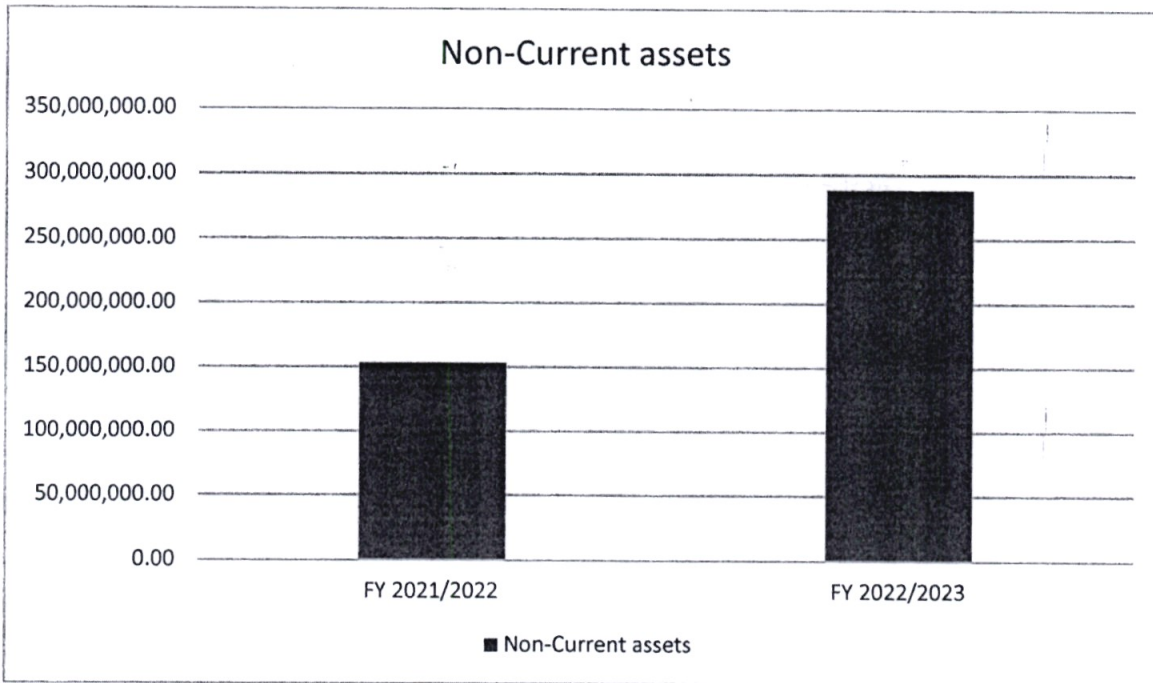
Total expenditure decreased by 40.8% from KES 52.8 M in 2021/2022 to KES 31.2M in 2022/2023. Major expenditure reduction areas include use of goods and employee costs.



**2.1 Financial Position**

Total assets of the institution increased by KES. 134,937,601.9

Current Assets reduced by 1.08% in the FY 2022/2023 largely as a result of decreased cash and cash equivalents reduced student's debtors and inventory management. Non-Current Assets increased from KES. 153,325,385 to KES 288,318,304. Total Current Liabilities also decreased by 36.2% as a result of decreased creditors.



### **3.0 Cash flows**

The cash and bank balances increase from KES 1,632,944.70 to KES 4,533,847.10, attributable to cash generated from operations and working capital movements because of improved cash collections, increased payment to contractors and suppliers.

**VI. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

Butere technical and vocational college is majored in training by producing high skilled labourers whom at the end of the training sessions can be attractive to the market.

Apart from producing highly skilled labourers, the college has collaborated with the community by giving out free water for their own consumption since the borehole at hand its cubic per metre is sustainable.

Furthermore, we have engaged the community in tree planting exercise which is part of environmental conservations in the college. Within the compound, we have planted trees as part of the government agenda

Again, due to enough space and text books, we have allowed the community to make use of our library for free for increasing partnership with the community

During the period under review the institution allowed the locals to graze in the fields and hired the locals to do both manual semi-skilled jobs that was available within the institution.

During the period, we engaged boda boda by giving them free reflector jackets for their safety as well as marketing the college

Butere technical and vocational college has a vast field which we have allowed locals to make use of it by organizing their own tournaments in the same field. This has reduced vices from youth which arises due to idle mind.

