

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
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CLERK AT THE:	Inzofu Mwale

THE AUDITOR-GENERAL

ON

**BUNYALA TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2021**

**BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021**



BUNYALA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2021

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

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

TABLE OF CONTENTS

TABLE OF CONTENTS	i
I. KEY ENTITY INFORMATION AND MANAGEMENT	ii
II. THE COUNCIL/BOARD OF GOVERNORS	vi
III. MANAGEMENT TEAM.....	xii
IV. CHAIRMAN'S STATEMENT	xiv
V. REPORT OF THE PRINCIPAL	xvi
VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES	xx
VII. BUNYALA TVC CORPORATE GOVERNANCE STATEMENT	xxiv
VIII. MANAGEMENT DISCUSSION AND ANALYSIS.....	xxviii
IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	xxxii
X. REPORT OF THE BOARD OF GOVERNORS	xxxv
XI. STATEMENT OF BOARD OF GOVERNORS' MEMBERS' RESPONSIBILITIES	xxxvi
XII. REPORT OF THE INDEPENDENT AUDITORS ON THE BUNYALA TECHNICAL AND VOCATIONAL COLLEGE	xxxvii
XIII. STATEMENT OF FINANCIAL PERFORMANC FOR THE YEAR ENDED 30th JUNE 2021.....	1
XIV. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2021	2
XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021.....	3
XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021	4
XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021	5
XVIII. NOTES TO THE FINANCIAL STATEMENTS	6
XIX. APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	23
XX. APPENDIX II: INTER-ENTITY TRANSFERS.....	24

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The BUNYALA TECHNICAL AND VOCATIONAL COLLEGE was established under the TVET Act, 2013 on 20th June 2017 under The Ministry of Education State Department of Vocational and Technical Training. The entity is domiciled in Kenya. The establishment of the college was also as a result of the government policy mooted in 2013 to set up at least one TVET institution in every constituency in Kenya. The initial funding for the construction of the technical college was by the Ministry of Education (MoE) under the mentorship of Bumbe T.T.I. Bunyala TVC's mandate is aligned with the Ministry's vision, mission and objectives. Its priorities are in line with the National TVET policy and Vision 2030. The college is located on a 5-acre piece of land along the Bumala-Port Victoria road in Busia County, Bunyala Sub-County, Budalang'i Constituency, Bunyala North Location and Budalang'i Sub-location. The college has 6 academic and four (4) non-academic departments namely:

Academic Departments

- i) Electrical and Electronics engineering.
- ii) Building and Civil engineering
- iii) Liberal Studies
- iv) Business and ICT.
- v) Institutional Management
- vi) Automotive/Mechanical Engineering
- vii) Agricultural Engineering

Non Academic Departments

- i) Registrar
- ii) Students' affairs/Dean of Students
- iii) Industrial Liaison
- iv) Performance Contract
- v) Sports officer
- vi) Guidance and Counselling
- vii) Quality Assurance and Standards

(b) Principal Activities

The principal activity/mission/ mandate of Bunyala TVC is to provide training opportunities for innovation, transfer of relevant skills, knowledge and entrepreneurship, advancing, transmitting and enhancing technical and entrepreneurship skills and knowledge for job creation. The college offers courses leading to the award of Diploma, Craft and Artisan Certificate in TVET Programmes in collaboration with other government Institutions and appropriate industries across the sector. This mandate is domiciled in the following mission statement "Attract and empower trainees in Science, Technology and Innovation

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

for the purpose of transferring relevant skills". Bunyala TVC has a vision which guides our strategic plan and states as follows: Provide training opportunities in Science, Technology and Innovation for the world of work.

(c) Key Management

The entity's day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Management comprising Deputy Principal, Registrar, Dean of Students and the Heads of Departments and the Students' Council

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Mr. Wamalwa Emmanuel Biketi
2.	Deputy Principal	Mr. Oduary Keffa Musumba
3	Registrar	Mr. Winslaus Otunga
4	Dean of Students	Mr. Fredrick Were
5	Head of Finance	Ms. Immaculate Namwakira

(e) Fiduciary Oversight Arrangements

The following board of governors' committees provided the fiduciary oversight arrangements as follows:

Name of the Committee	Name	Member
Finance , Planning and Development	Eng. Aloyce Achoka. Mrs. Caroline Wanyama Mr. Emmanuel Wamalwa	Chairman Member Member
Academic, Human Resource Welfare	Prof. Okumu Bigambo Wilphredian Mrs. Alice Keboga Mr. Emmanuel Wamalwa	Chairman Member Member
Audit and Risk Committee	Mr. Peter Mudy Mrs. Pauline Nagila	Chairman Member

1. Audit and Risk Committee: It had two members of the board. Bunyala TVC does not have an internal auditor because of the budgetary constraints resulting from low income. The committee was involved in the discussion of the first draft audit report for the financial year 2019/2020 that was carried out by the auditor general. We engaged the Internal Auditor for Alupe University in carrying out cash survey for the college and we will be engaging him and any other Internal Auditor from a

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

government organisation as approved by the BoG in the Financial Year 2022/2023 on matters of internal audit.

2. Finance and Operations Committee activities: This committee has three members as indicated in the table above. The committee has been responsible for the development and presentation of the budget for the financial year 2020/2021. It was also involved in the analysis of the Annual Financial Report for the FY 2020/2021. This committee was presented this financial report to the full board of governors as well as the budget for the same period.
3. Academic, Human Resource and Welfare Committee Activities: This committee took charge of the hiring of the procurement officer and technician. They also participated in the sensitization of the trainees during the orientation where the chairman played a key role as the key speaker during the event. The committee also participated in the development of the academic policy and strategic plan of the college.
4. Development partner oversight activities: The college engaged with the KCB Foundation which sponsored 75 students in four technical areas namely Plumbing and Pipework, Welding and Fabrication, Motor Vehicle Mechanics and Masonry. However, fees payment for these students was paid in September 2021.
5. Other oversight activities: The Board of Governors (BoG) and the Ministry of Education through the State Department for Vocational and Technical Training played other oversight activities which included:
 - a. Inspection of reports pertaining to capitation
 - b. Inspection of reports concerning staff establishment and related challenges/shortages

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

Bunyala Technical and Vocational College
P.O. Box 104-50410
Port Victoria.
Off Bumala-Port Victoria Road

(g) Entity Contacts

Email: info@bunyalatvc.ac.ke/bunyalatvc@gmail.com
Website: www.bunyalatvc.ac.ke
Cell Phone: 0758850414

(h) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Other Commercial Banks

KCB Bank Kenya Ltd,
P.O Box 271-50410,
Port Victoria, KENYA

(i) Independent Auditors


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

(j) Principal Legal Adviser



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

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021



II. THE COUNCIL/BOARD OF GOVERNORS

No.	Member	Details
1.	 <p>MR FRANCIS RAMBUI Manager KCB Kilgoris Branch. Holder of MBA (Entrepreneurship) and B.Ed (Mathematics and Physics)</p>	<p>Mr. Francis Rambui was born on 4th of January, 1982. He is a holder of MBA in Entrepreneurship and a Bachelor's degree in Education (sciences – Mathematics and Physics). He has more than four years' experience as a branch manager with KCB Kenya Ltd, currently at K.C.B Kilgoris Branch and previously at KCB Port Victoria branch and has managed to move both branches from lower level to higher level. He had a two year experience as a Relationship Manager (K.C.B United Mall Kisumu and K.C.B Kisii West Branch) where he managed to triple the number of customers hence increasing the account numbers, deposits, and loan disbursements and hence increase in profit margins. He has a year's experience as an Assistant Manager, Business Banking at K.C.B Kisii Branch where he increased the loan portfolio, created excellent customer service and strong front office team and has held various post in various disciplines as follows: Bulk Teller, Credit Administrator and Personal Banker at KCB Kisii branch. He was also a Sales Representative at K.C.B Nyamira. He started off as a teacher at Riokindo High school, teaching mathematics and physics. Mr. Rambui is the chairman of the BoG of Bunyala TVC.</p>

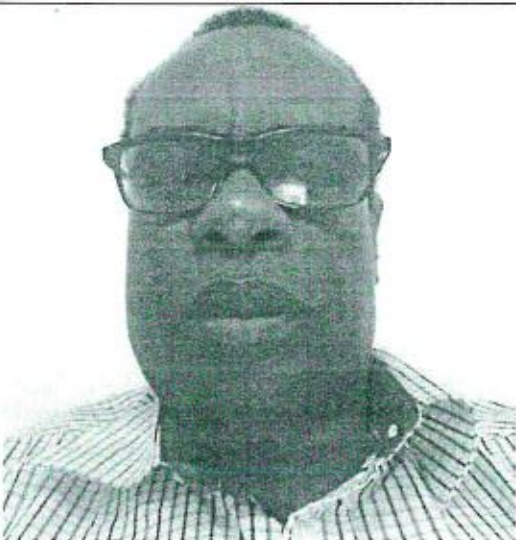
BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

