

REPUBLIC OF KENYA



*Papers laid by
Jomo Was haki
on 14/6/2018*

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REPORT

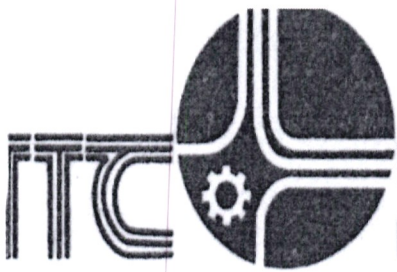
OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
KENYA TECHNICAL TRAINING
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE 2017**



KENYA TECHNICAL TRAINERS COLLEGE

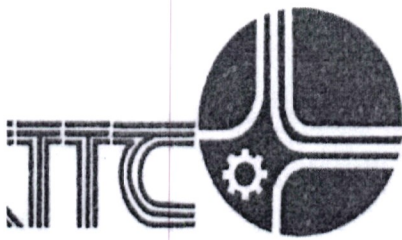
P.O. Box 44600-00100, KEBS ISO 9001:2015 CERTIFIED Nairobi, Kenya.
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Email: info@kttc.ac.ke, website: www.kttc.ac.ke



ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



KENYA TECHNICAL TRAINERS COLLEGE

P.O.Box44600-00100,KEBSISO9001:2015CERTIFIEDNairobi,Kenya.

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Reports and Financial Statements for the year ended June 30, 2017

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Kenya Technical Trainers College (KTTC) has a long history as a College for Technical Teachers. It was started in 1978 when it enrolled its first students. Since its inception, the College has continued to train Technical Teachers and it is among the leading Institution of this kind in Eastern and Central Africa. KTTC derives its authority from the Education Act Cap. 211 (revised in 1980) and Legal Notice no. 242 of 1978, which mandates it to train Technical Teachers for Technical and other Institutions of learning in the Country.

In July 2014, the Institution acquired a National Polytechnic status. This was done through a legal order Number 115 of July 2014.

Currently the College has 196 administrative and support staff, 110 teaching staff establishment and a student population of 2,300.

Kenya Technical Trainers College is a public institution under the state department of science and technology. The overall management of the college is vested on the Governing Council appointed by the Minister in accordance with the law. The Teachers Service Commission of Kenya as mandated by the Constitution deploys key administrative and academic members of staff to run the College programmes. One of the functions of the Governing Council is to appoint qualified persons to hold or to act in offices within the college establishment. The Council executes its mandate through committees responsible for various functions. The Principal is the Chief Executive Officer and is assisted in the day-to-day running of the college by two Deputy Principals, various Heads of Departments (HODs) and section heads.

In the wider democratic dispensation, the Principal incorporates elected Students' Representative Council in an all inclusive College management structure. Governed by an organized Students' Code of Regulations, the Student Representative Council (SKETTCO) forms an appropriate management link that facilitates harmony of communication and discharge of duties and responsibilities in both curriculum and co-curriculum matters.

(b) Principal Activities

The principal activity/mission of the *College* is to Train Technical Teachers and Technologists.

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(c) Key Management

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

- Chief Principal
- Director of Planning & Quality Assurance
- Deputy Principal Planning, Administration & Finance
- Deputy Principal Academic Affairs
- Registrar
- Deans of Students
- Senior Finance Officer
- Heads of Departments

(d) Fiduciary Management

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

No.	Designation	Name
1.	Chairman of the Council	Mathew Adams Karauri
2.	Chief Principal	Jamleck Maina
3.	Senior Finance Officer	Julius M. D. Guto
4.	Director of Planning & Quality Assurance	Florence Kaibi-Kubai

(e) Fiduciary Oversight Arrangements

Finance & General Purposes committee activities

Matters Reserved to Council

The Committee shall exercise all the powers of Council in financial matters except in relation to those items which are reserved to Council in these Standing Orders, on which the Committee shall advise Council.

Terms of Reference

The role of the Committee shall be to monitor the financial health of the College on behalf of Council. In addition to advising Council on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the College's strategy with regard to financial matters.
- b) To receive reports from the Chief Principal and the Senior Finance Officer.
- c) To monitor implementation of the strategy for the College estate.
- d) To receive reports of the extent and condition of the College estate including the efficiency of space utilisation, the consumption of energy and the adequacy of property insurance arrangements.



