

REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 17 NOV 2021 DAY: Wed

TABLED BY: D/Majority Leader

CLERK-AT THE-TABLE: G. Chebet

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**BUSHIANGALA TECHNICAL  
TRAINING INSTITUTE**

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

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**BUSHIANGALA TECHNICAL TRAINING INSTITUTE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2019**

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

 <b>THE NATIONAL ASSEMBLY</b> PAPERS LAID	
DATE: 17 NOV 2021	
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## **KEY ENTITY INFORMATION AND MANAGEMENT**

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

Bushiangala Technical Training Institute is situated in Kakamega South Sub-County in Kakamega County. It is located off Sigalagala –Bukura road approximately 10 Kilometers from Sigalagala and about 20 Kilometers from Kakamega Town.

This Institute was started as a skill upgrading centre in 1991 by voluntary service overseas over years under the support of the European Economic Commission. The main objective of the Institute was to upgrade skills for Youth Polytechnic graduates, instructors and managers.

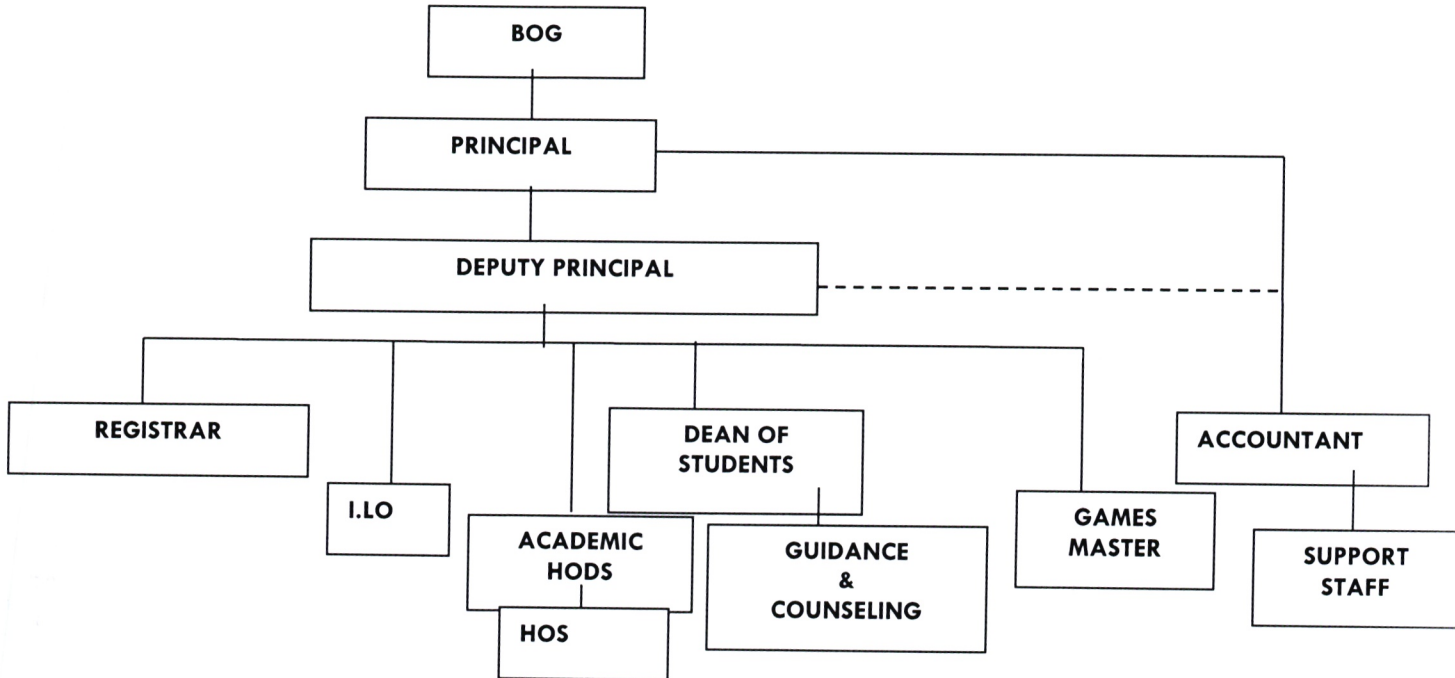
The Voluntary Service Overseas Group withdrew from the institute in 1993 and it was taken over by the Ministry of labour which replaced the short-term training courses with Artisan and Craft courses. The then Ministry of Higher Education Science and Technology formally took over the running of Bushiangala Technical Training Institute in 2008. The institute was then registered as a TVET Institution under TVET Act on 28<sup>th</sup> January 2019

The Institute has acquired a parcel of land measuring 12 acres and it is in the process of acquiring more land. It has a modern Administration block; Tuition block, Laboratory Complex, Workshops, Men and Ladies' Hostels and Ultra-Modern Resource Centre. The Institute's current organization structure consists of the board of governors appointed by the Ministry of Education

The Principal is the Executive Officer of the Institute and is supported in the administrative function by the Deputy Principal, Registrar and Dean of Students. There are seven (7) Academic Departmental heads. The students are represented by a students' government referred to as Student Council.

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

The current organogram structure of BUSTTI is as below: -



**b) Principal Activities**

The principal activity of the Bushiangala Technical Training Institute is to offer training to Students in technical courses and business courses as per the industry needs who are examined by KNEC. and Computer Society of Kenya

**Our Mission:**

To provide technical training in science, engineering and technology and to foster applied research and community outreach for innovation and sustainability.

**Our Vision:**

To be a centre of excellence in Technical & Vocational Training for Social Economic Development

**c) Key Management**

The Institute day-day management is under the following key organs;

1. Board of Governors
2. The Accounting Officer-Principal

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

**d) Fiduciary Management**

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

No.	DESIGNATION	NAME	PROFESSIONAL & ACADEMIC QUALIFICATION
1.	Principal	Janet Waswa Otuya	BED
2	Deputy Principal	Alfred Mukhola	Bachelor of Building Technology
3	Head of Finance	Emily Ashihundu	CPA K
4	Head of Procurement	Duncan Makumba	Diploma in Supply Chain Management
5(a)	Registrar 1st July - 31 <sup>st</sup> Dec 2018	Grace Anno	BED
5(b)	1 <sup>st</sup> Jan 2019 to Date	Hezekiah Tundo	BED
6	Dean of students	Joseph Wanyugi	BED

**e) Fiduciary Oversight Arrangements**

1. Finance Committee of the Board of Governors
2. QMS ISO Auditors

**f) Entity Headquarters**

- **Country:** Kenya
- **County:** Kakamega
- **Sub County:** Kakamega South
- **Constituency:** Ikolomani
- **Location:** Isulu
- **Street:** Off Sigalagala –Bukura road approximately 10 Kilometres' from Sigalagala and about 20 Kilometres from Kakamega Town

**g) Entity Contacts**

- **Telephone:** 0702092440, 0722890891
- **E-mail:** [bushiangalatechnical@gmail.com](mailto:bushiangalatechnical@gmail.com)/[bushiangalatechnical@yahoo.com](mailto:bushiangalatechnical@yahoo.com)
- **Website:** [www.bushiangalatechnical.ac.ke](http://www.bushiangalatechnical.ac.ke)

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

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

**h) Entity Bankers & Bank Accounts:**

The college has six bank accounts at Kenya Commercial bank and one at Equity Bank.