2.	 <p>PROF. WILPHREDIAN OKUMU-BIGAMBO. (Assoc. Prof. Communication & Public Relations). Postgraduate Diploma In Education A\and Bachelor Of Arts (Literature In English, History And Kiswahili)</p>	<p>Prof. Wilphredian Okumu-Bigambo, was born on 22nd of September 1957, He is a Professor (Associate) of Communication and Public Relations in Human Resource Management, Postgraduate Diploma in Education and Bachelor of Arts (Literature in English, History and Kiswahili). He has 27 and above years of experience as a teacher- Talai High School (Kabarnet), Kisoko Girls High School and St. Peters Mumias High School, lecturer - Siriba Teachers College, Assistant lecturer - Moi University, Senior lecturer - Moi University and currently associate Professor - Moi University and a Corporate Communications Consultant Handling Government, Institutions and Organizations' consultancy tasks, being Lead consultant for 3D Africa Communication Ltd and many more. He has mentored/supervised and graduated many students with doctor of Philosophy, Master of science/Art and bachelors of science/Arts in communication Studies, Human Resource Development, Education, MBA, Literature and as External Examiner, examined Doctoral and Master thesis. Excellently written and still writing several publications.</p>
3.	 <p>MRS. PAULINE MOURINE NAGILA B.Ed Arts (Kiswahili & Religious Studies)</p>	<p>Mrs Pauline Nagila was born on 4th August 1966, She's a holder of bachelor's degree in education (Kiswahili and Religious studies) and also a holder of P1 certificate, She's a qualified and experienced teacher and has a strong bias in advocacy and resource mobilizer through forming youth and women community based organizations. She has served as a consultant with various organizations on issues of gender based violence, reproductive health, gender and governance, democratizations, devolution, gender mainstreaming, leadership, peace and security, national government affirmative action fund.</p>



BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

		through the organizations of Kenya WOMEN Parliamentarian Association (KEWOPA) UN Women, Shadow Parliament, Centre for Multiparty Democracy, Maendeleo ya Wanawake among others
4.	 <p>MS. ALICE KEBOGA B.Sc (Community Health & Dev't)</p>	<p>Ms Alice Keboga was born on 24th of November 1979. She's a holder of B.Sc in Community Health and Development; Diploma in nursing and several short courses i.e. Health system research, HTS new guidelines(2015), Peer Educator (sex worker), Family Planning and Post Abortion Care, Tuberculosis and HIV collaboration, Malaria case management, Essential neonatal care, Comprehensive care of HIV/AIDS infected with special emphasis on anti-retroviral therapy, Infant and young child feeding, Couple HIV counselling and testing, Integrated management of adult and adolescent illnesses, Prevention of mother to child transmission of HIV/AIDS, She has more than 13 years of experience as a nurse I/C maternity-Port Victoria Hospital, Nurse manager in Comprehensive care centre, coordinator HIV/AIDS prevention activities and currently county HTS officer-Ampath-Prevention</p>
5.		<p>Eng. Achoka Aloyce Luduba was born 15th April 1969. He's a holder of M Sc Information Systems, B.Sc. Civil Engineering, Certificate-GIS(Thunder & Associate), Project Management, Mr Luduba has more than 24 years of experience as an Engineer in charge of construction materials estimation and costing- Mistry Jadva Parbat General Contractors, Engineer in charge of water supply and sanitation systems design- H.P Gauff Consulting engineer, Geographic Information Systems(GIS) Specialist in charge of digitizing coding Somalia Land cover -FAO Afri-Cover Project, GIS Officer in charge of geospatial data collection, analysis and production of spatial information on</p>


BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

	<p>ENG. ACHOKA ALOYCE LUDUBA M.Sc (Information Systems); B.Sc (Civil Engineering); Certificate in GIS (Thunder & Associate), Project Management. Currently Lead Engineer in charge of water supply and sanitation systems design – HP Gauff Consultancy.</p>	<p>Food Security-WFP-Food Security Assessment Unit-Somalia, Information Management Officer in Charge of information/data collection, collation, analysis and dissemination and in charge of geospatial data management and maps production-United Nations Office for the Coordination of Humanitarian Affairs-Somalia Nairobi ,Kenya, Consultant: Building and civil engineering works and mapping/GIS and currently Facilities/Building Manger ;The Church of Jesus Christ of Latter-day Saints.</p>
6.	 <p>DR. PETER MUDY Ph.D; M.A (Community Dev't); B.A in Business Administration. CEO of the Anglican Development Services – Western chapter.</p>	<p>Mr Peter J. Mudy was born on 27th of September 1960. He's a holder of Ph.D Research on Sustainable Development, Masters in Community Development and bachelor of Arts in Business Administration. He has 37 and above years as a teacher teaching professional Kenya Government, Education Coordinator-ICS Netherland fund project in Kenya and currently working with Anglican Development service-western Kenya, He has done great research and publications on socio-cultural belief and practice inhibiting change among Bakhayo men in Era of HIV and AIDS and written papers on the effect of HIV and AIDS on small micro-enterprise case study in Sio-Port Beach Lake Victoria, The plight of people living with HIV in western Kenya, The challenges of parenting in the era of HIV and AIDS.</p>

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021




7.	 <p>MS. CAROLYNE AMUSIN WANYAMA B.Sc (Agriculture and Human Ecology Extension); Dip in General Agriculture.</p>	<p>Mrs. Carolyn N.A Wanayama was born on march 1972.She holds (BSC) Degree of Bachelors of Science(Agriculture and Human Ecology Extension),Diploma in General Agriculture and Certificate in General Agriculture. She has more than 24 years of experience as Field Assistant, Field Officer- Nzoia Sugar company LTD and currently working at Kenya Agricultural Research Institute(KARI) as Location Field Officer-Macadamia Project-key achievement is training farmers on good productivity both in production of sugar can and macadamia, coordinating and creating good relationship between the farmers and both companies-Nzoia sugar company ltd and KARI.</p>
8.	 <p>MS. MARTHA WEKESA M.Sc (Food Science Technology); B.Ed (Food Science Technology); Senior Management and Strategic Leadership Course by KSG. Currently TVET County Director for Bungoma & Busia Counties</p>	<p>Ms. Martha Wekesa was born on 1966. She holds a Master of Science and a Bachelor's degree in Food science technology. She also holds a Post graduate diploma in Education. She has undergone training in Senior Management and Strategic Leadership by Kenya School of government. She served as a lecturer at Mombasa National Polytechnic and Friends College Kaimosi where she served for over 10 year before joining the Public Service Commission. In 2015 she was deployed as the County Director TVET.</p>

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021




9.	 <p>MR. WAMALWA EMMANUEL M.Ed (Psychological Counselling), B.Ed (Tech. Educ. Power mechanics option), Dip in Education Management; Senior Management Course by Kenya School of Gov.</p>	<p>Mr Emmanuel Biketi Wamalwa was born on 11th September, 1973. He's a holder of Master of Education (Counselling Psychology), Bachelor of Education (Technology Education-Power Mechanics option), Diploma in Education Management and Senior Management Course (SMC) by Kenya School of Government. Mr. Wamalwa has more than 23 years of experience during which time he has been a deputy principal (Bumbe T.T.I), Registrar (Bumbe T.T.I), Industrial attachment coordinator, Performance Contracting Coordinator, and current Principal/B.O.G Secretary and the Chief Accounting Officer of Bunyala T.V.C. He excellently performed in academics and co-curricular activities while at Bumbe T.T.I as well as at Bunyala T.V.C where he led Bunyala TVC ladies volleyball team to clinch both the regional and national trophies in the sport. His vision is raising the standard in innovations, financial management and general administration while adhering to the TVET Act, 2013. Mr. Wamalwa is not yet a member of ICS but has plans to enrol for the programme.</p>
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BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

III. MANAGEMENT TEAM

No.	Member/ Director	Details
1.	 MR. WAMALWA EMMANUEL	PRINCIPAL/SECRETARY BOG M.Ed (Psychological Counselling), B.Ed (Tech. Educ. Power mechanics option), Dip in Education Management; Senior Management Certificate (KSG)
2.	 MR. MUSUMBA KEFFA ODUOR	DEPUTY PRINCIPAL Bachelor of Education, Diploma in Education management and Information communication Technology, Senior Management Certificate (KSG)
3.	 MR. WINSLAUS WASWA OTUNGA	AG. REGISTRAR Bachelor of Science in Computer Science, Diploma in IT, Senior Trainer

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

4.	 <p>MR. FREDRICK WERE</p>	<p>AG. DEAN OF STUDENTS Bachelor of Science(Mechanical Engineering),Diploma (Mechanical Engineering, Plant Option),Diploma(Technical Training Education)</p>
5.	 <p>CPA NAMWAKIRA ODERO IMMACULATE</p>	<p>FINANCE OFFICER Member ICPAK</p>
6.	 <p>SIMON SINJAGI NANDAMBALA</p>	<p>PROCUREMENT OFFICER Bachelor in Procurement and Supply Chain Management. Member KISM</p>

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

IV. CHAIRMAN'S STATEMENT

Bunyala TVC having started from a humble level has so far grown to present itself as a national college able to compete favourably for admission of trainees into various courses. The board was able to initiate and oversee the following activities during the financial year 2020/2021: -

- i) A meeting with the area Member of Parliament to discuss the development matter of the college with key attention given to the construction of a kitchen and purchase of more land. The MP committed himself to sponsor the construction of the kitchen at a cost of Ksh. 2.5 million. This promise is yet to be fulfilled.
- ii) The board also hired a finance officer and a nurse but the nurse declined to take up the offer preferring another better offer in another organisation. The one who came second could not be engaged because she was above 60 years making her vulnerable to the COVID-19 virus.
- iii) The board was also able to construct a temporary structure made of iron sheets and steel pipes to work as a temporary institutional management block. This was done to help ease the tension due to shortage of tuition rooms.
- iv) We were also able to negotiate the Performance Contract for the financial year 2021/2022.