KENYA TECHNICAL TRAINERS COLLEGE

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- e) To consider the adequacy of the College estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for College services and facilities.
- g) To supervise the financial administration of the College and make recommendations to Council where appropriate.
- h) To supervise the arrangements for safeguarding the College's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the College's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the College's intellectual property.
- l) To make recommendations to Council on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the College.
- n) To supervise the College's purchasing procedures and practices.
- o) To submit an annual statement on its activities to Council.
- p) To keep under review the activities of the College's various departments.

Audit committee activities

Some detailed audit committee responsibilities include:

- a. Ensuring that financial statements are understandable, transparent, and reliable.
- b. Ensuring the risk management process is comprehensive and ongoing, rather than partial and periodic.
- c. Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top.
- d. Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud.
- e. Reviewing current and pending corporate-governance-related litigation or regulatory proceedings to which the institution is a party.
- f. Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas.
- g. Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.
- h. Reviewing internal audit plans, reports, and significant findings.
- i. Establishing a direct reporting relationship with the external auditors.

Senior Management Activities

The main purpose of the Senior Management Team is to:

- 1) Ensure that KTTC's Council is able to take strategic decisions relating to KTTC's activities
- 2) Provide leadership in communicating KTTC's mission, values, plans and achievements effectively and consistently to Council Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;

Reports and Financial Statements for the year ended June 30, 2017

- 3) Be accountable for the development and implementation of KTTC's strategic, corporate and business plans in line with the mission and values;
- 4) Take a strategic overview of performance in all areas of KTTC's activities.

Specifically the Senior Management Team:

- 1) Makes recommendations to the Council on the implementation and achievement of the Council's Strategic Framework;
- 2) Agrees KTTC's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Council as appropriate.
- 3) In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- 4) Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of KTTC, making recommendations as appropriate to the Council and/or its relevant Committees;
- 5) Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organisation and regularly reviewing the corporate risk register;
- 6) Oversees and monitors KTTC's joint work with the other stakeholders
- 7) Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Council and/or its relevant Committees.
- 8) Leads all senior managers in motivating and developing KTTC staff to deliver the highest standards of performance and customer service.

Government oversight activities

The government of Kenya's oversight role include provision of Grants for both Operations and Development as well as provision of the regulatory framework.

(f) College Headquarters

P.O. Box 44600-00100
United Nations Avenue
Limuru Road
Nairobi, KENYA

(g) College Contacts

Telephone : (+254) 020 7120213
Telefax : (+254) 020 7120088
E-mail : info@kttc.ac.ke
Website : www.kttc.ac.ke

(h) College Bankers

Kenya Commercial Bank of Kenya Limited
Village Market Branch
Nairobi

Barclays Bank of Kenya Limited
Muthaiga Branch
Nairobi, Kenya

Equity Bank Limited
Gigiri Square,
United nations Avenue
Nairobi

Cooperative Bank of Kenya Limited
Gigiri Square
United nations Avenue
Nairobi

Reports and Financial Statements for the year ended June 30, 2017





(i) Independent Auditors

Auditor-General
 Kenya National Audit Office
 Anniversary Towers, University Way
 P.O. Box 30084j
 GOP 00100
 Nairobi, Kenya


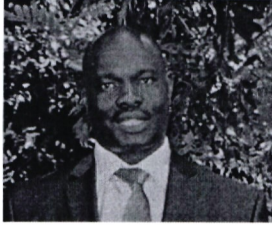


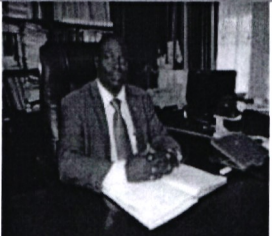
(j) Principal Legal Adviser

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

II. THE GOVERNING COUNCIL






Governor	Title	Photograph	Date of birth, key qualifications and work experience	
1. Mathew Adams Karauri	Chairman		Date of Birth	16.11.1947
			Qualifications	Masters of Literature
			Experience	30 Years
2. Ugas Mohamed	Member		Date of Birth	17.05.1972
			Qualifications	Msc Project Mgt
			Experience	22 Years
3. Elizabeth Kithinji	Member		Date of Birth	31.12.1957
			Qualifications	MBA FINANCE
			Experience	15 Years
4. C. T. AkumuOwuor	Member		Date of Birth	01.02.1952
			Qualifications	MA
			Experience	40Years