In future we pray that the same spirit to sail as we support each other for the well-being of the college and its environment as we head to the new financial year. This can only be sustained through collaborations, cooperation and unity

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**VII.REPORT OF THE BOARD OF GOVERNORS**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023 which show Butere Technical and Vocational College state of affairs.

**Principal activities**

The principal activities of the entity are ;

- provide directly, or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional, scientific education
- contribute to industrial and technological development of Kenya in collaboration with industry and other organisations through transfer of technology
- participate in technological innovation as well as in the discovery, transmission and enhancement of knowledge and to stimulate the intellectual life in the economic, social cultural, scientific, and technological development.
- foster the general welfare of all staff and students.

**BOARD OF GOVERNORS**

The members of the Board who served during the year are shown on page vi-viii

**Auditors**

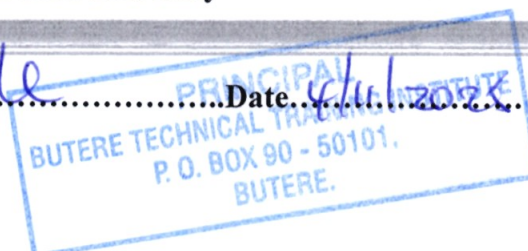
The Auditor General is responsible for the statutory audit of Butere Technical And Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of Butere technical and vocational college for the year ended June 30, 2023

By Order of the Board      Violet Mwale

.....

**Principal/Board Secretary**

Sign.....*Mwale*.....Date.....*4/11/2023*.....



**VIII.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 board members to prepare financial statements in respect of Butere Technical And Vocational College , which give a true and fair view of the state of affairs of Butere Technical And Vocational College at the end of the financial 2022/2023 and the operating results of Butere Technical And Vocational College for the year 2022/2023. The board members are also required to ensure that Butere Technical And Vocational College keeps proper accounting records which disclose with reasonable accuracy the financial position of Butere Technical And Vocational College. The board members are also responsible for safeguarding the assets of Butere Technical And Vocational College.

The board members are responsible for the preparation and presentation of Butere Technical And Vocational College financial statements, which give a true and fair view of the state of affairs of Butere Technical and Vocational College for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Butere Technical And Vocational College ; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for Butere Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The board members are of the opinion that the Butere Technical and Vocational College financial statements give a true and fair view of the state of Butere

~~Technical and Vocational College transactions during the financial year ended June 30, 2023 and of the~~

Butere Technical and Vocational College financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the Butere Technical and Vocational College, which have been relied upon in the preparation of the Butere Technical and Vocational College financial statements as well as the adequacy of the systems of internal financial control.

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Nothing has come to the attention of the board members to indicate that the Butere Technical and Vocational 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**

The Butere Technical and Vocational College financial statements were approved by the Board on 26<sup>th</sup> September, 2023 and signed on its behalf by:

Prof. Robert Otuya

Violet Mwale

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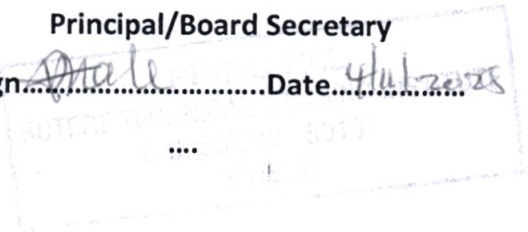
.....

**Chairperson of the Board**

**Principal/Board Secretary**

Sign.....*Robert Otuya*.....Date.....*26/9/2023*.....

Sign.....*Violet Mwale*.....Date.....*4/11/2023*.....



# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON BUTERE TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Butere Technical and Vocational College set out on pages 1 to 25, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Butere Technical and Vocational College as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs.277,684,991 as disclosed in Note 17 to the financial statements. However, the following anomalies and inconsistencies were noted;

##### **1.1 Unconfirmed Land Ownership, Acreage and Valuation**

The statement of financial position reflects property, plant and equipment balance of Kshs.277,684,991 which includes land value of Kshs.29,200,000 as disclosed in Note 17 to the financial statements relating to two (2) parcels of leasehold land measuring 1.4164 HA and freehold measuring 15.3 acres valued at Kshs.20,000,000 and Kshs.9,200,000 respectively both registered in favour of Butere Technical and Vocational College. However, it was not possible to conduct physical verification of the leasehold land valued at Kshs.20,000,000, approximately 1.4164 HA leased for a period of ninety-nine (99) years with effect from 26 October, 2011. Management indicated that they did not have knowledge of the land's location, status, usage, size and no visit has been made by Management since it was acquired. Further, Management conducted land searches on 5 February, 2019 and 13 June, 2022 which indicated that College's leased land measured 0.58HA and 1.42 HA respectively. Management vide letter dated 6 March, 2019 sought information on the discrepancy from the Land Registrar of Kakamega County but response had not been received in November 2025.

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

## **1.2. Non-Disclosure of Depreciation Policy and Rates**

Note 17 to the financial statements reflects depreciation charge for the year of Kshs.11,310,017. However, supporting asset management policy or finance policy defining the depreciation method and rates was not provided for review.

## **1.3. Unconfirmed Revaluation Gains and Adjustments**

The statement of financial position reflects property, plant and equipment balance of Kshs.277,684,991 which includes assets revaluation gains balance of Kshs.139,062,710 as disclosed in Note 17 to the financial statements. However, the revaluation reports and financial statements provided have not disclosed the effective dates of implementation of the revaluation contrary to IPSAS 45 Paragraph 74.

In the circumstances, the existence, accuracy and completeness of property, plant and equipment balance of Kshs.277,684,991 could not be confirmed.

## **2. Unsupported Student Debtors**

The statement of financial position reflects receivables from exchange transactions balance of Kshs.5,041,373 relating to student debtors. However, the student debtor's ledgers and ageing analysis were not provided for review. Further, Management did not have a debt management policy detailing debt recovery measures.

In the circumstances, the accuracy, completeness and recoverability of receivables from exchange transactions balance of Kshs.5,041,373 could not be confirmed.

## **3. Inaccuracies in the Financial Statements**

The statement of financial position reflects opening total liabilities balance of Kshs.7,534,500. However, re-cast of balances reflects an amount of Kshs.7,510,500 resulting to an unexplained variance of Kshs.24,000.

Further, the statement of changes in net assts reflects capital fund balance of Kshs.312,881,592 which includes revaluation of assets balance of Kshs.139,062,710. However, the balance has been erroneously disclosed under capital fund. In addition, the statement erroneously shows reserve balances brought forward as at 1 July, 2022 instead of 1 July, 2023.

In the circumstances, accuracy and completeness of financial statements could not be confirmed.

## **4. Anomalies in Accuracy, Presentation and Disclosure of the Annual Report and Financial Statements**

Review of the annual report and financial statements revealed the following cases of non-compliance with the revised Public Sector Accounting Standards Board (PSASB) financial reporting template as follows;

- i. The financial statements page numbering from ii to xix has been omitted.
- ii. The financial statements in a summary of significant accounting policies on budget information on page 9 paragraph four last sentence has indicated reference to a section as xxx.
- iii. Note13 to the statement of cash flows has not been aligned to the respective balances description in the cash flow statement.
- iv. Management discussion and analysis folio 1.2 other income shows 2021-2022 other income of Kshs.775,422 instead of Kshs.641,882.
- v. Management discussions and analysis folio 1.3 on expenses shows total expenditure balance for 2021-2022 of Kshs.52.8m instead of Kshs.57.3m resulting to variance of Kshs.4.5m and current year total expenditure of Kshs.31.2m that differs with Statement of Financial Performance of Ksh.41m resulting to a variance of Ksh.9.8m.
- vi. Management Discussions and Analysis folio 2.1 financial position shows 2021-2022 non-current assets as Kshs.153,325,385 that differs with the 2021-2022 financial statements balance of Kshs.149,932,298. Similarly, the non-current assets for the year under review is disclosed as Kshs.288,318,304 instead of Kshs.277,684,99.
- vii. The statement of cash flows has been prepared using hybrid of direct and indirect method. The presentation format has not been done in accordance with the prescribed Public Sector Accounting Standards Board template.
- viii. Disclosure note for net cash flow from operating activities in the statement of cash flows has not been made in the financial statements as required by the Public Sector Accounting Standards Board reporting template.