The college has also been able to grow in various aspects especially in the following areas:

- i) Approved the construction of a fence and a gate. This infrastructure was very critical considering the fact that College had no fence and no gate. The gate and fence have so far been constructed and greatly improved the security as well as the image and visibility of the institution.
- ii) Enrolment: The College has steadily risen from 352 trainees to 617. We are projecting to have the enrolment continue to grow tremendously.
- iii) Recruitment of Trainers: We managed to recruit trainers in three different batches in which we shortlisted, interviewed and recruited a total of 21 trainers. 2 trainers failed to turn up because of being recruited in other institutions. The Human Resource Department is working on the process of getting the institution suitable replacements. We successfully held meetings to approve all shortlisted and recruited applicants for the post of Technical Trainers.
- iv) Survey of college land: We undertook a fresh survey of the college land and managed to recover the portion of land that had been hived off erroneously, almost half an acre.
- v) The board continues to liaise with stakeholders and would be sponsors to help raise funds to meet the ever growing needs of the college.

Projections

The board plans to mobilise more resources through development partners, increase in enrolment and therefore capitation and enhance income generating activities. This will be done with the target of raising funds to enable the institution meet the following infrastructural development in the financial year.

- i) Installation of MIS system
- ii) Construction of 6 door toilet

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

- iii) Construction of a Kitchen and Dining Hall if possible
- iv) Construction of tractor shed
- v) Water drilling
- vi) Fibre optic connection
- vii) Building department practical shed
- viii) Repainting of administration block
- ix) Firefighting system
- x) CCTV camera installation

Challenges

- The Technical Training sector presents plenty of opportunities as well as risks, both of which need to be analysed in order to deliver sustainable long-term returns, without compromising training outcomes. During the year, the effect of COVID -19 pandemic brought about a financial challenge to the institution. The students were not in the institution for more than a semester and we could not charge them fees which was part of our budget. However, we faced the challenge positively and addressed the issues at hand.
- Tractor shed – the college received farm machinery and equipment donated by AVIC International, the Chinese firm, through the Kenya government. We have not been able to shelter our farm machinery due to inadequate funds to enable us put up a shed for them. This has an estimated cost of Ksh. 1.4 million. There are plans to mobilise funds to improve our infrastructure, this tractor shed being one of them.

Outlook

I am indeed deeply indebted to the members of the Board of Governors for their unwavering support, commitment and futuristic outlook towards realising the college's objectives in line with its Strategic Plan and core mandate of training market-driven technical manpower. Noteworthy is the Board's diverse qualifications and experience. We endeavour to remain focussed, committed and consistent in the delivery of opportunities and accountably availing of resources to both trainers and trainees within the Government framework of accountability, corporate governance and ethical sustainability. Going forward Bunyala TVC is committed to working closely with other like-minded entities, institutions, agencies and any other bi-lateral & multi-lateral agencies to ensure that our trainees continue to receive Competency Based Training.

Lastly, I would like to whole-heartedly thank my fellow members of the Board of Governors, Management, Trainers, Trainees – and all other stake-holders for their co-operation, collaboration, continued support and commitment during the period under review.



MR FRANCIS RAMBUI
CHAIRMAN, BOARD OF GOVERNORS

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

V. REPORT OF THE PRINCIPAL

This is the second Annual Financial Report by Bunyala TVC. The college became autonomous in 2019 when its Board of Governors was appointed and inaugurated. The college has been growing steadily in various aspects of its operations since its inception. Despite the challenges, we have been able to continue working within our space and hope to expand this space with time. We were able to run through the following activities in the financial year 2020/2021: -

- i) Training: the college was able to conduct regular training activities within the year as the different curricular set by different government agencies responsible for curriculum development. The number of trainers hired by the Public Service Commission and the BoG were 21 each. The college suffers from a shortage of trainers in a number of courses like Electrical engineering, Building and Civil Engineering, Food and Beverage Production, Service and Sales, Social Work and Community Development as well as Business courses. We are optimistic that the government will soon be recruiting more staff in these disciplines.
- ii) Sports: The college managed to facilitate the ladies volleyball team to participate in a tournament for Clubs in Bungoma where they did not fair well because most of the players had not reported due to the fear associated with the COVID-19 pandemic.
- iii) Meeting the area Member of Parliament: The board organised for a meeting with the areas Member of Parliament to deliberate on the possible funding touching on some key infrastructure in the college. During the meeting, the MP committed that the CDF would sponsor the construction of a kitchen for the college at a cost of Ksh. 2.5 million and purchase at least one acre of land. This promise was not fulfilled as at the close of the financial year 2020/2021.
- iv) Construction of a fence and gate. The construction of the fence and gate was part of the infrastructure development that had been allocated the CDF by the National government in the agreement touching on establishment of new TVCs in every constituency. The CDF Budalang'i did not fulfil its mandate as per the arrangement. Therefore, the BoG came in and constructed the gate and fence covering the 5 acre piece of land at a cost of Ksh. 3.6 million. However, the fence still needs to be improved by fitting the chain link along the perimeter. This will be done in the new financial year.
- v) The board also hired a finance officer and a nurse but the nurse declined to take up the offer preferring another better offer in another organisation. The one who came second could not be engaged because she was above 60 years making her vulnerable to the COVID-19 virus.
- vi) We were also able to negotiate the performance contract for the financial year 2021/2022. The performance contract
- vii) Advertisement/promotion of the college: The college was able to liaise with the Office of the President to carry out very extensive marketing and promotion of academic programmes. This mobilisation of both national and county government staff to help in marketing was one of the most cost effective methods of marketing we had ever used with very satisfactory returns.
- viii) National Examinations: The college presented candidates for two series of the KNEC and KASNEB examinations i.e. July and November 2020. Our students performed fairly in July series and good in the November series. We are looking

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

forward to improving on our performance as we get more qualified trainers through the BoG and the National Government.

Considering the activities mentioned we were able to make some progress which can be summarised as follows: -

- i) Enrolment: The College has steadily risen from 352 trainees to 617. We are projecting to have the enrolment continue to grow exponentially in the following years.
- ii) Support from KERRA: Kenya Rural Roads Authority supported the college by installing culverts and cabro blocks at the main entrance to the college. This was after we made an official request to them to help install the culverts to help control the heavy soil erosion that was causing heavy mud deposits at the main entrance to the college.
- iii) Acquisition of training tools and equipment: The college managed to improve on its training tools and equipment. We equipped the three main technical departments with tools and equipment to enable trainees undertake their national examinations as well as undertake practical lessons conveniently.
- iv) Changing the Management Information System: having gone through some challenges with the Financial Management System as identified by the audit report, the board approved the acquisition of a new MIS. This has helped management on matters financial management.

Challenges:

- i) Shortage of tuition rooms: The board was also able to construct a temporary structure made of iron sheets and steel pipes to serve the institutional management department. The unit also hosts a kitchen for the college generally used to prepare meals for the larger student population.
- ii) Inadequate training tools and equipment: The college needs an estimated Ksh. 10.0 million to be able to equip her departments adequately for efficient training. The fact that the college does not have a bus makes it even more complicated to ferry students on academic tours which could be used to bridge the gap due to shortage of training tools and equipment.
- iii) Shortage of furniture for students to use in class and even trainers for use in the staff room is equally weighing down on the college's stability. This challenge has continued due to inadequate funds. We came up with a strategy that would enable us surmount all these financial challenges in the next financial year. One of the strategies is to ensure that one staff is dedicated to helping students apply for HELB loans and ensure that the forms are filled on time and physically delivered to HELB. Similarly, we have a dedicated staff who will ensure that all trainees data submitted to the ministry for capitation is thoroughly sorted to ensure that it is error free.
- iv) Lack of reliable clean water: The college does not have a reliable source of clean water. We still rely heavily on water that we collect from the lake using the water bowser. It is very expensive but unavoidable for the time being.
- v) Tractor shed –We have not been able to shelter our farm machinery due to inadequate funds to enable us put up a shed. This has an estimated cost of Ksh. 800,000 (Eight hundred thousand only). We plan to construct the structure in the new financial year.

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

- vi) Lack of hostels: lack of hostels to host our students from the National Youth Service is one of main our challenges. We managed to surmount this by hiring a hostel in the neighbourhood to help us mitigate against this shortfall.
- vii) Inadequate trainers: The college suffers from an acute shortage of trainers in some departments such as Electrical and electronic engineering, Building and Civil Engineering and Food & Beverage Production, Service and Sales being the most affected.
- viii) Shortage of rest rooms/toilets: The college has an acute shortage of lavatories. The available flush toilets still need more work to make them fully usable. The growing number of trainees/students has made the available number of toilets to become overstretched and beckoning for more to suffice the current and near future populations.

Owing to the enumerated challenges, the college management and the board of governors have projected to undertake the following measures to reduce the impact of the challenges: -

The board plans to mobilise more resources through development partners to enable the college increase her revenue base in order to meet the increased needs. With adequate resources, we also plan to construct additional lavatories for students and trainers as well as construction of a tractor shed. If resources will not be limiting, we have also planned to equip our technical departments with relevant tools and equipment.

Projections

The board has put in place plans to carry out the following projects in the year 2021/2022: -

- xi) Installation of MIS system
- xii) Construction of 6 door toilet
- xiii) Construction of a kitchen
- xiv) Construction of a tractor shed
- xv) Drilling of water
- xvi) Fibre optic connection
- xvii) Building department practical shed
- xviii) Repainting of administration block
- xix) Firefighting system
- xx) CCTV camera installation

Contribution to the Big 4 Agenda

The college continues to equip our students with the relevant competencies and skills at various levels ranging from Artisan, Craft and Diploma. 90% of the programmes at Bunyala TVC are aligned to the Big 4 agenda which hinges on *Food Security; Affordable Housing; Manufacturing and Affordable Healthcare*. I have confidence that our students are well equipped with the necessary skills that strategically align them with opportunities within the market in the country, regionally and globally.