Reports and Financial Statements for the year ended June 30, 2017


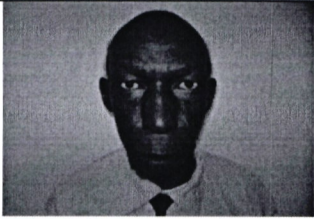
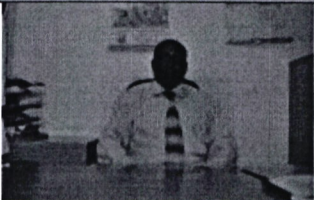


5.	AthonyLubulellah	Member		Date of Birth	10.07.1957
				Qualifications	Advocate, LLB, LLM, Fellow of CIARB
				Experience	34 Years
6.	Joseph Vincent Onyango	Member		Date of Birth	10.08.1971
				Qualifications	MBA-Strategic Mgt, H Dip HRM,B.A
				Experience	16 Years
7.	Daniel Mutua	Member		Date of Birth	13.03.1963
				Qualifications	Masters-MA
				Experience	34 Years
8.	Margaret Nduhiu	Member		Date of Birth	01.06.1964
				Qualifications	Master of Education Planning
				Experience	27 years
9.	JamleckMaina	Secretary		Date of Birth	20.02.1960
				Qualifications	Bachelor of Science
				Experience	Overall in Charge of College Affairs

Reports and Financial Statements for the year ended June 30, 2017

III. MANAGEMENT TEAM

Manager	Title	Photograph	Qualifications & Responsibility	
1. Jamleck Maina	Chief Principal KTTC		Qualifications	Bachelor of Science
			Responsibility	Overall in Charge of College Affairs
2. Benedict K. Okoth	Deputy Principal Administration & Finance		Qualifications	Master of Education
			Responsibility	Administration and Finance
3. Hilda S. Omwoyo	Deputy Principal Academic Affairs		Qualifications	Master of Education
			Responsibility	Student Academics
4. Florence Kaibi-Kubai	Director of Planning & Quality Assurance		Qualifications	Doctorate in Food Security
			Responsibility	Planning & Quality Assurance
5. Jeremiah Agira	Dean of Students		Qualifications	Master of Education
			Responsibility	Dean of Students

Reports and Financial Statements for the year ended June 30, 2017

6.	Julia WanjaMuriithi	Academic Registrar		Qualifications	Master of Education
				Responsibility	Academic Registrar
7.	Julius Guto	Ag. Finance Officer		Qualifications	CPA (K), MBA Strategic Management
				Responsibility	Financial Management
8.	Patrick Ngaira	Estates Officer		Qualifications	Grade I Electrician
				Responsibility	Estates Management
9.	Boniface Munguti	Internal Auditor		Qualifications	CPA (K), Bachelor of Commerce
				Responsibility	Internal Audit Affairs
10.	Catherine Musuku	HOD Guidance & Counselling		Qualifications	Master of Education
				Responsibility	Represents the interests of the Staff in & Students the Senior Management

Reports and Financial Statements for the year ended June 30, 2017

IV. CHAIRMAN'S STATEMENT

It has been my pleasure to serve as the Chairman of Council of this College Since April 2015. The year under review holds immense significance for me. It is the year in which I joined the institution as Chairman of the Governing Council. It therefore serves as a bench mark by which my successes and failures shall be measured. The College has come a long way in the past three and a half decades, going through successive stages of transformation, overcoming obstacles and continuously reinventing itself to become Kenya's preferred training institution for technical education. The Institution began humbly in 1978 as Kenya Technical Teachers College. Since then, it has grown hand in hand with Kenya, experiencing the same ups and downs.

The years since have seen even more remarkable and rapid growth, and in July 2014, the Institution acquired a National Polytechnic status and the entire staff, student body and supporters are in agreement that this elevation was long overdue. This was done through a legal order Number 115 of July 2014. With this elevation the institution changed its name to "Kenya Technical Trainers College". With this change too, the college has mandate to offer Bachelor of Technology Degrees in collaboration with any of the Technical Universities. Although the College has gone through enormous changes over these years, its mission and vision have remained the same — to offer quality application-oriented education to the young men and women of Kenya.

We have remained faithful to our objective to provide a diverse array of programmes with flexibility, using the most up-to-date knowledge and support hardware to equip the young people of Kenya with the right professional knowledge and skills. Our students are given the nurturing environment to help them excel in a number of areas and make substantial contributions to their respective sectors upon graduation. Education has always been one of the Government's top priorities, and our educational system is undergoing an unprecedented level of reform in every sector.