In the circumstances, the presentation and disclosure of the annual report and financial statements is not in accordance with the requirement of the Public Sector Accounting Standards Board reporting template.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects approved revenue budget and actual on comparable basis of Kshs.129,766,000 and Kshs.36,316,469 respectively, resulting to under-funding of Kshs.93,449,531 or 72% of the budget. Similarly, the College incurred actual total expenditure of Kshs.29,780,503 against actual

revenue of Kshs.36,316,469 resulting to under-expenditure of Kshs.6,535,966 or 18% of the actual revenue.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Information**

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

In connection with my audit on the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

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

## **Basis for Conclusion**

### **1. Failure to Maintain Assets Register**

The statement of financial position reflects property, plant and equipment balance of Kshs.277,684,991 as disclosed in Note17 to the financial statements. However, Management did not maintain an updated asset register during the year under review. This was contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

### **2. Irregular Procurement of Security Services**

Management through tender no BVTC/T02/2022/23-2025 engaged a local supplier for provision of security services at a contract sum of Kshs.1,440,000. Review of procurement documents revealed that four (4) entities responded to the open tender call with tender opening and evaluation conducted on 1 July, 2022 and 22 July, 2022 respectively.

Review of the tender evaluation showed only two suppliers passed both the preliminary and technical stages and proceeded to financial evaluation stage where they scored 73 percent and 99 percent respectively.

However, the highest evaluated responsive bidder attained a score of 99 percent with quoted price of Kshs.600,000 but was not awarded the tender. Instead, the second evaluated bidder at a cost of Kshs.1,440,000 was awarded occasioning a loss of Kshs.2,520,000 for the three years.

In the circumstances, value for money was not obtained from the procurement of security services.

### **3. Irregular Procurement of Cleaning Services**

Management through tender no. BVTC/T 01/2022/23-2025 engaged a local supplier for the provision of cleaning and maintenance of College field and flowers on 26 September, 2022. Review of the procurement documents revealed that four (4) bidders responded to the open tender with evaluation done on 22 July, 2022 whereby all the bidders passed both the preliminary and technical evaluation stages thus proceeding to the financial stage.

However, Management awarded highest bidder a contract for a three-year period at a cost of Kshs.300,000 per month while disqualifying the lowest evaluated bidder at a monthly price of Kshs.159,500 under unclear circumstances.

No explanation was provided for failure to award the lowest evaluated bidder occasioning a loss amounting of Kshs.5,058,000 for the three-year period.

In the circumstances, value for money was not obtained from the procurement of cleaning services

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

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

### Basis for Conclusion

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

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

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

#### 2. Lack of Internal Audit Function

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

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

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

### **Responsibilities of Management and the Board of Governors**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**05 December, 2025**

**X.STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2022-2023	2021-2022
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants	6	14,756,000	22,012,500
		<b>14,756,000</b>	<b>22,012,500</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	21,023,448	22,511,564
Other income	8	537,021	641,882
		<b>21,560,469</b>	<b>23,153,446</b>
<b>Total revenue</b>		<b>36,316,469</b>	<b>45,165,946</b>
<b>Expenses</b>			
Use of goods and services	9	23,339,423	39,645,928
Employee costs	10	5,301,340	12,642,130
Board Expenses	11	931,300	620,575
Depreciation and amortization expense	12	11,310,017	4,161,220
Repairs and maintenance	13	208,440	310,990
<b>Total expenses</b>		<b>41,090,520</b>	<b>57,380,843</b>
<b>Net Surplus/Deficit for the year</b>		<b>(4,774,051)</b>	<b>(12,214,897)</b>

The Financial Statements set out on pages 1 to 23 were signed on behalf of the Institute Council/ Board of Governors by:

Prof. Robert Otuya  
 Chairman of Council/Board of Governors

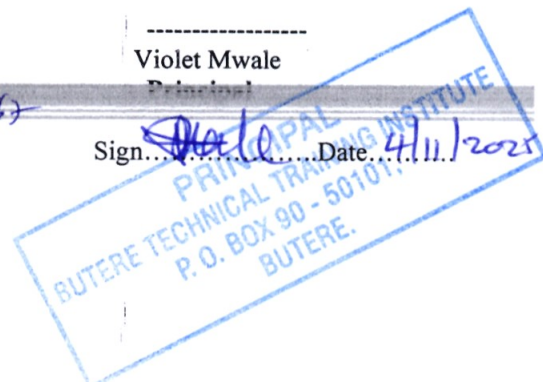
Simon Kavunga  
 Finance Officer

Violet Mwale  
 Principal

Sign.....*Robert Otuya*.....Date.....*4/11/23*.....