<b>S.NO.</b>	<b>BANK ACCOUNT</b>	<b>FUNCTION</b>
1	Main (Fees) Account- 1102702188	Main (Students fees) Account
2	ESP Account- Account.No.1121337007	Economic stimulus Account -) Mungatsi TTI
3	Transit Account- ac.No.1181740835	Transit Account (exam and reserved Funds) Account
4	Development Account-ac.No.1114264709	Development Account (Funds for Major Development Projects
5	Recurrent Account -.No.1114264563	Receives operation grants /Capitation
6	Production Account .No.1152187376	Production Unit Account
7	Equity fees Account -.No05002777739208	Fees account

**i) Independent**

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

**j) Principal Legal Adviser**

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

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**THE BOARD OF GOVERNORS**

<b>NAME</b>	<b>DESIGNATION</b>	<b>PROFESSIONAL &amp; ACADEMIC QUALIFICATION</b>
1. Dorothy. M. Shiroya	Chairperson	M.ED Education Administration
2. Daniel Bulali	Vice Chairperson	Higher Diploma Plant Mechanics
3. Moses Mokaya	Member	Degree Specify the Degree
4. Loreen Okang'a	Member	Bachelor of Education
5. Agnes A. Shikalo	Member	Bachelor of Education Arts
6. Jael Chepchirchir	Member	MBA Business Administration
7. Prof. Eric Ogur	Member	PHD Engineering
8. Ireen Ashioya	Kakamega County Government Representative	PHD Education Planning and Management
9. Joseph Sunguti	County Director TVET. Kakamega County	Master Degree in Education, Technical Trainer, Curriculum Developer.
10. Janet Otuya	Principal/Secretary BOG	B. ED

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**THE BOARD OF GOVERNORS**



Dorothy.M. Shiroya – Chairperson – M. ED Education Administration  
**Current Employer**  
Retired Principal



Daniel Bulali – Vice Chairperson – Higher Diploma Plant Mechanics  
**Current Employer**  
West Kenya Sugar Company Ltd. – Shift Superintendent



Moses Mokaya – Member – Degree  
**Current Employer**  
Senior Lecturer Kabarak University

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND  
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**THE BOARD OF GOVERNORS .... Continued**



Loreen Okang'a – Member – B. ED  
Current Employer  
Longhorn Publishers Ltd – Talent Manager



Agnes A. Shikalo – Member – Bachelor of Education  
Director – Oak School Kitengela



Prof. Eric Ogur – Member – PHD Engineering  
**Current Employer**  
Technical University of Kenya (TUK) - Director, Centre  
for Engineering Innovation and Production, Faculty of  
Engineering Sciences and Technology

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND  
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Jael Chepchirchir – Member – B.COM  
**Current Employer**  
Crown Paints Kenya Ltd – Sales Executive



Janet Otuya – Member – Degree B. ED.  
**Principal/Secretary BOG**

**THE BOARD OF GOVERNORS .... Continued**

**Board Committees**

The Board Committees facilitates decision-making to assist the Board in the execution of its duties, powers and authority, however delegation of authority to the Committees does not in any way mitigate or dissipate the discharge by the Board of its duties and responsibilities. Board Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Board.

In the financial year 2018/2019 the Board approved the following committees

**1. EXECUTIVE COMMITTEE**

**Membership:**

<b>NO.</b>	<b>NAME</b>	<b>TITLE</b>
1.	Dorothy Shiroya	Chairman
2.	Joseph Sunguti	Member-TVET Director Kakamega County
3.	Daniel Bulali	Independent BOG member
4.	Janet Waswa Otuya	Principal/Secretary

**Mandate**

The role of the Executive Committee considers and makes appropriate recommendations to the Board Finance

**2. FINANCE AND HUMAN RESOURCE COMMITTEE**

**Membership:**

<b>NO.</b>	<b>NAME</b>	<b>TITLE</b>
1.	Moses Mokaya - Chairperson	Chairman
2.	Loreen Okang'a	Member
3.	Daniel Bulali	Member
4	Janet Waswa	Principal/Secretary

# BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## Mandate

The role of the Committee is:

- To advise the Board on better financial practices, funding, cost reduction, monitor production units and submit a draft budget to the full board for adoption and approval.
- To advise the full board on all matters concerning personnel, training and teaching and research.

## 3. EDUCATION AND RESEARCH COMMITTEE

### Membership:

NO.	NAME	TITLE
1.	Prof. Eric Ogur – Chairperson	Chairman
2.	Mr Joseph Sunguti	Member
3.	Jael Chepchirchir	Member
5.	Janet Waswa Otuya	Principal/Secretary

## 4. AUDIT /QUALITY IMPROVEMENT COMMITTEE

### Membership:

NO.	NAME	TITLE
1.	Agness Shikalo – Chairperson	Chairman
2.	Dorothy Shiroya	Member
3.	Joseph Sunguti	Member
5.	Janet Waswa Otuya	Principal/Secretary

# BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## MANAGEMENT TEAM

No.	DESIGNATION	NAME	PROFESSIONAL & ACADEMIC QUALIFICATION
1.	Principal	Janet Waswa Otuya	BED
2	Deputy Principal	Alfred Mukhola	Bachelor of Building Technology
3	Head of Finance	Emily Ashihundu	CPA K
4	Head of Procurement	Duncan Makumba	Diploma in Supply Chain Management
5(a)	Registrar 1st July -31 <sup>st</sup> Dec 2018	Grace Anno	B. ED
5(b)	1 <sup>st</sup> Jan 2019 to Date	Hezekiah Tundo	B.ED
6	Dean of students	Joseph Wanyugi	B. ED

## CHAIRPERSON'S STATEMENT

It is with great pleasure that I present the Bushiangala Technical Training Institute Financial Report for the year ended 30<sup>th</sup> June, 2019. The College this year endeavoured to increase the number of programmes to enhance access to technical education. The vision of the College is "to be a centre of excellence in Technical & Vocational Training for Social Economic Development"

Various structures have been developed by the College which include; Academic Board, Deans Committee and Senior Management to ensure effective and efficient stewardship of the College functions.

The College seeks linkages with the private and public sectors to enhance quality of teaching, particularly during attachments.

I wish to appreciate the support of the Government and organizations like the Higher Education Loans Board for continuing to support our students in paying their fees. During the FY 2018/2019, the Government started the Capitation programme which has resulted into an increase of the number of trainees in different courses. The majority of the large number of these students have difficulties in meeting the cost of education and HELB as well as other bursary providers have come in. I appeal for further support from the private sector and Non-Governmental organizations.

The Board of governors would like to appeal to the Government to consider enhancing our Recurrent and Capital Development Grants to enable the College meet its financial obligations and accommodate the ever-increasing number of trainees. The College faces huge challenges in putting up critical infrastructure including learning and accommodation facilities.

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND  
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I thank all our students, parents, and other stakeholders for choosing to invest in our institution and urge that together we should strive to achieve higher levels of excellence in the coming years and be able to achieve the Vision 2030.

SIGNATURE.......... DATE.....26 JULY 2021.....  
DOROTHY.M. SHIROYA  
CHAIRPERSON BOARD OF GOVERNORS

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

## **REPORT OF THE PRINCIPAL**

The college accounts under review runs from 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019. The accounts are kept under IPSAS requirement and have taken into consideration all relevant Acts and Regulations that are required like PFM Act, Procurement and Disposal Act and other relevant circulars from the Government of financial management in Government Institutions

During the FY 2018/2019 the College continued to execute its mandate as outlined in its strategic plan. One of the key ingredients of the plan is a system of academic commitment by fostering a climate of Productivity, professionalism, excellence, accountability and transparency, equity, and Innovation in order to be competitive. The strategic plan provides for regular review of curricula and the establishment of linkages with institutions in the public and private sectors.

We have training programmes designed to operate within a framework which leads to lifelong education and training and which facilitates innovativeness and creativity, continuation of training for improvement of professional qualifications and updating of knowledge, skills and understanding; Complementary education for those receiving technical, vocational and education training in the form of on-the-job training or other training in institutions or other facilities; the special needs of persons with disability, minorities and marginalised groups.