The College is determined in its ambition to provide the most for its students within a prudent budget. That said, KTTC's Strategic Plan is doing exactly what it was designed to do — to outline a set of clear objectives for the future and chart a course of action. We will adhere steadfastly to our goal of providing an all-round education for grooming talent demanded by the new economic order of a knowledge based society. Everything culminates in the objective to help our students to achieve all-round personal growth and to acquire a global outlook.

On behalf of the Council, I extend my sincere thanks to the Government, the community, partners, parents, students and the entire staff of the College for their unyielding support. I want to especially thank the Principal for leading the College through the trying times we experience now. Together, I am sure the KTTC community can forge ahead with confidence and faith and rise to the many challenges ahead.

HON. MATHEW ADAMS KARAURI
COUNCIL CHAIRMAN

SIGNATURE 

DATE: 22.04.2018



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Reports and Financial Statements for the year ended June 30, 2017

V. REPORT OF THE CHIEF PRINCIPAL

It is with tremendous pride in the work and achievements of the staff and students that I am writing the introduction to the Annual Report for The Kenya Technical Trainers College for the period of 1st July 2016 to 30th June 2017. I take this opportunity to extend a warm tribute to this Institution's past Board Chairmen and Principals for having played their part in achieving KTTC's unique position in encompassing "academic excellence in a professional context". The pages that follow this introduction provide statistics and examples of attainment which reflect not only talent and commitment, but also a determination to focus our resources on our core values. The Kenyan economy is painstakingly undergoing a major restructuring. Nevertheless, I firmly believe that Kenya will get back on the growth track by pooling its talents and resources.

We have not achieved our targeted income levels due to unpredictable changes in student recruitment. This was occasioned by a change in policy by the TSC (the main employer for the Technical Teachers) which raised the bar at KCSE from C- to C+ for employment eligibility. Another main concern that has been of great hindrance to our student population is the fact that our current hostel facilities are not sufficient for the demand from the students. We have a capacity of 512 rooms against a student population of 2300. This has led some new students to suspend their training once they are unable to secure accommodation within the campus. However, what really matters is the work behind these figures that are presented in the report. The quality of our teaching and the experience of our students went from strength to strength over 2016-17, and we were pleased to see real successes in the performance levels in the various Technical Fields.

Working in partnership with students is indeed a key theme of the period covered by this Annual Report, and reflects the fact that students at Kenya Technical Trainers College are far more than simply consumers of a College education. Our students are rather a vital part of our College from its governance to the daily workings of ensuring that we continually improve against our own rigorous standards of education and scholarship, challenging us to avoid complacency and to constantly address the needs of a changing society in ways which are relevant. To make our aspirations a reality, however, our College must be both financially secure and alert to the many challenges we face in the wider Tertiary Education environment. Our achievements have a powerful purpose. They are essential if we are to make a difference in the world, and to have the freedom to shape our own future.

Our vision is to be a first class institution in Technical Teacher Education and Technology. This enquiring spirit informs our entire approach to scholarship and the quality of willingness to learn and challenge which is common to KTTC students and graduates from every discipline. Our students also have the potential to progress on to undergraduate and postgraduate study at our Technical Universities. Being the first Technical Trainers College naturally means that we face

Reports and Financial Statements for the year ended June 30, 2017

the challenge of considering how our own structures should adapt and fit into the Higher education system. However, it also allows us the invigorating opportunity to shape the education we offer to meet real need, and to learn lessons along the way which have the potential to be translated into other areas such as undergraduate and postgraduate scientific technical training or the skills required to support the very latest technologies.

As we face these challenges, we know that we are most at risk if we ignore realities and fail to innovate. For this reason, our willingness to work closely together, to partner with others and to challenge received wisdoms about how a Technical Institution of Higher Learning works in the world are more than an expression of firmly held values – they are crucial to our future.

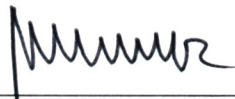
As the only Technical Teacher Training institution in the country, KTTC is well positioned to offer for the benefit of our nation talent with an international outlook and dynamic skills. At KTTC, we feel it is our duty to build on our foundations and strive for continuous progress in this direction. Overcoming challenges in higher education for more than a decade, the Government has placed much emphasis on developing the tertiary education sector. I fully support the principal goals of educational reform and understand that funding must be used prudently.