ICPAK No *4/11/23 2867*  
 Sign.....*Simon Kavunga*.....Date.....

Sign.....*Violet Mwale*.....Date.....*4/11/2023*.....



**XI.STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2023**

	NOTE	2022-2023	2021-2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	14	4,533,847.1	1,632,944.7
Receivables from exchange transactions	15	5,041,373	3,674,423
Inventories	16	<b>1,723,764.9</b>	<b>2,160,133.3</b>
<b>Total Current Assets</b>		<b>11,298,985</b>	<b>7,467,501</b>
Non-current assets			
Property, plant and equipment	17	277,684,991	149,932,298
<b>Total assets</b>		<b>288,983,976</b>	<b>157,399,799</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	18	4,806,018	7,510,500
<b>Total liabilities</b>		<b>4,806,018</b>	<b>7,534,500</b>
<b>Net Assets(Assets-Current Liabilities)</b>		<b>284,177,958</b>	<b>149,889,299</b>
Capital funds		312,881,592	173,818,882
Retained earnings		(28,703,634)	(23,929,583)
<b>Total changes in Net Assets</b>		<b>284,177,958</b>	<b>149,889,299</b>

The Financial Statements set out on pages 1 to 23 were signed on behalf of the Board of Governors by:

Prof.Robert Otuya  
 Chairman of Council/Board of Governors

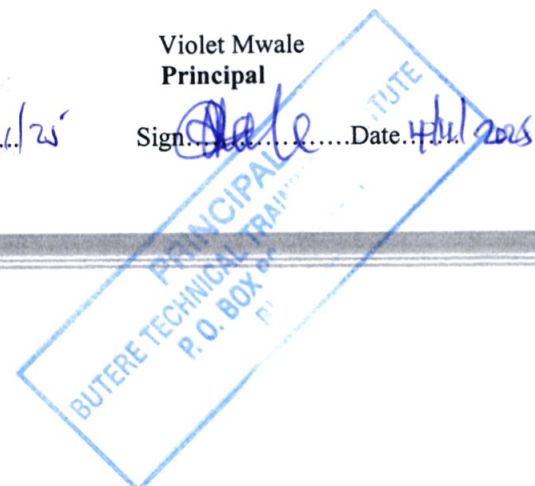
Sign.....Date.....

Simon Kavunga  
 Finance Officer  
 ICPAK No 28667

Sign.....Date.....

Violet Mwale  
 Principal

Sign.....Date.....



**XII.STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2023**

Description	Retained earnings	Capital/Development Grants/Fund	Total
Balance b/f at July 1,2022	(23,929,583)	173,818,882	149,889,299
Comprehensive income	(4,774,051)	0	(4,774,051)
Revaluation on Assets	0	139,062,710	139,062,710
<b>At June 30, 2023</b>	<b>(28,703,634)</b>	<b>312,881,592</b>	<b>284,177,958</b>

**XIII.STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023**

		2022-2023	2021-2022
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants	6	14,756,000	22,012,500
Rendering of services- Fees from students	7	21,023,448	22,511,564
Other income, rentals and agency fees	8	537,021	641,882
<b>Total Receipts</b>		<b>36,316,469</b>	<b>45,165,946</b>
<b>Payments</b>			
Use of goods and services	9	23,339,423	39,645,928
Compensation of employees	10	5,301,340	12,642,130
Directors' remuneration	11	931,300	620,575
Repairs and maintenance	12	208,440	310,990
<b>Total Payments</b>		<b>29,780,503</b>	<b>53,219,623</b>
Increase/decrease in creditors		<b>(3,635,063.6)</b>	<b>3,836,077</b>
Cash and cash equivalents at 1 JULY 2022		1,632,944.7	5,850,544.7
<b>Cash and cash equivalents at 30 JUNE 2023</b>		<b>4,533,847.1</b>	<b>1,632,944.7</b>