We have adopted appropriate national and international standards in training by establishing, Implementing and managing credible quality assurance systems. We have established and promoted appropriate collaborative arrangement with national and international agencies on standards and quality assurance. We continue to establish systems and process for continuous review and improvement of standards and quality assurance

### **Financial Performance Highlights**

The College recorded an improved revenue base because of the expansion of programmes and Introduction of January, May and September intakes which increased the number of students. However, the expansion of programmes also resulted in an increase in operational costs. Our challenge is to develop a way of instituting cost reduction measures while implementing quality assurance systems to ensure quality of programmes is not compromised.

# BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## Achievements

- The college had collaboration with the Ministry of Youth to train students from the National Youth Service fully sponsored by their Ministry.
- The College was able to complete the Twin Workshop for Building and Mechanical Departments and also the resource Centre

Although there has been progress, the College still has shortcomings as a result of lack of inadequate teaching space, Laboratories as well as Offices for Academic and Administrative staff. This is due to low funding by the Exchequer, delayed release of tuition fees from our collaborators e.g. NYS and negative attitude of parents that TVET education is free. We also have a bigger number of BOG employed trainers; these trainers drain the college through their wages.

In the FY 2018/2019 Bushiangala Technical Training Institute intends to establish an Internal Audit Unit which will advise the board on pertinent Internal Control issues and assurance matters

With the looming Government capitation with effect from September 2019, we anticipate an increase in trainee population but worried about the timely disbursement of capitation funds from the government.

I would like to thank the Government of Kenya and other stakeholders for their continued financial support during the year under consideration.

Lastly, I would like to thank the BOG, staff, students and other stakeholders for their overwhelming co-operation in running the College during the year under review.

Sign Janet Otuya.....

**JANET OTUYA**  
**PRINCIPAL /SECRETARY BOG**

Date 26<sup>th</sup> July, 2021.....

# BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## CORPORATE GOVERNANCE STATEMENT

The members of the Board have committed themselves to the service of Bushiangala Technical Training Institute and to uphold the tenets of good corporate governance by being innovative, transparent, accountable, persons of integrity, socially responsive, as well as promote excellence and exercise fairness in all their dealings.

### The Board

The Board consists of nine members inclusive of the Principal as the Secretary. The Board members consist of the following;

NO.	NAME	TITLE
1.	Dorothy Shiroya	Chairman
2.	Joseph Sunguti	Member-TVET Director
3.	Daniel Bulali	Independent BOG member
4.	Moses Mokaya	Member
5.	Loreen Okang'a	Member
6.	Agnes Ayoma Shikalo	Member
7.	Jael Chepchirchir	Member
8.	Prof. Eric Ogur	Member
9.	Janet Waswa Otuya	Principal/Secretary

The biographies of the Board Members are published on page VII. These Board Members possess a broad range of skills, qualifications and experiences required to direct the affairs of the College.

### Board Responsibilities

The College Board undertakes the following responsibilities.

1. The Board is the governing body of the College through which the College acts and undertakes the following;
  - a) Administers the property and funds of the College in a manner and for the purposes which promote the interest of the College; but the Board does not charge or dispose of immovable property of the College except in accordance with the procedures laid down by the Government of Kenya.
  - b) Receives, on behalf of the College donations, endowments, gifts, grants or other moneys and make disbursements there from the College or other bodies or persons.
  - c) Provides for the welfare of the staff and students of the College.
  - d) May enter into association with other Colleges, training Colleges or other institutions of learning, whether within Kenya or otherwise, as the Board may deem necessary and appropriate and
  - e) May, after consultation with the Academic Board, make regulations governing the conduct and discipline of the students of the College.
2. All documents, other than those required by law to be under seal, made on behalf of the Board, and all decisions of the Board may be signed under the hand

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

of the Chairman, the Principal or any other members of the Board generally or specifically authorized by the Board in that behalf.

3. Ensures that a proper management structure is in place and that the structure functions to maintain corporate integrity, reputation and responsibility.
4. Monitors and evaluates the implementation of strategies, policies and management criteria and plans of the College.
5. Constantly reviews the viability and financial sustainability of the College and does so once every year.
6. Ensures that the College complies with all the relevant laws, regulations, governance practices, accounting and auditing standards.

### **BOARD ACTIVITIES FOR THE YEAR**

Adequate notice for Board Meetings was given for each meeting, the agenda and supporting papers were distributed in advance of all Board and its committee meetings.

The Board, in the course of the financial year, reviewed the following reports and matters:

- Indiscipline issues regarding students, sourcing for more staff, installation of the CCTV etc.
- Board Committee reports on their respective activities
- The College's risk profile, top and emerging risks, risk management, compliance and any reputational issues
- At each Board meeting, progress towards achieving targets of approved business plans is reviewed and guidance provided to senior management.
- Governors are at liberty to communicate directly with senior management with a view to obtaining more information on any issues that may impact Company's performance.

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

During the Financial period ending 30<sup>th</sup> June 2019, the College continued with the process of transiting from ISO 9001:2008 to ISO 9001:2015, the college trained its Process Owners on the new Quality Management System and documented its processes. We anticipate to be certified in the coming two years.

During the Financial year under audit, we complied with the following statutory requirements among others;

- TVET Act 2013,
- Education Act 2012,
- Public Procurement and disposal Act, TSC Act 2015.

In addition, we have been able to submit the National Social Security Funds (NSSF), Pay as You Earn (PAYE), National Hospital Insurance Fund (NHIF) dues on behalf of our BOG workers in time and there are no any pending dues which are in arrears.

## **CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY**

Bushianga Technical Training Institute continued to dedicate part of its revenue to social responsibility activities aimed at enhancing the livelihoods of those living close to the institution and all Kenyans in general. During the year under review, the College focused on activities aimed at making a positive impact on various communities while creating a cordial relationship and raising the institutions profile. Areas of focus included education, provision of water, Training locals on issues of procurement, research, environmental conservation, support to sporting activities.

### **Water provision**

Today, Kenya is classified as a water-stressed country. Like in many African countries, lack of safe drinking water is the cause of socio-economic problems including starvation and disease. The challenge is even more pronounced in rural areas where women and children walk long distances daily in search of water, which is sometimes polluted. Waterborne diseases are still a concern as many people succumb to them annually. One of Bushianga technical training institute corporate social responsibility programme areas of focus is the provision of water to communities through the establishment of water collection points through construction of underground water tanks and installation of water harvesting tanks within the College. In addition to the existing borehole, we installed water tanks during the FY. Year 2018/2019 for water harvesting to ensure a steady water supply to the stakeholders, in the financial year 2017/2018 we endeavoured to expand the water distribution.

### **Education**

With a focus on education as part of its corporate social responsibility, the College witnessed the initiation of new courses i.e.: Human Resource Management, Fashion

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

and Design, Mechanical and Electrical, Artisan courses (ALL CBET) etc. We have also set up an Internal Desk where students are assisted to apply for HELB Loans and Bursaries.

### **Environmental Conservation.**

In Kenya, the effects of climate change and other environmental challenges are having an enormous impact not only on human life, but also on businesses. The pressure on natural resources and the environment in general is huge and calls for concerted efforts to alleviate the situation. Bushiangala Technical Training Institute has actively participated in environmental conservation initiatives aimed at conserving catchments areas and other delicate ecosystems. Last financial year, environmental initiatives the College participated in tree planting activities.

### **Sports and Culture**

During the FY 2018/2019, the College gave out its Open fields to the locals for free (bull fighting).

We also participated in the Regional and National Ball Games, Athletics, Music Festivals; this gave chance to the trainees to expose their talent.

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

### **REPORT OF THE BOARD OF GOVERNORS**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of Bushiangala Technical Training Institute affairs.