As Principal, I am keenly aware that I am carrying a baton passed to me by other generations who worked hard to build our College to one of national and international standing, and I am the recipient of a tradition of excellent teaching. Fortunately, this is not a responsibility I carry alone. I believe our founders would be proud of the way in which our students and staff are working together with others to write the next chapter of the history of The Kenya Technical Trainers College. It has been a great pleasure and honour to guide and work with such talented staff and students over the period covered by this report. And despite the undoubted challenges ahead, I am confident that we are doing the right things for both our own future and that of the wider society we exist to serve.

Looking ahead, I remain confident that guided by a shared vision, the KTTC community will stay united as we brave the storms ahead together.

JAMLECK MAINA
CHIEF PRINCIPAL

SIGNATURE _____



DATE: 22.04.2018

Reports and Financial Statements for the year ended June 30, 2017

VI. CORPORATE GOVERNANCE STATEMENT

Kenya Technical Trainers College (KTTC) is committed to demonstrating best practice in corporate governance. The College has a duty to conduct affairs in a responsible and transparent way, and to take into account the requirements of funding bodies and the Government of Kenya requirements. KTTC has an effective Governing Council supported by a highly committed, focused and dynamic management. The college corporate values and ethics are entrenched in the strategic and quality objectives and are focused on providing quality Technical Education for National development.

The Governing Council is responsible for ensuring a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which the Governing Council is responsible. The College has applied the principles of governance in the year and up to the date of the approval of the financial statements by the Governing Council. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness against material misstatement or loss.

The Governing Council has adopted a statement of primary responsibilities, which is published on the college policy documents and as stipulated in the KTTC order No.115 of 2015. These policy documents sets out the councils responsibilities in respect of the proper conduct of public business, strategic planning, monitoring effectiveness and performance, finance, audit, estate management, human resource management, equality and diversity and student welfare

The Governing Council has a formal schedule of matters reserved for it. The Council receives appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational, compliance and governance matters. Ultimately, the Council determines the college's strategic objectives, values, key policies and procedures in accordance with best practice. It is responsible for establishing and maintaining the overall internal controls of financial, operational and compliance functions as well as monitoring performance of the college management. The council has delegated the authority for day-to-day management of the college to the Principal. However, it retains overall responsibility for the college financial performance, compliance with laws and regulations, and monitoring of its operations as well as ensuring competent management of the institution.

The Governing Council meets at least four times per year and has a number of committees including: the executive committee; an Audit Committee; a Finance and General purpose Committee and Academic committee. All of these Committees are formally constituted with terms of reference and are comprised mainly of independent members. Each Committee is chaired

Reports and Financial Statements for the year ended June 30, 2017

by an independent member. All committees review and reflect on their work and provide a report to the Governing council.

The Governing council's review of the effectiveness of the system of internal control is also informed by the work of the senior management within the college, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter.

VII. MANAGEMENT DISCUSSION AND ANALYSIS

Operational Grants

During the year under review, the institution had expected to receive Ksh.239, 020,500.00 according to the budget for that year. However, we only received Ksh. 112,000,000.00. The reduction of the budgeted grant by Ksh. 127,020,500.00 stifled the operations of the institution very much.

By the end of the financial year under review the college had accumulated a total of Ksh. 33,570,316.45 as debts to suppliers and resource persons for operations.

Development Grants

The government has been slow in releasing the grants for the construction of the Institutional Management Training Centre.

At the end of the Financial Year under review, the college had not paid a sum of Ksh.5,105,679.00 owed to contractor for the Institutional Management Training Centre.

Student Population

In the last three years, the institution has been experiencing a reduction in the student intake. This was occasioned by the TSC policy on employment of only graduates teachers who had attained a C+ and above in their KSCE examinations.

However, the trend is changing owing to rigorous publicity campaigns for training of the non-teacher students and the assistance received from KUCCPS in sourcing for students to the Kenya Technical Trainers College.

Mentoring Institutions

KTTC is currently mentoring the construction of two TTI's. One is at North Horr in Marsabit and the other is at Bahati in Nakuru. The North Horr TTI is at 95% stage of completion while the one in Bahati is at 30% stage of Completion.

The process of construction on the Heroes TTI in Bahati has been slowed down due the delay in the release of funds for construction.