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE.**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**XIV.STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Change
	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023	
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Revenue</b>						
Transfers from other Govt entities Govt grants	69,000,000	-	69,000,000	14,756,000	54,244,000	21
Rendering of services- Fees from students and other income	60,766,000	-	60,766,000	21,560,469	39,205,531	35
<b>Total income</b>	<b>129,766,000</b>	<b>-</b>	<b>129,766,000</b>	<b>36,316,469</b>	<b>93,449,531</b>	
<b>Expenses</b>						
Use of goods and services	99,486,500	-	99,486,500	23,339,423	76,147,077	23
Employee costs	25,296,000	-	25,296,000	5,301,340	19,994,660	21
Repairs and maintenance	3,783,500	-	3,783,500	208,440	3,575,060	6
Board costs	1,200,000	-	1,200,000	931,300	268,700	78
<b>Total expenditure</b>	<b>129,766,000</b>	<b>-</b>	<b>129,766,000</b>	<b>29,780,503</b>	<b>99,985,497</b>	
<b>Surplus/deficit for the period</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>6,535,966</b>	<b>(6,535,966)</b>	

**Budget notes**

- 1. Anticipated enrolment was below the target of 2,300 students and it affected the total collection of A in A which was 39% of the total budget.*
- 2. The college received 35% of the expected amount from the state department of Technical and Vocational Training.*
- 3. Differences in surplus between budget comparison and statement of performance is due to non-cash item(depreciation) amounting to ksh.11,310,017*

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**  
**XV.NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Butere Technical and Vocational College is established by and derives its authority and accountability from TVET Act 2013. Butere Technical and Vocational College wholly owned by the Government of Kenya and is domiciled in Kenya. Butere Technical and Vocational College principal activity is Training.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their amounts and actuarially determined liabilities at their present value. The preparation of estimated recoverable 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 Butere Technical and Vocational College 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 from no.1-26

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act,2013 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
<b>IPSAS 40:</b> Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2019</b> 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>Butere Technical and Vocational College is in the process of</i> <i>adopting the standard while preparing its financial policy.</i>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**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 2023**

<b>Standard</b>	<b>Effective date and impact:</b>
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b>                      The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.                      IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• 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.</li> </ul> <p><i>Butere Technical and Vocational College is in the process of adopting the standard while preparing its finance policy and will be effected.</i></p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b>                      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> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes;</li> </ul> <p>and</p>

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

Standard	Effective date and impact:
	(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <i>Butere Technical and Vocational College is in the process of adopting the standard while preparing its finance policy</i>

**iii. Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 30 June 2023.

**4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

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

**Sale of goods**

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

**b) Budget information**

The original budget for FY 2022/2023 was approved by the Board. 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.

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

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

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

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

**c) Taxes**

***Current income tax***

Butere Technical and Vocational College is exempt from paying taxes as per Income Tax Act 2013 amendment of 2016

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**5.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Taxes (continued)**

***Sales tax/ Value Added Tax***

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

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

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

**d) 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.

**e) Intangible assets**

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

**f) Research and development costs**

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

- The technical feasibility of completing the asset so that the asset will be available for

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- 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.

## **BUTERE TECHNICAL AND VOCATIONAL COLLEGE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

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.

#### **g) 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

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.

#### **h) 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.

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#### ***ii) 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.

## **BUTERE TECHNICAL AND VOCATIONAL COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023

### ***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.

#### **j) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. The institution has not maintained any reserves.

#### **k) 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.

#### **l) Employee benefits**

##### **Retirement benefit plans**

The Entity 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.

*(Butere Technical and Vocational College is in process of acquiring a defined benefit scheme for their staff)*

#### **m) 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 risks 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.