### **Principal activities**

The principal activity of the Bushiangala Technical Training Institute is to offer training to students in technical courses and business courses as per the industry needs which are examined by KNEC, KASNEB and Computer Society of Kenya. The institute offers the following programmes in 7 academic departments:

1. **Business Studies** (Diploma in Supplies Chain Management, Community Development; Certificate in Supplies Chain Management, Single and group secretarial, AT B I & II, CPA section I & II, Community Development; Artisan in Store Keeping).
2. **Building Department** (Diploma in Civil Engineering & Building Construction; Certificates in Building Construction, Plumbing & Masonry)
3. **Applied Science Department** (Diploma in Applied Biology and Certificate in Science laboratory technology).
4. **Computer and Information Communications Technology:** (Diploma in ICT, Computer Science; Certificate in ICT, ICTT and Computer Packages).

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

5. **Clothing & Fashion Design** (Diploma in Textile technology, Clothing Technology, Fashion Design; Certificate in Clothing and Textiles, Artisan Garment Making, Beauty and Hair Dressing)
6. **Automotive and Mechanical Engineering** (Diploma in Automotive Engineering; Craft and Artisan courses in Motor Vehicle Mechanics, Welding and Fabrication.)
7. **Electrical /Electronic Engineering** (Craft and Artisan courses in Electrical Installation.)

In addition to the courses above the Institute intends to start the following: -

- a) Human Resource Management
- b) Business Administration
- c) Driving Courses

These courses are demand driven and find application in various sectors of the economy.

### **Results**

The results of the entity for the year ended 30th June 2019 are set out on page 1 - 6

### **BOARD OF GOVERNORS**

The members of the Board /Council who served during the year are shown on page VI - IX. During the fy 2018-2019 none of the directors retired/ nor resigned

### **Auditors**

The Auditors General is responsible for the statutory audit in accordance with article 229 of the constitution of Kenya and the Public Audit Act 2015.

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

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

Section 81 of the Public Finance Management Act, 2012 and TVET Act, 2013 (Section 29) requires the Board of Governors to prepare financial statements in respect of that the college, which give a true and fair view of the state of affairs of Bushiangala Technical Training Institute at the end of the financial year/period and the operating results of the Bushiangala Technical Training Institute for that year. The Board of Governors are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board of Governors are also responsible for safeguarding the assets of the College.

The Board of Governors are responsible for the preparation and presentation of the College financial statements, which give a true and fair view of the state of affairs of the College for and financial year ended on June 30, 2019. This responsibility includes:

- Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- 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;
- Safeguarding the assets of the College
- Selecting and applying appropriate accounting policies; and
- Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the 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 and (the TVET Act). The Board of Governors are of the opinion that the college financial statements give a true and fair view of the state of College's transactions during the financial year ended June 3 2017, and of the College's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

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

**Approval of the Financial Statements**

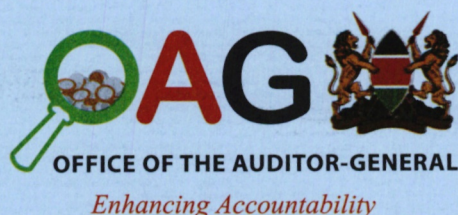
The Bushiangala Technical Training Institute financial statements were approved by the Board on 23/9/2019 and signed on its behalf by:

  
.....  
**DOROTHY SHIROYA**  
**BOG CHAIRPERSON**

  
.....  
**JANET WASWA OTUYA**  
**PRINCIPAL/SECRETARY BOG MEMBER**

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON BUSHIANGALA TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2019**

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

#### **Adverse Opinion**

I have audited the accompanying financial statements of Bushiangala Technical Training Institute set out on pages 1 to 31, which comprise the statement of financial position as at 30 June, 2019, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Bushiangala Technical Training Institute as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Technical and Vocational Education and Training Act, 2013 and Public Finance Management Act, 2012.

#### **Basis for Adverse Opinion**

##### **1. Cash and Cash Equivalents**

The statement of financial position as at 30 June, 2019 reflects cash and cash equivalents balance of Kshs.27,691,232 in respect of cash held on five bank accounts as disclosed in Note 18 to the financial statements. However, a review on the bank reconciliation statements for the month of June, 2019 revealed bank charges not recorded in the cash book amounting to Kshs.33,337 and subsequently not disclosed in the financial statements for the year under review.

In addition, the reconciling items including direct credits, and unrepresented cheques reflected in the bank reconciliation statements did not have details such as names of payees and dates of transactions thus making it difficult to ascertain their validity.

In the circumstances, it was not possible to ascertain the accuracy and completeness of cash and cash equivalents balance of Kshs.27,691,232 as at 30 June, 2019.

## **2. Property, Plant and Equipment – Assets Register**

The statement of financial position reflects property, plant and equipment balance of Kshs.192,056,852 as at 30 June, 2019 as detailed in Note 22 to the financial statements. However, the values were not supported by an upto date comprehensive assets register indicating the nature, dates of acquisition, cost, unique identification number, current value, current location/user, accumulated depreciation and net book value. This is contrary to Regulation 143(1 & 3) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to be responsible for maintaining a register of assets under his or her control or possession.

Consequently, the completeness, existence and valuation of the property, plant and equipment balance of Kshs.192,056,852 as at 30 June, 2019 could not be confirmed.

## **3. Trade and Other Payables from Exchange Transactions**

The statements of financial position reflects trade and other payables from exchange transactions balance of Kshs.11,513,201 as at 30 June, 2019 as disclosed in Note 24 to the financial statements but was not supported by creditors ledgers.

In the absence of reliable records, it was not possible to confirm the accuracy and validity of the trade and other payables from exchange transactions balance of Kshs.10,841,714 as at 30 June, 2019.

## **4. Opening Balances and Previous Audit**

As previously reported in the year 2016/2107, It was noted that the financial statements submitted for audit have not incorporated the opening balances for the preceding period that was explained to have been audited by schools' auditors.

In the circumstances, the opening balances incorporated in these financial statements for the year ended 30 June, 2019 could not be validated.

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

### **Key Audit Matters**

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

## **Other Matter**

### **Budget Performance – Failure to Observe Fiscal Responsibilities**

The Institute had an approved revenue budget of Kshs.110,995,785 against an expenditure budget of Kshs.78,268,140 expected to have resulted into a surplus of Kshs.32,687,645 as detailed in the statement of comparison of budget and actual amounts for the year ended 30 June, 2019. However, the total revenue achieved of Kshs.84,976,430 is below the estimated revenue by Kshs.25,979,355, or approximately 23.4%. During the same period, the Institute incurred expenditure totalling Kshs.78,268,140 as reflected in the statement of financial performance compared to Kshs.66,074,821 reflected in the statement of comparison of budget and actual amounts resulting to a variance of Kshs.12,193,319. In addition, the actual expenditure of Kshs.78,268,140 fell below the budget by Kshs.32,687,645 or 29.4% of the budget. There were no explanations for failure to collect fees from students of Kshs.36,997,732 (approximately 54% of the budget) and over-expenditure on employees of Kshs.3,828,932 or 32% of the budget. This is contrary to Section 47 of the Public Finance Management (National Government) Regulations, 2015 which requires an Accounting Officer to report material variations from the budget and seeks approval.

The above observations are an indication that the budget prepared by the Institute may not have been realistic and was not adhered to during the year. Consequently, the planned programmes were not implemented during the year as envisaged.

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

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON INTERNAL CONTROLS EFFECTIVENESS, 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 matter described in the Basis for Adverse Opinion section of my

report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

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

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue as a going concern, 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 cease operations.