Bunyala TVC envisions to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition and growing number of students completing basic education level. To do so, the college requires a lot of support from

**BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021**

the Government and other stakeholders in this critical transitional stage to a more stable Institution in terms of funding, material support and hiring of qualified staff both academic and non-academic.

On behalf of the College Board of Governors, I take this opportunity to thank the Government for its unequivocal support during the year under review.

I also appreciate the financial, material, human resource and moral support by our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as the cooperation of the Management team, staff and trainees/students that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all of them.

Comparative figures

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

Financial performance and position

a. Financial performance

During the year under review, revenue from non-exchange transactions reduced by 53% from Kshs. 16,480,251 to Kshs7,762,500. This was due to the fact that in the year 2019/2020 the institute received some funds from the Mentor i.e. Bumbé T.T.I which were generally surplus from the setup costs funded by the government. Revenue from exchange transactions increased during the year due to increase in enrolment from 352 to 617. Overall expenses decreased by 21% mainly due to decrease in operations and activities triggered by lack of funds not fully disbursed in 3rd Quarter.

b. Financial position

Cash and cash equivalent significantly decreased due to significant debts owed by NYS which were subsequently cleared in July 2021. The current ratio of the college is 4.8 compared to 15 in 2019/2020 which means that in the year 2020/2021, the college was able to cover its current liabilities 4.8 times over using its current assets which translates to a very healthy and encouraging financial position.



MR. EMMANUEL B. WAMALWA
PRINCIPAL/SECRETARY BOG

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Bunyala TVC has 6 strategic pillars and objectives within its Strategic Plan for the FY 2021-2025. These strategic pillars are as follows:

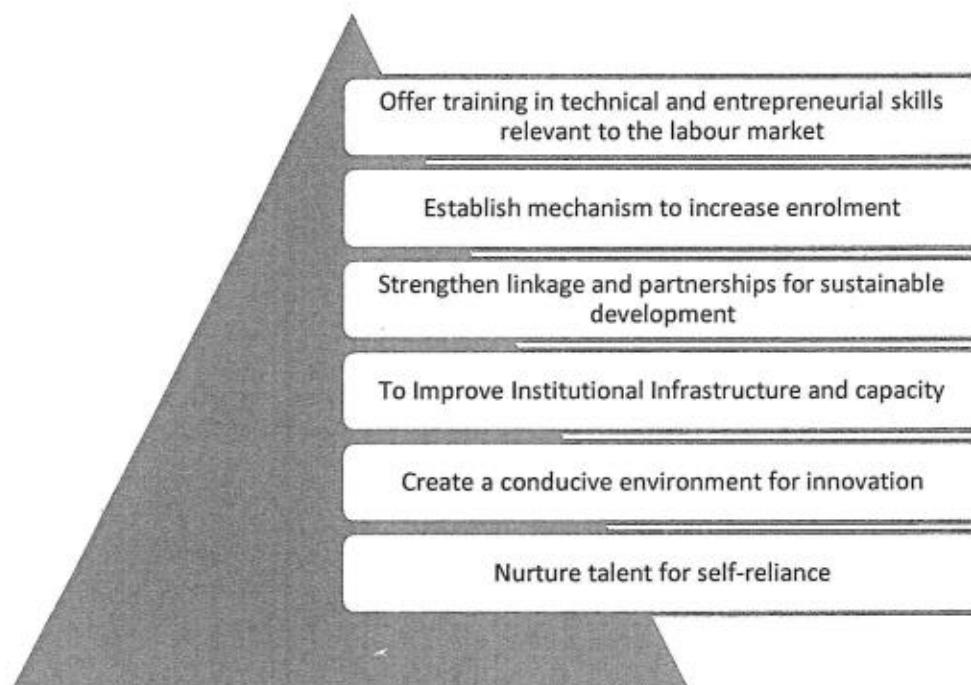


Fig. 1: Strategic Pillars

Bunyala Technical and Vocational College develops its annual work plans based on the 6 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2020/2021 period for its 6 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key performance indicators	Activities	Achievements
Pillar 1: training in technical and entrepreneurial skills relevant to the labour market	✓ Practical training with relevant live example	✓ Quality training ✓ Competent graduates ✓ Efficient tools and equipment ✓ Increased revenue	✓ Recruit competent staff ✓ Utilize available resources ✓ Establish and equip a Resource Centre i.e.	✓ Efficient tools and equipment ✓ Increased revenue ✓ Academic tours ✓ Liaison with industry on training gaps

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

	<ul style="list-style-type: none"> ✓ Liaison with industry 	<ul style="list-style-type: none"> ✓ Improved teaching and learning standards ✓ Committed Staff ✓ Improved trainee discipline ✓ Licence/approval of courses ✓ Correspondence letters ✓ Signed MOUs ✓ Demand for training from industry 	<ul style="list-style-type: none"> library and e- learning facilities ✓ Correspondence with industry ✓ Develop, Implement and enforce the Academic Policy ✓ Registration with regulatory bodies ✓ Identify possible industry partners ✓ Introduce market driven courses 	
Pillar 2: Establish mechanism to increase enrolment	<ul style="list-style-type: none"> ✓ Intensify marketing and promotion of the college 	<ul style="list-style-type: none"> ✓ Increased applications for HELB loans ✓ Increased enrolment ✓ Increased retention for trainees ✓ Increased applications for HELB loans ✓ Increased enrolment ✓ High discipline ✓ Reduced dropout rate ✓ Appropriate teaching standards ✓ Quality Manual ✓ Good Audit Report ✓ Land title deed for 5 acres 	<ul style="list-style-type: none"> ✓ Prepare and distribute sufficient brochures, install signage at strategic places, Carry out print, online and audio-visual media and road shows ✓ Enlist interns for skills transmission ✓ Facilitate trainees to apply for HELB ✓ Enhance Guidance & Counselling to trainees & the general population ✓ Develop and implement a Quality Management Manual ✓ Establish sports grounds and acquire relevant sports paraphernalia 	<ul style="list-style-type: none"> ✓ Increased visibility ✓ Increased enrolment ✓ Nation-wide enquiries ✓ Reduced drop-out rate ✓ Reduced fees arrears ✓ Increased HELB Loan applications ✓ Increased awareness ✓ Informed selection of courses
Pillar 3: Collaboration and Linkages	<ul style="list-style-type: none"> ✓ Set up a network with the community and other Institutions 	<ul style="list-style-type: none"> ✓ Correspondence with collaborating institutions ✓ Benchmark reports 	<ul style="list-style-type: none"> ✓ Establish and operationalise the industry linkage office ✓ Strengthen existing collaboration and linkages 	Reaching out to industry

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

		<ul style="list-style-type: none"> ✓ MOUs with collaborating institutions ✓ Exchange programmes 	<ul style="list-style-type: none"> ✓ Conduct Research to benefit collaborating institutions 	
Pillar 4: To Improve Institutional Infrastructure and capacity	✓ Improve Institutional Infrastructure	<ul style="list-style-type: none"> ✓ Completed road ✓ Repair and maintenance schedules ✓ Qualified staff deployed ✓ Log book ✓ Driving license ✓ Certificate/Report of completion 	<ul style="list-style-type: none"> ✓ Improve the college internal road network ✓ Repair and maintain equipment ✓ Acquire a college bus, driving school vehicle and utility car ✓ Drilling water, installing desalination plant and distribution of water for consumption 	<ul style="list-style-type: none"> ✓ Improved access to the college ✓ Efficient working equipment ✓ Clean water in use
	Improve ICT infrastructure	<ul style="list-style-type: none"> ✓ Improved performance ✓ Enhanced supervision of duty ✓ Installed LAN ✓ Functional IMS 	<ul style="list-style-type: none"> ✓ Expand ICT infrastructure and Integrate in training programmes ✓ Upgrade the existing Financial Management Information System 	<ul style="list-style-type: none"> ✓ Enhanced access to information ✓ Creative and innovative training ✓ E-learning facilities ✓ Enhanced Internet Connectivity ✓ Reliable & effective information management system ✓ Cost effective communication
	Development of the Human Resource	<ul style="list-style-type: none"> ✓ TNA report ✓ Training ✓ Certificates ✓ Improved performance ✓ Appraisal report ✓ Team building activities ✓ Strong welfare 	<ul style="list-style-type: none"> ✓ Carry out Training Needs Assessment (TNA) and implement its report ✓ Conduct Performance Appraisal ✓ Establish and Strengthen staff welfare 	<ul style="list-style-type: none"> ✓ Informed Decisions on staff Development Programmes ✓ Budgetary allocation ✓ Motivated staff ✓ Team work among staff

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

	Expand the college financial base	<ul style="list-style-type: none"> ✓ PU policy ✓ Wages for production staff ✓ Correspondence with donors ✓ Procurement documents ✓ Policy document on debt/revenue collection 	<ul style="list-style-type: none"> ✓ Operationalise the Production Unit ✓ Funds mobilisation through proposals to both NGO and GoK agencies ✓ Improve methods of revenue collection 	<ul style="list-style-type: none"> ✓ Operational PU committee ✓ Increased income ✓ Functional IGAs ✓ Increased number of funded projects ✓ Increased funding ✓ Reduced arrears Reduced debt/equity ratio
Pillar 5: Create a conducive environment for innovation	Acquire relevant tools and equipment	<ul style="list-style-type: none"> ✓ Budgetary allocation ✓ Procurement documents ✓ Physical items in place 	<ul style="list-style-type: none"> ✓ Allocate funds for the procurement of tools and equipment 	<ul style="list-style-type: none"> ✓ Designs for development/production ✓ Requisitions ✓ Exhibitions
Pillar 6: Nurture talent for self-reliance	<ul style="list-style-type: none"> ✓ Diversify sources and increase funding 	<ul style="list-style-type: none"> ✓ Recruit competent sports officer ✓ Identify/scout for talented trainees 	<ul style="list-style-type: none"> ✓ Operational office with competent sports officer ✓ Competitive teams ✓ Implementation of the Budget and procurement plan as a Control tool 	<ul style="list-style-type: none"> ✓ Trophies won in tournaments and competition certificates

**BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021**

VII. BUNYALA TVC CORPORATE GOVERNANCE STATEMENT

Bunyala TVC derives its strength and direction from its mission which is to attract and empower trainees in Science, Technology and Innovation for the purpose of transferring relevant skills. The college is governed by the Board of Governors which was constituted in line with the TVET Act, 2013 duly appointed by the Cabinet Secretary in the Ministry of Education to serve for a period of three years. The current term expires on 4th October 2021.