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**n) Comparative figures**

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

**o) 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, 2023.

**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

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**6. TRANSFER FROM NATIONAL GOVERNMENT**

Description	22/23	21/22
<b>Unconditional grants</b>		
Operational grant	14,756,000	22,012,500
<b>Total government grants and subsidies</b>	<b>14,756,000</b>	<b>22,012,500</b>

**7. RENDERING OF SERVICES**

Description	22/23	21/22
Tuition fees	456,963	721,737
Activity fees	1,307,218	2,025,304
Administration	0	216,102
LT&T	815,276	1,666,914
EW&C	1,304,117	1,749,891
Personal Emolument	13,633,450	6,625,625
Student Council	0	0
RMI	750,267	940,448
Medical	2,509,101	1,919,362
Exam	131,262	4,869,433
Prepayment	0	0
Kitchen	0	50,000
contingencies	87,797	0
Imprest	0	34,000
Loss & damages	0	41,100
Production Unit	0	133,540
Advance	0	175,000
Registration	27,997	85,813
Arrears(Gvt fees charged per student)	0	1,257,295
<b>Total revenue from the rendering of services</b>	<b>21,023,448</b>	<b>22,511,564</b>

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8. OTHER INCOME**

Description	2022-2023	2021-2022
Hostel fee	431,071	641,882
Production Fee	105,950	0
<b>Total other income</b>	<b>537,021</b>	<b>641,882</b>

**9. USE OF GOODS**

	2022-2023	2021-2022
Learning materials	14,873,640	22,789,949
Activity	1,260,860	1,755,303
Contingencies	11,910	-
Exam	2,179,476	3,561,160
Attachment Expenses	595,816	589,516
Local Transport and Travel	2,066,017	3,571,211
Administrative Costs	0	40,370
Boarding expenses	1,191,679	322,800
Catering expenses	695,985	741,172
Electricity, Water and Conservancy	383,540	53,100
Farm Expenses	53,000	726,300
Student council	27,500	0
Sundry creditor	0	5,324,547
Advance	0	148,000
Tender	0	22,500
<b>Totals</b>	<b>23,339,423</b>	<b>39,645,928</b>

**10. EMPLOYEE COSTS**

	2022-2023	2021-2022
Salaries and wages	5,301,340	12,642,130
<b>Employee costs</b>	<b>5,301,340</b>	<b>12,642,130</b>

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11. REMUNERATION OF DIRECTORS**

Description	2022-2023	2021-2022
Directors' emoluments	931,300	620,575
<b>Total director emoluments</b>	<b>931,300</b>	<b>620,575</b>

**12. DEPRECIATION AND AMORTIZATION EXPENSE**

Description	2023	2021-2022
Property, plant and equipment	11,310,017	4,161,220
<b>Total depreciation and amortization</b>	<b>11,310,017</b>	<b>4,161,220</b>

**13. REPAIRS AND MAINTENANCE**

Description	2022-2023	2021-2022
Property	208,440	310,990
<b>Total repairs and maintenance</b>	<b>208,440</b>	<b>310,990</b>

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
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**14. CASH AND CASH EQUIVALENTS**

Description	2022-2023	2021-2022
Current account	4,528,829.1	6,058
Cash in hand	5,018	1,626,886.7
<b>Total cash and cash equivalents</b>	<b>4,533,847.1</b>	<b>1,632,944.7</b>

**14 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS**

Financial institution	Account number	22-23
<b>a) Current account</b>		
Kenya Commercial bank	1200942043	4,528,829.1
<b>Sub- total</b>		<b>4,528,829.1</b>
<b>b) Others(specify)</b>		
cash in hand		5,018
<b>Sub- total</b>		<b>5,018</b>
<b>Grand total</b>		<b>4,533,847.1</b>

**15. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

Description	2022-2023	2021-2022
<b>Current receivables</b>		
Student debtors	5,041,373	3,674,423
<b>Total current receivables</b>	<b>5,041,373</b>	<b>3,674,423</b>

**15 (a) Ageing Analysis of Receivables from Exchange transactions**

Description	22-23		21-22	
	Kshs		Kshs	
LESS than 1 year	1,401,004	27%	2,701,575	74%
Between 1- 2 years	636,409	13%	969,848	26%
Between 2-3 years	0		0.0	
Over 3 years	0		0.0	
<b>Total (a+b)</b>	<b>5,041,373</b>	<b>100%</b>	<b>3,674,423</b>	<b>100%</b>

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**16.INVENTORY**

Description	2022-2023	2021-2022
STOCK	1,723,764.9	2,160,133.3
<b>Total</b>	<b>1,723,764.9</b>	<b>2,160,133.3</b>