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

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

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

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

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

material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**28 October, 2021**

**BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2019**

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

DESCRIPTION	Notes	2018-2019	2017-2018
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants/ gifts in kind	4	26,615,000	12,000,000
Grants from donors and development partners		-	0
Transfers from other levels of government	5	18,380,020	15,244,000
<b>Total Revenue from non-exchange transactions</b>		<b>44,995,020</b>	<b>27,244,000</b>
<b>Revenue from non-exchange transactions</b>			
Rendering of services- Fees from students	6	10,767,622	17,773,420
Sale of goods	7	2,025,805	31,100
Rental revenue from facilities and equipment	8	1,900,965	1,316,110
Other income	9	752,004	2,115,648
<b>Revenue from exchange transactions</b>		<b>15,446,396</b>	<b>21,236,278</b>
<b>Total revenue</b>		<b>60,441,416</b>	<b>48,480,278</b>
<b>Expenses:</b>			
Use of goods and services	10	1,114,079	2,689,415.00
Employee costs	11	15,635,672	10,467,130.00
Depreciation and amortization expense	12	6,943,957	5,862,529
Repairs and maintenance	13	1,756,542	1,000,086
Contracted services	14	346,008	2,253,840
General expenses	15	39,920,522	15,407,395
Finance costs	16	208,041	61,833
Other Expenses	17	150,000	600,830
<b>Total expenses</b>		<b>66,074,821</b>	<b>38,343,058</b>
Other gains/(losses)		-	-
Total other gains/(losses)		-	-
<b>Net Surplus for the year</b>		<b>-5,633,405</b>	<b>10,137,220</b>

The Financial Statements set out on pages 1 – 2 were signed on behalf of the Institute Council/ Board of Governors by:

  
 CHAIRPERSON OF BOARD OF GOVERNORS  
 BOG.

Date 26 JULY, 2021

  
 \_\_\_\_\_

FINANCE OFFICER ICPAK NO 22795

  
 PRINCIPAL/SECRETARY

Date 26<sup>th</sup> JULY, 2021

Date 26 JULY, 2021



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

**II. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

DESCRIPTION	Notes	2018-2019	2017-2018
		Kshs	Kshs
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	18	27,691,232	16,699,198
Receivables from exchange transactions	19	7,619,809	10,617,465
Receivables from non-exchange transactions	20	672,041	672,041
Inventories	21	892,427	673,243
<b>Total Current Assets</b>		<b>36,875,509</b>	<b>28,661,947</b>
<b>Non-current assets</b>			
Property, plant and equipment	22	192,056,852	179,579,532
Intangible assets	23	1,072,000	1,206,000
<b>Total Non-current Assets</b>		<b>193,128,852</b>	<b>180,785,532</b>
<b>TOTAL ASSETS</b>		<b>230,004,361</b>	<b>209,447,479</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	24	11,513,201	10,236,013
Refundable deposits from customers	25	485,750	313,200
Payments received in advance	26	205,535	62,023
<b>Total Current Liabilities</b>		<b>12,204,486</b>	<b>10,611,236</b>
<b>Non-current liabilities</b>			
<b>Total liabilities</b>		<b>12,204,486</b>	<b>10,611,236</b>
<b>Capital and Reserves</b>			
Reserves		138,107,206	138,107,206
Accumulated surplus		9,128,244	14,761,649
Capital Fund		70,564,425	45,967,388
<b>Total Capital and Reserves</b>		<b>217,799,875</b>	<b>198,836,243</b>
<b>Total Liabilities and Capital &amp; Reserves</b>		<b>230,004,361</b>	<b>209,447,479</b>

The Financial Statements set out on pages 1 – 2 were signed on behalf of the Institute Council/ Board of

Governors by:

  
 CHAIRPERSON OF BOARD OF GOVERNORS

Date 26 JULY, 2021

  
 ACCOUNTANT ICPAK NO.22795

  
 PRINCIPAL/SECRETARY BOG.

Date 26<sup>th</sup> July, 2021

Date 26 JULY 2021

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

<b>DESCRIPTION</b>	<b>Revaluation reserve</b>	<b>Fair value adjustment reserve</b>	<b>Retained earnings</b>	<b>Capital/ Development Grants/Fund</b>	<b>Total</b>
<b>Balance b/f at July 1, 2017</b>	<b>138,107,206</b>		<b>4,624,429</b>	<b>36,832,854</b>	<b>179,564,489</b>
Revaluation gain					-
Fair value adjustment on quoted investments					-
Total comprehensive income			10,137,220		10,199,243
Capital/Development grants received during the year				9,134,534	9,134,534
Transfer of depreciation/amortisation from capital fund to retained earnings					-
<b>Balance c/d as at June 30, 2018</b>	<b>138,107,206</b>	-	<b>14,761,649</b>	<b>45,967,388</b>	<b>198,836,243</b>
<b>Balance b/f at July 1, 2018</b>	<b>138,107,206</b>	-	<b>14,761,649</b>	<b>45,967,388</b>	<b>198,836,243</b>
Revaluation gain					-
Fair value adjustment on quoted investments					-
Total comprehensive income			(5,633,405)		(5,695,428)
Capital/Development grants received during the year				24,597,037	24,597,037
Transfer of depreciation/amortisation from capital fund to retained earnings					-
<b>Balance c/d as at June 30, 2019</b>	<b>138,107,206</b>	-	<b>9,128,244</b>	<b>70,564,425</b>	<b>217,799,875</b>

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

**VI. STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2019**

DESCRIPTION	Note	2018-2019	2017-2018
		Kshs	Kshs
<b>Receipts</b>			
Government grants and subsidies-State department of TVET	4	26,615,000	12,000,000
Transfers from other governments	5	18,380,020	15,244,000
Rendering of services	6	10,705,599	7,217,978
Sale of goods	7	2,025,805	31,100
Rental revenue from facilities and equipment	8	1,900,965	1,316,110
Prepaid fees			62,023
Other income	9	752,004	2,115,648
<b>Sub-Total-Receipts</b>		<b>60,379,393</b>	<b>37,986,859</b>
<b>Payments</b>			
Use of Goods and Services	10	1,114,079	2,689,415
Employee costs	11	15,635,672	9,827,192
Repairs and maintenance	13	1,756,543	978,586
Contracted services	14	346,008	2,253,840
General expenses	15	38,870,465	14,447,507
Finance costs	16	208,041	61,833
Payment to Creditors	15	946,573	2,386,221
Other expenses	17	0	450,830
<b>Sub-Total-Payments</b>		<b>58,877,381</b>	<b>33,095,424</b>
<b>Net cash flows from operating activities</b>		<b>1,502,013</b>	<b>4,891,435</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment	27	(15,107,016)	(25,216,584)
Purchase of intangible assets(-)			(541,000)
<b>Net cash flows used from investing activities</b>		<b>(15,107,016)</b>	<b>(25,757,584)</b>
<b>Cash flows from financing activities</b>			
MOE. Capital Grants	4	24,597,037	9,134,534
<b>Net cash flows used in financing activities</b>		<b>24,597,037</b>	<b>9,134,534</b>
<b>Net increase/(decrease) in cash and cash equivalents (B)</b>		<b>10,992,034</b>	<b>(11,731,615)</b>
<b>Cash and cash equivalents at the beginning of the year(A)</b>	18	16,699,198	28,430,813
<b>Cash and cash equivalents at end of the year C=(A+B)</b>	18	<b>27,691,232</b>	<b>16,699,198</b>