Functions of the Board of Governors as set out under section 28 (1) of the TVET Act, 2013 shall include

According to the TVET Act, 2013 (V) – 29, the function of the board comprises the following: -

- i) Overseeing the conduct of education and training in the institution in accordance with the provisions of the Act and any other written law.
- ii) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law.
- iii) Administering and managing the property of the institution.
- iv) Developing and implementing the institution's Strategic Plan
- v) Preparing annual instruments of revenue and expenditure for the institution and incurring expenditure on behalf of the institution
- vi) Receiving on behalf of the institution fees, grants, subscriptions, donations, bequests or other monies and to make disbursements to the institution or other bodies or persons.
- vii) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act.
- viii) Mobilising resources for the institution
- ix) Developing and reviewing programmes for training and to make representations thereon to the board
- x) Regulating the admission and exclusion of trainees/students from the institutions subject to a qualifications framework and the provision of this Act
- xi) Approving collaborations or associations or other institutions and industries in and outside Kenya subject to approval by the board
- xii) Recruiting and appointing trainers from among qualified professionals and practicing trades persons from relevant sectors of industry
- xiii) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institution
- xiv) Making regulations governing the institution, conduct and discipline of the staff and students
- xv) Preparing comprehensive annual reports on all areas of their mandate including education and any service and submitting the same to the board
- xvi) Providing for the welfare of the students and staff of the institution.
- xvii) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institution
- xviii) Discharging all other functions conferred upon it by this Act or any other written law.

The second schedule of the TVET Act 2013 allows the Cabinet Secretary to appoint members of the Board of Governors consisting of not less than seven and not more than nine members. The Cabinet Secretary in the Ministry of Education appointed the following as chairperson and members with effect from 5th October 2018. Mr. Francis Rambui – Chairman; Prof. Wilphredian Okumu Bigambo; Engineer Alloys Achoka Luduba; Ms. Carolyne Wanyama; Mrs. Pauline M. Nagila; Ms. Alice

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

Keboga and Mr. Peter Mudy. Other members of the board include the County Director of TVET (representative of the Principal Secretary); The board was inaugurated on 5th February 2019.

The members were appointed to represent the following key areas as outlined in the TVET Act, 2013: -

- (a) A chairperson;
- (b) A representative of the Principal Secretary in the Ministry of Education, State Department for Vocational and Technical Training;
- (c) A representative of the County Governor of the county within which the institution is located and,
- (d) Six other persons appointed on the basis of their knowledge and experience in: -
 - i) Leadership and management;
 - ii) Financial management;
 - iii) Technology;
 - iv) Industry;
 - v) Engineering;
 - vi) Information communication Technology

The governor of Busia is not represented in the Bunyala TVC board because the governor has never appointed his representative despite numerous visits to his office to follow up on the matter. This has made the Bunyala TVC to maintain a number of 8 members instead of 9 with the Principal as the Secretary.

Board Meetings:

The Board meets at least once quarterly in accordance with exigencies of business. The Board work plan and calendar of meetings is prepared in advance. Adequate notice is given for each board meeting, the agenda and board papers are circulated in good time. The Board held 6 meetings in the financial year ending 30th June 2021. During these meetings the Board reviewed the College's performance against the planned strategies and also approves issues of strategic nature.

The attendance of the board meetings during the financial year 2020/2021 was as follows:

BOARD OF GOVERNORS MEETING ATTENDANCE AS AT 30TH JUNE 2021

S/N	NAME	FULL BOARD OF GOVERNORS					
		DATE	DATE	DATE	DATE	DATE	DATE
		15/7/20	26/8/20	6/10/20	30/1/21	29/5/ 21	6/7/21
1.	Mr. Francis Rambui	-	✓	✓	✓	✓	✓
2.	Martha Wekesa	✓	✓	✓	✓	-	✓
3.	Prof. Wilphredian Okumu Bigambo	✓	✓	✓	✓	✓	✓
4.	Ms. Alice Keboga	✓	✓	✓	✓	✓	✓
5.	Mr. Peter Mudy	✓	✓	✓	✓	✓	✓
6.	Mrs. Pauline Nagila	✓	✓	✓	✓	✓	✓
7.	Caroline A. Wanyama	✓	✓	✓	✓	✓	✓
8.	Eng. Alloyce Achoka Luduba	✓	-	✓	✓	✓	✓

**BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021**

S/N	NAME	SPECIAL FULL BOG MEETING
		DATE
		14/8/20
1.	Mr. Francis Rambui	-
2.	Martha Wekesa	-
3.	Prof. Wilphredian Okumu Bigambo	✓
4.	Ms. Alice Keboga	✓
5.	Mr. Peter Mudy	-
6.	Mrs. Pauline Nagila	✓
7.	Caroline A. Wanyama	-
8.	Eng. Alloyce Achoka Luduba	✓

S/N	NAME	RESEARCH, TRAINING AND HUMAN RESOURCE BOARD OF GOVERNORS COMMITTEE MEETING		
		DATE	DATE	DATE
		25/8/20	22/12/20	21/12/20
1.	Mr. Francis Rambui	✓	-	✓
2.	Martha Wekesa	-	-	-
3.	Prof. Wilphredian Okumu Bigambo	-	✓	-
4.	Ms. Alice Keboga	✓	✓	✓
5.	Mr. Peter Mudy	-	-	-
6.	Mrs. Pauline Nagila	✓	✓	✓
7.	Caroline A. Wanyama	-	-	-
8.	Eng. Alloyce Achoka Luduba	-	-	-

Remuneration of BoG members

During every Board meeting, members are entitled to a sitting allowance, lunch allowance (if lunch is not provided), accommodation allowance and mileage reimbursement where applicable within government set limits for state corporations and or as resolved by the members in an official board meeting (the resolution must be in line with existing laws and regulations).

Below is a summary of entitlement per Board Member

Type of payment	Chairman	Member	Remark
	Allowance	Allowance	
Sitting allowance (per meeting)	15,000	12,000	
Transport allowance	5,000	5,000/3,000	Outside county/within the county
Lunch allowance	SRC rates	SRC rates	SRC Rates
Accommodation allowance when travelling for official college assignments both inside and outside Kenya	SRC rates	SRC rates	SRC rates

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30TH 2021

The board has been busy working on advertising of the college programmes in order to increase enrolment. It has also been working closely with the Office of the President, the area Member of Parliament and other stakeholders towards holding effective open days that are properly publicised to increase visibility.

Board performance

Performance evaluation identify and record achievements, training requirements and areas for improvement in relation to annual objectives and performance of their respective roles, in order to consider effectiveness. Objectives for the forthcoming year are defined along with identification of how achievements will be met, target dates and details of resource constraints or issues to ensure that actions are planned and taken as a result of the evaluation process.

We strive to provide the highest quality of training to our trainees by;

- i) Being courteous, fair, ethical and professional.
- ii) Being positive and helpful and provide reason for any decisions we make.
- iii) Providing assistance when required.
- iv) Answering enquiries or requests accurately and in a timely manner
- v) Treating our staff, Contractors and Suppliers honestly and with respect.
- vi) Keeping the Institute clean, tidy and free from any damage.

**BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021**

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

Bunyala TVC being a key driver to the attainment of the BIG 4 agenda ensures that it is consistently delivering maximum value to her trainees through; Competency Based Curriculum, Innovations and Linkages to the job market strategically aligning them with opportunities nationally, regionally and globally. The Institution has unrelenting focus on improving and maintaining excellent Technical and Vocational Training across her specialties.

Operational and financial Performance

During the financial year 2020/2021, the operations of the college both current and development were affected by COVID-19 pandemic that led to the closure of learning institutions by the Government for a whole term. This closure affected the revenue collection despite the fact that the overall revenue increased due to increase in enrolment. The closure also affected the implementation of the annual budget.

The graph below provides an analysis of the revenue from various avenues comparing 2020/2021 to 2019/2020.