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**17. PROPERTY, PLANT AND EQUIPMENT**

Cost	Software	Land	Buildings	Motor Bks	Motor Vehicles	Furniture and fitting	Computers	Generator	Plant and Equipment	Total
Ken	Ken	Ken	Ken	Ken	Ken	Ken	Ken	Ken	Ken	Ken
<b>At 1st July 2022</b>	-	14,000,000	148,068,714	99,900	-	3,521,043	1,131,415	5,000,000	1,997,810	<b>173,818,882</b>
Additions	-	-	-	-	-	-	-	-	-	-
Revaluation Gain/Loss	6,438,000	15,000,000	92,798,488	-	3,500,000	11,350,029	2,284,047	-	7,492,146	<b>139,062,710</b>
<b>As at 30th June 2023</b>	<b>6,438,000</b>	<b>29,000,000</b>	<b>240,867,202</b>	<b>99,900</b>	<b>3500000</b>	<b>14,871,073</b>	<b>3,415,462</b>	<b>5,000,000</b>	<b>9,489,956</b>	<b>312,881,592</b>
Depreciation And Impairment										
At 1 July 1, 2022	-	-	17,522,748	19,980	-	1,884,301	851,353	3,000,000	608,202	<b>23,886,584</b>
Depreciation for the year	643,800	-	4,817,344	9,990	875000	1,418,754	1,858,884	500,000	1,186,245	<b>11,310,017</b>
As at 30th June 2023	643,800	-	22,340,092	29,970	875,000	3,303,055	2,710,237	3,500,000	1,794,447	<b>35,196,601</b>
Net Book Values										
As at 30th June 2022	-	14,000,000	130,545,966	79,920	-	1,636,742	280,062	2,000,000	1,389,608	<b>149,932,298</b>
As at 30th June 2023	5,794,200	29,000,000	218,527,110	69,930	2,625,000	11,568,018	705,225	1,500,000	7,695,509	<b>277,684,991</b>
Depreciation rates	10%	0%	2%	10%	25%	12.50%	25%	10%	12.5%	

The valuation of assets was carried out on 30<sup>TH</sup> June 2023

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE**  
**2023**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**18. TRADE AND OTHER PAYABLES**

Description	2022-2023	2021-2022
Trade payables	4,806,018	7,510,500
<b>Total trade and other payables</b>	<b>4,806,018</b>	<b>7,510,500</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**19. FINANCIAL RISK MANAGEMENT**

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

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

**(i) Credit risk**

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

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

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

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

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

**(ii) Liquidity risk management**

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

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

## **20. 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 entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

#### **a) Foreign currency risk**

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

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**21. RELATED PARTY BALANCES**

**Nature of related party relationships**

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

**Government of Kenya**

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key Management
- iv) Board of Governors

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE  
2023

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**22 EVENTS AFTER THE REPORTING PERIOD**

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

**23.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.

**24.Currency**

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

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE**  
**2023**

**APPENDIX 1: 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)	Status (Resolved/ Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Prof. Robert Otuya  
 Chairman of the Board

Sign.....*Robert Otuya*.....Date.....*4/11/25*.....

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE**  
**2023**

**APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY**

**Projects**

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

Project title	Project Number	Donor	Project duration	Donor commitment	Separate fund reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

**Status of Projects completion**

*(Summarise the status of project completion at the end of each quarter, ie total costs incurred, stage which the project is etc)*

	Project	Total project cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

**BUTERE TECHNICAL AND VOCATIONAL COLLEGE**  
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**APPENDIX III: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Name of the MDA/Donor Transferring the funds	Date received			Where Recorded/recognized
	as per the bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance
Ministry of Education	October 12 <sup>th</sup> 2022	Recurrent	4,785,000	Statement of Financial Performance
Ministry of Education	January 23 <sup>rd</sup> 2023	Recurrent	4,436,000	Statement of Financial Performance
Ministry of Education	February 20 <sup>th</sup> 2023	Recurrent	1,099,000	Statement of Financial Performance
Ministry of Education	June 10 <sup>th</sup> 2023	Recurrent	4,436,000	Statement of Financial Performance
<b>Total</b>			<b>14,756,000</b>	

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