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

DESCRIPTION	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Performance difference
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Transfer From MOE.	34,711,640		34,711,640	24,597,037	10,114,603	29
Rendering of services & Transfer from other Govt.Agencies.	71,939,145	-	71,939,145	55,700,619	16,238,526	23
Sale of goods	1,950,000	-	1,950,000	2,025,805	-75,805	-4
Rental Revenue	1,935,000	-	1,935,000	1,900,965.	34,035	2
other Incomes	420,000	-	420,000	752,004	- 332,004	-79
<b>Total income</b>	<b>110,955,785</b>	<b>-</b>	<b>110,955,785</b>	<b>84,976,430</b>	<b>25,979,355</b>	<b>23</b>
<b>Expenses</b>						
Compensation of employees	<b>11,806,740</b>		<b>11,806,740</b>	15,635,672	- 3,828,932	- 32
Use of Goods and services	1,826,577		1,826,577	1,114,079	712,498	39
Finance costs	250,000		250,000	208,041	41,959.	17
Repairs Maintennce	1,015,000		1,015,000	1,756,542	- 741,542	-73
Contracted services	626,300		626,300	346,008	280,292	45
General expenses	70,747,588		70,747,588	39,920,522	30,827,066	44
Capital Expenses	24,683,580		24,683,580	19,287,276	5,396,304	22
<b>Total expenditure</b>	<b>110,955,785</b>	<b>-</b>	<b>110,955,785</b>	<b>78,268,140</b>	<b>32,687,645</b>	<b>29</b>

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

**BUDGET NOTES**

NOTE1: The Government released more funds than expected in terms of HELB Loans and bursary and for Development Projects

NOTE 3, 4, &7: NYS did not pay almost 95% of fees for its students.

1. Increased student's population led to increase in contracting BOG trainers to assist the PSC Trainers

2. NOTE.9 &13: Some items budgeted under this vote head could not be implemented due to poor fees payment - NYS

NOTE14: The Government released more funds than expected for Construction of Mungatsi

# BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## VI. NOTES TO THE FINANCIAL STATEMENTS

### 1. General Information

Bushiangala Technical Training Institute is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to train and produce Knowledgeable and skilled innovative graduates for Social Economic Development

### 2. Statement of Compliance and Basis of Preparation -IPSAS 1

The Bushiangala Technical Training Institute financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Institute. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

## ADOPTION OF NEW AND REVISED STANDARDS

### Early adoption of standards

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

### 3 Summary of Significant Accounting Policies

#### a) Revenue recognition

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

##### Transfers from other government entities

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **ii) Revenue from exchange transactions - IPSAS 9**

#### **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.

#### **Tuition fees**

Revenue from tuition fees arise when students pay fees for the various courses they undertake at the institute. Even though it is collected per term, the overall charge is based on the course which is modular and takes one year

#### **Rental income**

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

### **b) Budget information**

The original budget for FY 2018/2019 was approved by the Council or Board and no revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities

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.

# BUSHIANGALA TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 on page of these financial statements.

### c) Investment property

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

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

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

### d). Property, plant and equipment

The Bushiangala Technical Training Institute has been using cash basis of accounting that does not recognize the actual cost of property plant and equipment within the college.

For the college to fully disclose the values of total Property Plant and Equipment, a valuer must be brought in to do valuation of all property plant and equipment to enable the finance department to incorporate them in the accounts. We wish to incorporate the cost of valuation which is quite huge in the next financial year budget for the work to be done to fully comply with the IPSAS Accrual basis of accounting.

The institute has the following **Non-Current Assets** that need to be valued for actual values to be incorporated into the accounts;

- Land
- Workshops
- Laboratories
- Workshop and laboratory Equipment
- Staff houses
- Motor vehicles
- Kitchen and kitchen Equipment

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

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

- Computers and Accessories
- Farm

The figures in the accounts as **Non-Current Assets** represent those acquired in the last Four years only as their cost could be easily ascertained but total number of Non-Current Assets acquired over a long period of time would only be ascertained upon valuation as stated above.

**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. The intangible asset recognition is at cost and no amortisation nor impairment is being done until when the finance policy will be made.

**f) 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 an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**g) Borrowing costs- IPSAS 5**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**h) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank value. Bank account balances include amounts held 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.

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

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

**i) Comparative figures**

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

**j) 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.

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

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

**4. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

Description	2018-2019	2017-2018
	KShs	KShs
<b>Unconditional grants:</b>		
Operational grant-funds for running the - day to day activities.	9,500,000	12,000,000
Other grants (capitation)	17,115,000	
<b>Sub- Total</b>	<b>26,615,000</b>	
<b>Conditional grants:</b>		
Construction of Twin workshop" A"		3,980,000
Construction of Twin workshop" B"	4,051,640	
Other organizational-Mungatsi TTI.Construction Grant	20,545,397	5,154,534
Sub -Total	24,597,037	9,134,534
<b>Total government grants and subsidies</b>	<b>51,212,037</b>	<b>21,134,534</b>

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

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

**5. TRANSFERS FROM OTHER LEVELS OF GOVERNMENT**

Description	2018-2019	2017-2018
	KShs	KShs
Government education support- HELB grant	17,080,500	15,244,000
Others- National Youth Service	1,299,520	
<b>Total transfers from other levels of Government</b>	<b>18,380,020</b>	<b>15,244,000</b>

**6. RENDERING OF SERVICES**

Description	2018-2019	2017-2018
	KShs	KShs
Tuition fees	3,194,254	2,145,283
Library		140,150
Repair Maintenance & Improvement		214,100
Students Fee	7,511,245	0
Students Council		94,000
Activity Fee		230,900
Acacia Fees		918,700
Local Transport & Travel		215,000
Electricity Water & Conservancy		394,600
Personnel Emoluments		1,693,995
Development Fund Fee		577,420
Application & Registration Fee		248,920
Attachment Fee		89,950
students Medical Fee		115,160
Administration Fee		139,800
<b>Sub - Total</b>	<b>10,705,599</b>	<b>7,217,978</b>
Prepaid fee at the End of the year		(62023)
Prepaid fee at the beginning of the year	62023	
Accrued Students Fee		10,617,465
<b>Total Rendering of Services</b>	<b>10,767,622</b>	<b>17,835,443</b>

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

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

**7. SALE OF GOODS:**

Description	2018-2019	2017-2018
	KShs	KShs
college café foodstuffs	1,393,595	
Tender Sales		26,000
Vegetable Sales		5,100
<b>Sub Total</b>	<b>1,393,595</b>	<b>31,100</b>
Accrued Sales	632,210	
<b>Total Sale of goods</b>	<b>2,025,805</b>	<b>31,100</b>

**8. RENTAL REVENUE FROM FACILITIES AND EQUIPMENT**

Description	2018-2019	2017-2018
	KShs	KShs
Boarding fees	1,185,565	735,460
Mattress Hire		4,750
Bus Hire Fees	715,400	575,900
<b>Total rentals</b>	<b>1,900,965</b>	<b>1,316,110</b>

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

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

**9. OTHER INCOME**

Description	2018-2019	2017-2018
	KShs	KShs
Other Sales		39,125
Computer services		210,200
Examination fees		1,932,090
Miscellaneous		2,679
Students ID.		51,450
<b>Sub Total</b>		<b>2,235,544</b>
Gain from Production Unit	752,004	(119,896)
<b>Total other income</b>	<b>752,004</b>	<b>2,115,648</b>

**EXPENSES:**

**10. USE OF GOODS AND SERVICES**

Description	2018-2019	2017-2018
	KShs	KShs
Electricity Water & conservancy	1,114,079	851,035
Sales expenses		1,838,380
<b>Total good and services</b>	<b>1,114,079</b>	<b>2,689,415</b>

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

**11.EMPLOYEE COSTS**

Description	2018-2019	2017-2018
	KShs	KShs
Salaries and wages	12,957,980	8,620,046
Employee related costs - contributions to pensions and medical aids	2,677,692	1,207,146
<b>Sub - Total</b>	<b>15,635,672</b>	<b>9,827,192</b>
Accrued salary		639,938
<b>Total Employee costs</b>	<b>15,635,672</b>	<b>10,467,130</b>