Fig 2. Financial Performance Chart FY 2020/2021

**BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021**

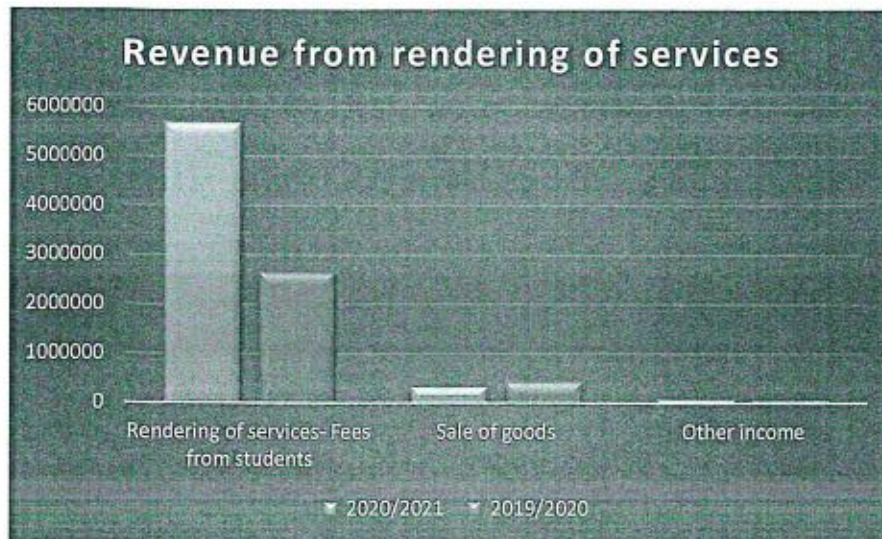
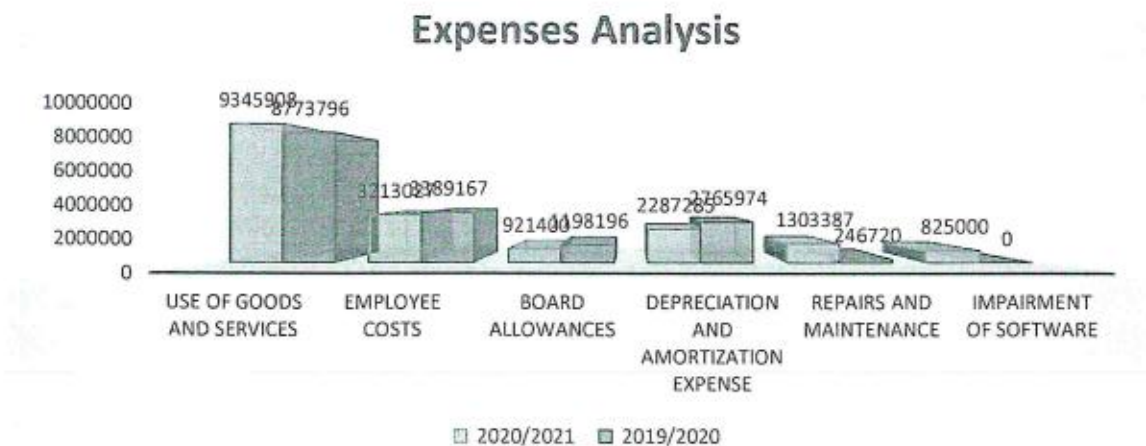


Fig 3: Revenue from rendering of services

Expenses analysis

Overall the expenses in 2020/2021 increased as compared to 2019/2020 because of the increased operations and also the increase in the number of students. The chart below analyses the expenses for the two years.



A. Statutory Compliance

Bunyala TVC complied with all the Statutory requirements during the Financial Year 2020/2021.

Key Projects or investments decision implemented

During the financial year 2020/2021, the institution undertook several projects and implemented

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

them as follows: -

- i) Perimeter Wall, college Gate & Drainage System: The perimeter wall, fence and gate is a project that costed the college a total of Ksh. 3,671,141 (Three million Six Hundred Seventy One Thousand One Hundred Forty One).



Fig. 3: The College gate with HR and Audit Committee members of the BoG



Fig. 4 : The perimeter wall

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

- ii) Temporary Institutional Block: The temporary institutional management unit with a kitchen costed the college Ksh. 396,930.



Key Projects planned for the financial year 2021/2022

The Board of Governors have planned to carry out the following projects in the next financial year

Project	Budget
iii) Installation of MIS system	2,350,000
iv) Construction of 6 door toilet	550,000
v) Extension of the kitchen	150,000
vi) Construction of tractor shed	800,000
vii) Water drilling	1,000,000
viii) Fibre optic connection	500,000
ix) Building department practical shed	250,000
x) Repainting of administration block	120,000
xi) Fire-fighting system	216,600
xii) CCTV camera installation	400,000
	6,336,600

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30TH 2021

However, the college faces risks associated with the following:

- i) **Floods** – The college is located at the foot of the Bunyala hills that leads to hazardous flood water flowing through the classes and workshops during rainy seasons. This is high risk that in most cases interferes with smooth learning. It also exposes machines, tools and equipment to the risk of rusting if proper and timely care is not taken. We have established trenches to mitigate against this but a permanent solution will be sought once funds are available.
- ii) **Poverty** – Budalang'i constituency has a high poverty index considering that it is located in Busia County which is the fourth poorest county in Kenya. This is a risk attributed to low fees collection current and forecasted. This also has led to high drop-out rate among trainees. Owing to poverty, girls end up getting into early marriages.
- iii) **Pandemic/Endemic** – Bunyala sub county is located in an area prone to water borne diseases such as cholera and typhoid. The area also has a high prevalence of HIV/AIDS and malaria. These diseases pose a high risk to the stable status of health for the staff and trainees of the college.
- iv) **Lack of internet connectivity** – The college does not have internet services despite the fact that the fibre optic cable snakes through its land to the Deputy County Commissioner's office which is located about 3.5 km away. The ICT Authority have given us the authority to tap from the main fibre optic cable. Plans are under way to ensure that this service is connected to the institution before the end of the second quarter of the financial year 2020/2021 if funds will be made available.

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Bunyala Technical and Vocational College exists to transform lives. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organization's strategic objectives.

Sustainability strategy and profile

The Institution's Strategic Plan communicates a desire to strengthen our efforts towards sustainability. The sustainability strategic objectives are:

- i) **Financial sustainability**: Aims at Improving Efficiency through cutting costs leading to reduced wastage of resources.
- ii) **Academic Sustainability**: Aims at sustaining results at the level of education, training and research. The sustainability of the educational results (occupational standards, curricular, teaching and learning materials, assessment tools) is guaranteed as we adhere to the regulations and procedures set by TVETA and TVET-CDACC as far as TVET-level programs are concerned. The institution has also invested in blended learning to ensure continuity in training and learning.

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

- iii) Technical and environmental sustainability: focuses on applying sustainability principles and practices within the structures, philosophies and services, learning processes and physical sites. We have employed key environmental strategies on the use of environmentally friendly technologies such as rain water harvesting and also using best practices in waste disposal especially in this COVID 19 era.
- iv) Organizational and institutional sustainability: has seen the institution develop meaningful cooperation and partnerships with the private sector and the industry.

Environmental performance

The Institution has planned to develop environmental policy to guide us on environmental performance in addition to environmental guidelines issued by NEMA.

Employee welfare

Bunyala Technical and Vocational College focuses on the welfare of its staff. It has in place the Human Resource Procedures Manual that guides on appraisals and rewarding systems which are carried out annually and areas of improvement in their area of specialization are identified and training of staffs is conducted. The institution is in the process of developing an occupational safety and health policy. The following are the Bunyala Technical and Vocational College Board policies that guide the hiring process;

S/no	Title	Review Period	Remarks
1	Career Progression	Regularly	Vacant positions are filled competitively both internally and externally. This largely depends on availability of funds
2	Human Resource Procedures and Manual	2 years	Terms and conditions of service governing employees are applied across the board without discrimination.
3	Internship Policy and guidelines	Regularly	Intern positions are filled competitively and without discrimination
5	Gender Mainstreaming	Regularly	Bunyala TVC observes equal employment opportunities during staff recruitment across all genders
6	Disability Mainstreaming	Regularly	The institute offers equal employment opportunities to officers with disability. The institute also offers rights and privileges as provided in the PWDs Act and Board employment policies

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

Market place practices-

- a) Responsible competition practice - A research on market demand has helped the institution offer courses that would shape business strategies and practices, and the context in which they operate, to take explicit account of their social, economic, and environmental impacts. There has been increased level of engagement with high schools and the general public as the source of our new students and for increase in brand awareness of Bunyala Technical and Vocational College as a TVET institution of choice in the region and beyond.
- b) Responsible Supply chain and supplier relations - the institution places its adverts for tenders on the daily's and on its website for access to all. Payment to suppliers is done within the limited period of less than ninety days. The other guidelines like the President's directive on Special category tender opportunities are adhered too.
- c) Responsible marketing and advertisement - School visits are a good opportunity to meet students, teachers and parents. These opportunities have a direct impact on the students where information is shared and students get an opportunity for career guidance. Outreach missions are held in collaboration with institutional agencies like clubs and associations and also for adhoc events that would add value to marketing our institution.
- d) Product stewardship - The Institution ensures that all the courses offered are accredited by the relevant bodies e.g. KASNEB, KNEC, NITA, Pharmacy & Poison's Board

Corporate Social Responsibility / Community Engagements

The Institute did not carry out any community CSR during the year under review due to challenges paused by COVID 19 pandemic.

**BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021**

X. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2021 which shows the state of the Bunyala TVC affairs.

Principal activities

The principal activities of Bunyala TVC were training in technical and business programmes as well as co-curricular activities comprising sports and related recreational activities.

Results

The results of the entity for the year ended June 30 2021 are set out on page 1


Board of Governors

The members of the Board who served during the year are shown on pages' iv - viii (All the members are on board and none has neither resigned/retired nor been appointed in other capacities.

Auditors

The Auditor General is responsible for the statutory audit of Bunyala Technical and Vocational College in accordance with **Article 229 of the Constitution of Kenya 2010 and the Public Audit Act, 2015** for the year/period ended 30th June 2021.