**12. DEPRECIATION AND AMORTIZATION EXPENSE**

Description	2018-2019	2017-2018
	KShs	KShs
Property, plant and equipment	6,809,957	5,728,529
Intangible assets	134,000	134,000
<b>Total depreciation and amortization</b>	<b>6,943,957</b>	<b>5,862,529</b>

**13. REPAIRS AND MAINTENANCE**

Description	2018-2019	2017-2018
	KShs	KShs
Equipment and machinery	802,041	605,531
Vehicles	954,502	373,055
<b>Sub total</b>	<b>1,756,543</b>	<b>978,586</b>
Accrued bus repair expenses		21,500
Other		
<b>Total Repairs and Maintenance</b>	<b>1,756,543</b>	<b>1,000,086</b>

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

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

**14. CONTRACTED SERVICES**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>KShs</b>	<b>KShs</b>
contracted services	346,008	2,253,840
<b>Total contracted services</b>	<b>346,008</b>	<b>2,253,840</b>

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

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

**16. FINANCE COSTS**

Description	2018-2019	2017-2018
	KShs	KShs
Bank charges	208,041	61,833
<b>Total finance costs</b>	<b>208,041</b>	<b>61,833</b>

**NOTE:** As at 30th June 2019 sh 33,337.00 being bank charges were not included in the finance costs. This amount was included in finance cost for FY 2019-20.

**17. OTHER EXPENSES**

Description	2018-2019	2017-2018
	KShs	KShs
<b>Other Expenses</b>		
Tender Expenses		55,541
Other Payments		395,289
<b>Sub total</b>		<b>450,830</b>
Accrued Audit a fee	150,000	150,000.00
<b>Total Other Expenses</b>	<b>150,000</b>	<b>600,830</b>

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

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

**15. GENERAL EXPENSES**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>KShs</b>	<b>KShs</b>
Activity expenses	1,702,740	1,788,875
Application & Registration	3,000	158,040
Attachment fees expenses	375,860	459,012
Boarding fees	1,446,445	1,029,497
Bus hires expenses	1,686,988	1,227,967
Contingencies	795,255	691,579
Development Fund expenses		2,292,300
Employees" Welfare	142,252	
Electricity Water & Conservancy	1,243,043	547,202
ICT expenses	695,700	
Administration Expenses	5,660,438	3,740,808
Workshops & meetings	-	392,610
Library expenses	25,500	23,120
Local Transport & Travel	1,739,633	1,135,730
Medical expenses	237,440	84,450
Sales expenses	231,399	70,265
Student Council	381,110	437,785
Student ID	100,867	62,700
Sundry creditors	-	(2,298,074)
marketing	-	198,657
Performance Contract		332,263
KATTI Meeting & Workshop		1,079,480
Tuition	9,344,198	1,081,388
Other payments	13,058,597	
<b>Sub Total</b>	<b>38,870,465</b>	<b>14,447,507</b>
<b>Accrued General Expenses</b>		
Boarding Expenses		17,684
NYS Students Expenses	974,149	
Tuition	13,300	
Administration Costs		139,464
ISO 9001:2008		482,740
Activity		300,000
Performance contracting		20,000
Contingencies	62,608	
Other Payments		
<b>Total general expenses</b>	<b>39,920,522</b>	<b>15,407,395</b>

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

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

**18. CASH AND CASH EQUIVALENTS**

Description	2018-2019	2017-2018
	KShs	KShs
1.College account	1,974,354	3,061,921
2.ESP Account	11,346,909	9,937,338
3.Transit account	1,166,843	3,807,867
4.Development account	2,415,225	1,007,861
5.Recurrent account	1,248,256	-
6.Production account	8,847,712	341,883
7.Equity fees account	691,933	
<b>Total cash and cash equivalents</b>	<b>27,691,232</b>	<b>16,699,198</b>

**19. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

Description	2018-2019	2017-2018
	KShs	KShs
<b>Current receivables</b>		
Student debtors	6,700,498	10,617,465
Rent debtors		
Consultancy debtors		
Other exchange debtors -Trade receivables	919,311	
Less: impairment allowance		
<b>Total current receivables</b>	<b>7,619,809</b>	<b>10,617,465</b>

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

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

**20. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>KShs</b>	<b>KShs</b>
<b>Current receivables</b>		
Other debtors	672,041	672,041
<b>Total current receivables</b>	<b>672,041</b>	<b>672,041</b>

**21. INVENTORIES**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>KShs</b>	<b>KShs</b>
Consumable stores-	581,533	197,645
Electrical stores		
Cleaning materials stores		
Catering stores	310,894	475,598
<b>Total Inventories</b>	<b>892,427</b>	<b>673,243</b>

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

**22 PROPERTY PLANT & EQUIPMENT**

DESCRIPTION	Land	Motor vehicles	Furniture and fittings	Computers	Buildings	Plant & equipment	Work in progress			TOTAL
		Depr. 20 %	(Depreciation rate 10%)	(Depr. 25%)	Depr. 2 %	10%	Generator house	Mungatsi Construction	Mungatsi Mentorship	
Cost	Shs	Shs	Shs	Shs	Shs	Shs		shs	shs	
At 1 July 2018	3,225,000	11,125,000	1,514,444	1,579,353	138,513,641	1,869,733		32,121,930	397,643	<b>190,346,744</b>
Additions		3,000,000	800,000	919,700		1,715,028	500,298	12,144,282	207,968	<b>19,287,276</b>
Disposals	-	-	-	-	-	-				-
End year	<b>3,225,000</b>	<b>14,125,000</b>	<b>2,314,444</b>	<b>2,499,053</b>	<b>138,513,641</b>	<b>3,584,761</b>	<b>500,298</b>	<b>44,266,212</b>	<b>605,611</b>	<b>209,634,020</b>
<b>Depreciation and impairment:</b>										
accumulated depreciation 1st July 2018	-	4,450,000	285,888	630,171	5,027,206	373,946	-	-		<b>10,767,212</b>
Depreciation for the year	-	2,825,000	231,444	624,763	2,770,273	358,476				<b>6,809,957</b>
Impairment	-	-	-	-	-	-				
Accumulated Depreciation 30.6.2021	-	<b>7,275,000</b>	<b>517,333</b>	<b>1,254,935</b>	<b>7,797,479</b>	<b>732,422</b>	-			<b>17,577,168</b>
Disposals		-	-	-	-	-				
Impairment		-	-	-	-	-				
Transfer/adjustment		-	-	-	-	-				
<b>At end of year</b>		<b>7,275,000</b>	<b>517,333</b>	<b>1,254,935</b>	<b>7,797,479</b>	<b>732,422</b>	-			<b>17,577,168</b>
<b>Net book values 30.6.2019</b>	<b>3,225,000</b>	<b>6,850,000</b>	<b>1,797,111</b>	<b>1,244,119</b>	<b>130,716,162</b>	<b>2,852,339</b>	<b>500,298</b>	<b>44,266,212</b>	<b>605,611</b>	<b>192,056,852</b>

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

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

**23. INTANGIBLE ASSETS-MANAGEMENT INFORMATION SYSTEM(MIS)**

Description	2018-2019	2017-2018
	KShs	KShs
<b>Intangible Assets Software</b>		
<b>Cost</b>		
At beginning of the year	1,340,000	1,340,000
Additions	-	-
<b>Cost end of the year</b>	<b>1,340,000</b>	<b>1,340,000</b>
<b>Amortization and impairment</b>		
At beginning of the year	134,000	-
Amortization	134,000	134,000
<b>Amortization at end of the year</b>	<b>268,000</b>	<b>134,000</b>
Less: Impairment loss		
<b>At end of the year</b>	<b>268,000</b>	<b>134,000</b>
<b>NBV</b>	<b>1072,000</b>	<b>1,340,000</b>

**24. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description	2018-2019	2017-2018
	KShs	KShs
Trade payables	11,063,200	6,083,882
Fees paid in advance		62,023
Provision for audit fee	450,000	300,000
Accrued Salary		639,938
Other payables		3,212,193
<b>Total trade and other payables</b>	<b>11,513,200</b>	<b>10,236,013</b>

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

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

**25. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS**

Description	2018-2019	2017-2018
	KShs	KShs
Consumer deposits		
Caution money	485,750	313,200
Other refundable deposits		
<b>Total deposits</b>	<b>485,750</b>	<b>313,200</b>

**26. PAYMENTS RECEIVED IN ADVANCE**

Description	2018-2019	2017-2018
	KShs	KShs
Student Fees	205,535	62,023
Others		
<b>TOTALS</b>	<b>205,535</b>	<b>62,023</b>

<b>27 Acquisition of Property plant &amp; equipment</b>	<b>2017/2018</b>	<b>2016/2017</b>
Computers	919,700	638,020
Buildings ( less 10% Retention Fee)	500,298	18,035,715
Training Equipment	1,715,028	0
Mungatsi TTI (Less 10% Retention Fee)	11,171,990	6,372,849
Furniture	800,000	170,000
<b>Total</b>	<b>15,107,016</b>	<b>25,216,584</b>

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

**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

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

**Projects**

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

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1. Construction of Mungatsi TTI.		a) MOE. b) CDF. Nambale	2015-2019	- 10,000,000	NO.	YES

**Status of Projects completion**

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Source of funds
1	1.Mungatsi TTI. Construction	58,910,306.00	44,266,212	80%	8,275,960.00	12,144,281.98	MOE.

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

**APPENDIX III: INTER-ENTITY TRANSFERS**

<b>ENTITY NAME: BUSHIANGALA TECHNICAL TRAINING INSTITUTE</b>				
<b>BREAK DOWN OF TRANSFERS FROM THE STATE DEPARTMENT OF MOE. FY 2017-2018</b>				
<b>A.</b>	<b>RECURRENT GRANTS</b>	<b>Bank Statement Date</b>	<b>Amount (Kshs)</b>	<b>FY To Which The Amounts Relate</b>
	Bushiangala recurrent Grant	25/4/2018	5,000,000.00	2017/2018
	Bushiangala recurrent Grant	5/10/2018	4,500,000.00	2018/2019
	Bushiangala recurrent Grant	15/2/2019	17,115,000	2018/2019
		<b>TOTAL</b>	<b>26,615,000</b>	
<b>B.</b>	<b>DEVELOPMENT GRANTS</b>			
	Twin -workshop 'B' ( Building & Mechanical)	8/10/2018	2,025,820	2018/2019
		8/3/2019	2,025,820	2018/2019
		<b>TOTAL</b>	<b>4,051,640</b>	
	Mungatsi TTI. Construction	8/10/2018	2,054,540	2018/2019
			11,094,514	2018/2019
			7,396,343	
		<b>Total</b>	<b>20,545,397</b>	
<b>C.</b>	Direct Payments		-	0
		<b>Total</b>		
<b>D.</b>	Donor Receipts			
	<b>GRAND TOTAL</b>		<b>51,212,037</b>	

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

**APPENDIX IV RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent /Development/ Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	25/4/2018	Recurrent	5,000,000	5,000,000					5,000,000
Ministry of Education	5/10/2018	Recurrent	4,500,000	4,500,000					4,500,000
Ministry of Education	15/2/2019	Recurrent	17,115,000	17,115,000					17,115,000
Ministry of Education	8/10/2018	Development	2,025,820.00		2,025,820				2,025,820
Ministry of Education	8/3/2019	Development	2,025,820.00		2,025,820				2,025,82
Ministry of Education	8/10/2018	Development			2,054,540				2,054,540
Ministry of Education	29/1/2019	Development			11,094,514				11,094,514
Ministry of Education 27/6/2019		29/1/2019			7,396,343				7,396,343
<b>TOTAL</b>				<b>26,615,000</b>	<b>24,597,037</b>				<b>51,212,037</b>

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

**APPENDIX VI. OTHER APPENDIXES**

**A. PRODUCTION UNIT STATEMENT OF PERFORMANCE**

<b>REVENUES</b>	<b>AMOUNT</b>
Café sales	1,125,613
Café invoice sales	3,911,420
kiosk rental income	1,000
Onions sales	3,060
Bananas sales	3,470
Computer Packages	15,600
Driving	28,000
Sale of scrap	200
Bus hire fee	41,500
Napier sales	1,500
Accrued Café Sales	974,149
<b>TOTAL</b>	<b>6,105,512</b>
<b>EXPENDITURE</b>	
Café expenses	359,158
Bank charges	166,255
Café foodstuffs	4,108,585
Driving expenses	6,300
Vegetable expenses	24,100
Computer Packages expenses	21,700
Transit account	34,000
Accrued Café Expenses	632,210
Napier expenses	1,200
<b>SUB TOTAL</b>	<b>5,353,508</b>
<b>SURPLUS</b>	<b>752,004</b>

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<b>APPENDIX VI: B. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS</b>						
	<b>NAME</b>	<b>DESCRIPTION</b>	<b>30 DAYS</b>	<b>60 DAYS</b>	<b>90 DAYS &amp; ABOVE</b>	<b>TOTAL AMOUNT</b>
<b>A ) MAIN ACCOUNT:</b>						
1	Kinde Engineering Ltd	Internet Services May & June 2019	52,220	52,200		104,400
2	Reuben Maleche	Supply of Milk for Staff Tea June 2019	24,560			24,560
3	CAPA.	Special Project FY 2016			100,000	100,000
4	Julika Enterprises	Bus Service Via Invoice No 215	38,500			38,500
5	Kispho Enterprises	Supply of Sports Requirements June 2019	853,000			853,000
6	Maier Consultants	Training of Staff and Making New QMS. In Relation to ISO 9001:2015	210,748			210,748
8	Walag Stationers	Stationery Via Invoice No. 501 Supplied In March 2019	13,300			13,300
9	Namo Italiano (K) LTD	Repairs on kbr948u in May 2019	197,988			197,988
10	Bushiangala TTI Production Unit Account	meals served to NY's from 2nd June- 2019	975,800			974,149
	Bushiangala TTI Production Unit Account	Meals Served During Official College Meetings	12,050			12,050
11	Eshitari Tree Nurseries	Supply of 3000 Gravelia Trees @10/=	30,000			30,000
12	Wape Security Services	Security Services for June 2019	25,998			25,998
13	Accrued Audit Fees		150,000		350,000	450,000

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14	Midland Emporium	10 % Retention on Repair Works	279,915			279,915
<b>B) DEVELOPMENT ACCOUNT</b>						
15	Intellect Contractors	Construction and Completion of Library Complex			2,445,905	2,445,905
<b>C) ECONOMIC STIMULUS ACCOUNT</b>						
16	Finetops Enterprise	Construction of Twin Workshop & Classrooms At Mungatsi	4,392,452			4,392,452
<b>D) PRODUCTION UNIT. ACCOUNT</b>						
17	Agape Transporters	Supply of Firewood 1stags 2019	60,000			60,000
18	Bejo Supplies	Supply of Beef June 2019	208,400			208,400
19	Phautus Itemere	Vegetables June 2019				58,850
20	Margret Imbaya	Tomatoes & Onions March 2019				22,400
21	Josphat Bwina	Supply of Bread May& June 2019	58,850	49,000		116,500
		Grinding Services	22,400			19,350
		Supply of Kitchen Foodstuffs June 2019 Via Invoice No. 10	242,525			242,525
23	Bushiangala TTI Main Account		632,211			632,211
<b>GRAND TOTAL</b>						<b>11,513,201</b>