By Order of the Board



MR. EMMANUEL B. WAMALWA
Principal/B.O. G Secretary
Date.. 03/08/22

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON BUNYALA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for intended purpose.
- 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, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 Bunyala Technical and Vocational College set out on pages 1 to 22, which of comprise the statement of financial

position as at 30 June, 2021, and the statement of financial performance, statement of changes in equity, 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 matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Bunyala Technical and Vocational College as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

Inaccuracies in the financial statements

Examination of the financial statements reflects the following errors and inaccuracies: -

- i. The statement of cash flows for the year ended has omitted the investing and financing activities on purchase of property, plant and equipment amounting to Kshs.4,704,691, increase in refundable deposits amounting to Kshs.61,100 and intangible assets amounting to Kshs.625,000.
- ii. In addition, Note 19 to the financial statements does not reflect the accumulated depreciation and the net book value of property, plant and equipment as at 30 June, 2020.
- iii. Further, capital grants as disclosed in the statement of changes in net assets reflects opening balance as at 1 July, 2020 of Kshs.54,700,520 but statement of financial position indicates an amount of Kshs.55,385,520 resulting to an unexplained and unreconciled variance of Kshs.625,000.

In the circumstances, the completeness, accuracy, presentation and disclosure of the statement of cash flows could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects an approved receipts budget of Kshs.49,236,881 but realized Kshs.13,192,050 resulting to an underfunding of Kshs.36,044,831 or 73% of the budget. Similarly, the College spent Kshs.11,255,160 against an approved budget of Kshs.49,236,881 resulting to an under expenditure of Kshs.37,981,721 or 77% of the budget.

The underfunding and under expenditure affected the planned activities of the college and may have impacted negatively on service delivery to the public.

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 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. Lack of an Approved Budget

During the year under review, the College operated without an approved budget by the Cabinet Secretary, contrary to Section 22 of the Technical and Vocational Education and Training Act, 2013, which states that the Board of Governors of a public institution shall prepare annual estimates of revenue and expenditure for the Institution under its charge.

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

2. Opening and Operating of Bank Accounts without Approval

The statement of financial position reflects cash and cash equivalents balance of Kshs.615,326 as disclosed in Note 16 to the financial statements which relates to balances in three (3) bank accounts and cash on hand balance. However, the authority to open and operate the three (3) bank accounts was not provided for audit. This is

contrary to Section 28(1) of the Public Finance Management Act, 2012, which requires that the approval of The National Treasury should be obtained to open a bank account.

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

3. Unresolved Prior Year Audit Matters

In the audit report of the previous year, a number of paragraphs were raised under the Report to the Financial Statements. However, Management has not resolved the issues nor disclosed all the prior year matters as required by the Public Sector Accounting Standards Board templates.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis of Conclusion

Lack of Updated Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.60,305,426. However, Management did not provide an updated asset register which should contain cost of an asset, date of purchase, supplier, location, unique identification number, current value, accumulated depreciation and net book value. In addition, the assets register excludes an undetermined value of the College's agricultural Machinery like tractors, planters, harrows and harvesters.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.60,305,426 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 control, 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 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 controls, risk management and overall governance.

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

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

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

Those charged with governance are responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how 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

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 overall 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the College's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue 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 College to cease to continue 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 College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 September, 2022

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

XI. STATEMENT OF BOARD OF GOVERNORS' MEMBERS' 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 Bunyala Technical and Vocational College, which give a true and fair view of the state of affairs of Bunyala Technical and Vocational College at the end of the financial year and the operating results of Bunyala Technical and Vocational College for the year ended 30 June, 2021. The board members are also required to ensure that Bunyala Technical and Vocational College keeps proper accounting records which disclose with reasonable accuracy the financial position of Bunyala Technical and Vocational College. The board members are also responsible for safeguarding the assets of the Bunyala Technical and Vocational College.

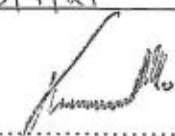
The board members are responsible for the preparation and presentation of Bunyala Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of Bunyala Technical and Vocational College for and as at the end of the financial year (period) ended June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Bunyala 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 Bunyala 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 and (*the State Corporations Act, and the TVET Act*). The board members are of the opinion that Bunyala Technical and Vocational College financial statements give a true and fair view of the state of Bunyala Technical and Vocational College transactions during the financial year ended June 30, 2021, and of the financial position as at that date. The members further confirm the completeness of the accounting records maintained for Bunyala Technical and Vocational College which have been relied upon in the preparation of Bunyala Technical and Vocational College financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the board members to indicate that Bunyala 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 Bunyala Technical and Vocational College financial statements were approved by the Board on 28/9/21 and signed on its behalf by:


.....
MR FRANCIS RAMBUI
Chairperson of the Board of Governors
Date... 3/8/2022


.....
MR. EMMANUEL B. WAMALWA
Principal/B.O. G Secretary
Date... 3/8/2022

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2021

	Notes	2020/2021	2019/2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government	6	7,762,500	4,593,851
Transfers from other levels of government	7	0	11,886,400
Total Revenue from non-exchange transactions		7,762,500	16,480,251
Revenue from exchange transactions			
Rendering of services- Fees from students	8	4,836,436	2,646,775
Sale of goods	9	328,700	434,900
Other income	10	78,500	46,000
Revenue from exchange transactions		5,243,636	3,127,675
Total revenue		13,006,136	19,607,926
Expenses			
Use of goods and services	11	7,072,498	8,773,796
Employee costs	12	2,798,732	3,389,167
Board allowances	13	725,450	1,198,196
Depreciation and Amortization Expense	14	1,661,667	2,765,975
Repairs and maintenance	15	658,480	246,720
Total expenses		12,916,827	16,373,854
Net Surplus for the year		89,309	3,234,072


The notes set out on pages 6 to 25 form an integral part of the Annual Financial Statements.

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

XIV.STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2021

	Notes	2020/2021	2019/2020
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	615,326	8,574,028
Receivables from exchange transactions	17	9,827,447	1,474,460
Receivables from non- exchange transactions	18	2,880,000	2,160,000
Total Current Assets		13,322,773	12,208,488
Non-current assets			
Property, plant and equipment	19	60,394,736	54,760,520
Total Non-current Assets		60,394,736	54,760,520
Total assets		73,717,509	66,969,008
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	2,576,824	754,323
Refundable deposits	21	190,900	58,900
Total Current Liabilities		2,767,724	813,223
Total liabilities		2,767,724	813,223
Capital and Reserves			
Accumulated surplus		10,979,574	10,890,265
Capital grants		59,970,211	55,265,520
Total Reserves		70,949,785	66,155,785
Total Liabilities and Reserves		73,717,509	66,969,008

The Financial Statements set out on pages 01 to 05 were signed on behalf of the Institute Board of Governors by:


Chairman of Board of Governors

Date 3/8/2022


Finance Officer

ICPAK No...28178.....
Date 03/08/2022


Principal

Date 3/8/2022

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2020

XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated surplus	Capital grants	Total
	Kshs	Kshs	Kshs
Year ended 30 June 2021			
As at 1st July 2019	4,099,622		4,099,622
Capital grant issued: Land	-	5,200,000	5,200,000
Capital grant issued: Building		51,823,820	51,823,820
Capital grant issued: computers		125,000	125,000
Capital grant issued: furniture		1,425,000	1,425,000
Capital grant issued: Office equipment		248,271	248,271
Surplus for the year	3,234,072	-	3,234,072
Transfer of depreciation for prior years to capital from accumulated surplus	1,295,596	-1,295,596	0
Transfer of depreciation charged on capital grants from accumulated surplus	2,260,975	-2,260,975	0
Balance c/d as at June 30, 2020	10,890,265	55,265,520	66,155,785
As at 1st July 2020	10,890,265	55,265,520	66,155,785
Year ended 30 June 2021			
As at 1 July 2020	10,890,265	55,265,520	66,155,785
Addition	0	4,704,691	4,704,691
Surplus for the year	89,309	0	89,309
Balance c/d as at June 30, 2021	10,979,574	59,970,211	70,949,785

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2020

XVI STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		2020-2021	2019-2020
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants		7,762,500	16,480,251
Rendering of services- Fees from students		4,836,436	2,646,775
Sale of goods		328,700	434,900
Other income		78,500	46,000
Total Receipts		13,006,136	19,607,926
Payments			
Compensation of employees		2,798,732	3,389,167
Use of goods and services		7,072,498	8,773,796
Remuneration of Directors		725,450	1,444,916
Repair, maintenance and Conservancy		658,480	
Increase/Decrease in payables		1,987,382	-4,048,441
Total Payments		13,242,542	9,559,438
Net cash flows from operating activities		-236,406	10,048,488
Cash flows from investing activities			
Decrease in current receivables		-7,722,296	-1,474,460
Net cash flows used in investing activities		-7,722,296	-1,474,460
Net increase/(decrease) in cash and cash equivalents		-7,958,702	8,574,028
Cash and cash equivalents at 1 JULY 2020		8,574,028	-
Cash and cash equivalents at 30 JUNE 2021	17	615,326	8,574,028

**BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2020**

XVII STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

	Original budget 2020-2021	Adjustments 2020-2021	Final budget 2020-2021	Actual on comparable basis 2020-2021	Performance difference 2020-2021	Percentage
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from Govt	13,767,598		13,767,598	7,762,500	6,005,098	56%
Rendering of services- Fees from students	33,799,283		33,799,283	4,836,436	28,776,933	14%
Sale of goods	720,000		720,000	328,700	391,300	46%
Other income	950,000		950,000	78,500	871,500	8%
Total income	49,236,881		49,236,881	13,006,136	36,044,831	
Expenses						
Compensation of employees	6,850,200		6,850,200	2,798,732	4,051,468	40%
Use of Goods and services	38,950,381		38,950,381	7,072,498	31,877,883	18%
Remuneration of directors	2,275,000		2,275,000	725,450	1,549,550	32%
Repairs and maintenance	1,161,300		1,161,300	658,480	502,820	57%
Total expenditure	49,236,881	-	49,236,881	11,255,160	37,981,721	
Surplus for the period before capital and non-cash expenses				1,936,890		

BUDGET NOTES

1. The College received funds from NYS
2. Budalangi NG-CDF had promised to fund construction of the kitchen but had not been achieved as at June 30th 2021.
3. Poor fees payments by students due to total dependence on CDF/County government bursaries that account for very little money, HELB, and government capitation. High poverty index in Bunyala Sub-County and Busia County at large.
4. Tractors failed to plough targeted farms due to challenge of finding relevant spare parts in Kenya.
5. Capacity building workshops, procurement of examination materials and college marketing were undertaken among other projects
6. BOG Meetings were sometimes held online mainly due to the COVID-19 pandemic restrictions.
7. Lack of funds led to the College cutting down on low priority expenditure.

**BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021**

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Bunyala Technical and Vocational college is established by and derives its authority and accountability from the TVET Act, 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION –IPSAS 1

The financial statements of the Bunyala TVC have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements of BTVC was prepared in conformity with International Public Sector Accounting Standards (IPSAS) which allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Bunyala 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.

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to the FY presented.

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p> <p><i>(The amendments to the financial statements does not have significant impact to the Institute))</i></p>

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021

IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
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BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

	<p>•Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023 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"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021.

**BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021**

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions –IPSAS 23

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 –IPSAS 9

Rendering of services

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

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the services 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 –IPSAS 24

The original budget for FY 2019/2020 was approved by the Board on 05/07/2019. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The Bunyala Technical and Vocational college 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.

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

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

The current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognised directly in net assets is recognised in net asset and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Sales tax/Value Added Tax

Expenses and assets are recognised net of the amount of sales tax save for:

- i) 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 recognised as part of the cost of acquisition of the assets or part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included.

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

d) Property, plant and equipment

All property, plant and equipment are stated at cost. Cost includes expenditures that are directly attributable to the acquisition of the items

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

i) Related parties

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

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

j) Service concession arrangements

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

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank.

l) Comparative figures

Comparative figures have been used to conform to the required changes in presentation for Bunyala Technical and vocational College.

m) 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, 2020.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Entity

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 18,19

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

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Unconditional grants		
Capitation grants	7,762,500	4,593,851
Total government grants and subsidies	7,762,500	4,593,851

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund. Kshs	Total grant income during the year Kshs	2019-2020 Kshs
Ministry of Education State department of Vocational and Training	7,762,500	-	-	7,762,500	4,593,851
Total	7,762,500	-	-	7,762,500	4,593,851

7. TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfer from Bumbere T.T.I	-	4,155,000
NYS	0	7,731,400
Total Transfers	0	11,886,400

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

8. RENDERING OF SERVICES

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition	978,790	2,024,064
Activity	542,355	58,450
Examination	44,710	186,836
Personal Emolument	1,039,445	346,525
Attachment	513,650	-
Administration	108,450	-
Contingencies	16,200	-
Registration	3,000	30,900
Students Council	23,200	-
Students ID	60,000	-
Students Passport	48,000	-
Electricity And Water	550,200	-
Medical	40,700	-
Application fee	50,586	-
Local Transport and Travel	562,485	-
Repair and Maintenance	254,625	-
Total revenue from the rendering of services	4,836,396	2,646,775

9. SALE OF GOODS

Description	2020-2021	2019-2020
	Kshs	Kshs
Tractor hire	328,700	434,900
Total revenue from the sale of goods	328,700	434,900

10. OTHER INCOMES

Description	2020-2021	2019-2020
	Kshs	Kshs
Sale of Tender	63,500	46,000
Water Bowser	15,000	-
Total other income	78,500	46,000

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

11. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition	1,337,975	2,866,494
Boarding expense	834,583	-
Contingency		354,780
Local travel and transport	1,302,055	1,864,035
Activity	138,800	562,170
Student council		64,500
Insurance		48,558
Electricity water and conservancy	243,256	394,872
Bank charges		9,352
Medical	3,200	48,700
Marketing and publicity	51,500	151,200
Examinations	1,314,975	704,380
Salary advance		185,205
Administration cost	714,820	672,498
Industrial Attachment	3,000	15,250
Tender Expenses	22,000	19,055
Tractor Expenses	240,555	658,115
COVID-19 Expenses	596,816	-
Staff Uniforms	124,000	-
Production Unit	93,590	-
INCOME TAX PENALTY	51,373	-
Road Construction		109,632
Pit Latrine Construction		45,000
Total use of goods and services expenses	7,072,498	8,773,796

12. EMPLOYEE COSTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Salaries and wages	2,311,806	3,002,400
NHIF	121,750	80,450
NSSF	360,912	289,830
PAYE	4,264	16,487
Total Employee costs	2,798,732	3,389,167

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

13. REMUNERATION OF DIRECTORS

Description	2020-2021	2019-2020
	Kshs	Kshs
Board allowances	725,450	1,198,196
Total director emoluments	725,450	1,198,196

14. DEPRECIATION CHARGE

Description	RATE IN %	2020-2021	2019-2020
		Kshs	Kshs
Buildings	2.50%	1,397,297	2,591,191
Furniture and fittings	10%	189,075	118,750
Computers	33.30%	41,625	25,000
Office equipment	12.50%	33,670	31,034
Total depreciation and amortization		1,661,667	2,765,975

15. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	Kshs	Kshs
General repairs	658,480	246,720
Total Repairs and Maintenance	658,480	246,720

16. a) CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Kenya Commercial Bank - Fees account	282,808	8,157,000
Kenya Commercial Bank - Operation	33,411	19,795
Kenya Commercial Bank - Production	277,217	365,107
Cash on hand	21,890	32,126
Total cash and cash equivalents	615,326	8,574,028

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

16 b). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

		2020-2021	2019-2020
Financial institution	Account number	Kshs	Kshs
a) Current account			
Kenya Commercial bank	1252563639	33,411	365,107
Kenya Commercial bank	1252563736	282,808	8,157,000
Kenya Commercial bank	1252563787	277,217	19,795
Sub- total		593,436	8,541,902
b) Others(specify)			
cash in hand		21,890	32,126
Sub- total		21,890	32,126
Grand total		615,326	8,574,028

17. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	Kshs	Kshs
Current receivables		
Balance brought forward	1,474,460	
Student debtors for the year	8,222,887	1,474,460
Staff debtors	130,100	-
Total current receivables	9,827,447	1,474,460

18. RECEIVABLES FROM NON EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	Kshs	Kshs
Fourth quarter capitation receivable	2,880,000	2,160,000
At end of year	2,880,000	2,160,000

**BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021**

19. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Land	Computers	Furniture and fittings	Office equipment	Total
	2.50%		33%	10.00%	12.50%	
Cost	Shs	Shs	Shs	Shs	Shs	Shs
At 30 th June 2018	51,823,820	5,200,000	-	0	0	57,023,820
Additions	0	0	-	0	0	-
At 30 th June 2019	51,823,820	5,200,000	-	0	0	57,023,820
At July 2019	51,823,820	5,200,000	-	0	0	57,023,820
Additions	0	0	125,000	1,425,000	248,271	1,798,271
At 30 th June 2020	51,823,820	5,200,000	125,000	1,425,000	248,271	58,822,091
Depreciation	1,295,596	0	25,000	118,750	31,034	1,470,380
At 30 th June 2020	50,528,225	5,200,000	100,000	1,306,250	217,237	57,351,712
At 1st July 2020	50,528,225	5,200,000	100,000	1,306,250	217,237	57,351,712
Additions	4,068,071	0	-	584,500	52,120	4,704,691
At 30th June 2021	54,596,296	5,200,000	100,000	1,890,750	269,357	62,056,403
Depreciation						
Depreciation	1,397,297	0	41,625	189,075	33,670	1,661,667
At 30th June 2021	53,198,999	5,200,000	58,375	1,701,675	235,687	60,394,736

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

20. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade payables	2,183,561	1,521,948
Prepaid fees	393,263	393,263
Total trade and other payables	2,576,824	1,915,211

21. REFUNDABLE DEPOSITS

Description	2020-2021	2019-2020
	Kshs	Kshs
Caution money	190,900	58,900
Total refundable deposits	190,900	58,900

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

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 institution's management based on prior experience and their assessment of the current economic environment.

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

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.

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

(iii) Market risk

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

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

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

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

22. 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 Bunyala Technical and Vocational College, holding 100% of the Bunyala Technical and Vocational College equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry; Ministry of Education
- iii) Key management;
- iv) Board of Governors;
- v) Kenya Agriculture and Livestock Research Organization
- vi) Higher Education Loans Board (HELB)
- vii) Bumbe Technical Training Institute

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

23. EVENTS AFTER THE REPORTING PERIOD—IPSAS 14

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

24. ULTIMATE AND HOLDING ENTITY

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

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


BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

XIX.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)

Final Audit Report and Certificate has not been issued.



 Chairman of the Board
 Date 3/8/2022

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2021

XX.APPENDIX II: INTER-ENTITY TRANSFERS

BUNYALA TECHNICAL AND VOCATIONAL COLLEGE				
Break down of Transfers from the State Department of VOCATIONAL AND TECHNICAL TRAINING				
FY 2020/2021				
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		6 th NOV 2020	2,122,500	2020/2021
		12 TH FEB 2021	2,122,500	2020/2021
		30 TH MAR 2021	637,500	2020/2021
		7 TH JULY 2021	2,880,000	2020/2021
		Total	7,762,500	

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

Principal
Bunyala TVC

Sign



Head of Accounting Unit
Ministry of Education State department of VTT

Sign