Reports and Financial Statements for the year ended June 30, 2017

VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Corporate Social Responsibility Policy

- a) Kenya Technical Trainers college (KTTC) formally *Kenya Technical Teachers College* was founded for public benefit, to promote education and training in Technical Teacher Education and Technology, and to provide an institution open to all, irrespective of race, creed or political belief.
- b) The College endeavours to conduct its business in accordance with its core values stipulated in the 2013-17 Strategic Plan thus:

a. Transparency and Accountability,	f. Diligence and Commitment to Duty,
b. Professionalism and Integrity,	g. Non-discrimination,
c. Teamwork,	h. Efficiency and Timeliness,
d. Innovation and Creativity,	i. Flexibility in Service Delivery.
e. Quality Service Delivery,	
- c) The Kenya Technical Trainers College Corporate Social Responsibility (CSR) Policy sets out the guiding principles by which the organization is run in order to fulfil its core mission. This Policy brings together the ways in which the college ensures, at corporate level, that its activities are carried out ethically, sustainably and for the public benefit.
- d) The CSR Policy is made up of three central pillars: people and community, finance and economic activity, environmental sustainability.

People and Community

The College as an employer

- i) KTTC is committed to being a good employer, and to contributing positively to the local community, the education sector in the Kenya, and the global community.
- ii) As an employer the College is committed to ensuring that all staff are fully supported in their work, have a decent working environment, are fairly rewarded, and maintain a good work-life balance. The College engages with recognized Trade Unions that represent and protect the interests of its staff. The College offers competitive terms and conditions to its directly employed staff.
- iii) The college also encourages and supports staff to engage in activities that benefit the wider community and society.
- iv) In order to achieve this, the College commits to:
 - v) Embedding equality and diversity into all operations
 - vi) Ensuring staff can achieve their full potential through training, mentoring and other staff development activities.

Reports and Financial Statements for the year ended June 30, 2017

Local Community

- i) The college supports the local primary school and slums. It opens up events and facilities to the public and participates in specific community engagement projects. The college provides subsidized early childhood education to children of its employees and the community.

Finance and Economic Activity

- i. The College recognizes the way in which it conducts its activity financially has a bearing on those with an interest in its work. The College Financial Regulations ensure fair and ethical financial practice.
- ii. The College financial and economic activity is undertaken with reference to the following guidance and policies:
- iii. Ethics and Anti-Corruption Commission Act No. 22 of 2011 and the Leadership and Integrity Act of 2012)
- iv. Chapter 6 and Article 10 of the Constitution of Kenya 2010.
- v. As part of their conditions of employment all staff are required to follow such policies to ensure the college conducts its activity in appropriate fashion.
- vi. The college commits to providing clear information where required to organizations with whom we engage financially.

Environmental Sustainability

KTTC recognizes environmental sustainability as the greatest challenge of the 21st century and commits to ensuring that all of its major strategies and operations consider their environmental and ecological aspects and impacts. The College will ensure that sustainable development is understood by staff and students and is an integral part of all aspects of major college plans, activities and strategy

JAMLECK MAINA
CHIEF PRINCIPAL

SIGNATURE _____



DATE: 22.04.2018

Reports and Financial Statements for the year ended June 30, 2017
IX. REPORT OF THE GOVERNING COUNCIL

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

Principal activities

The principal activities of the College are Training of Technical Teachers.

Results

The results of the College for the year ended June 30, 2017 are set out on page 1

Governing Council

The members of the Governing Council who served during the year are shown on page VI

Auditors

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

The Auditor general did not nominate any other auditor to carry out the audit on his behalf.

By Order of the Council


JAMLECK MAINA
CHIEF PRINCIPAL/SECRETARY TO THE GOVERNING COUNCIL

SIGNATURE 

Nairobi
Date: 22.03.2018

Reports and Financial Statements for the year ended June 30, 2017

X. STATEMENT OF COUNCIL'S RESPONSIBILITIES

Section 84(1) of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Governing Council to prepare financial statements in respect of that College, which give a true and fair view of the state of affairs of the College at the end of the financial year and the operating results of the College for that year. The Governing Council are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Governing Council are also responsible for safeguarding the assets of the College.

The Governing Council are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year ended on 30 June 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College; (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 College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

Nothing has come to the attention of the Governing Council to indicate that the *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 College's financial statements were approved by the Council on 22.04.2018 and signed on its behalf by:



Chairman of Governing Council

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA TECHNICAL TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Technical Training College set out on pages 1 to 36, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Technical Training College as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Standards (Accrual Basis), and comply with the Public Finance Management Act, 2012.

In addition, as required by Article 229(6) of the Constitution, except for the matter described in the Emphasis of Matter Section of my report, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Technical Training College in accordance with ISSAI 30 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, were of most significance in the audit of the financial statements of the year under review. Except

Report of the Auditor-General on the Financial Statements of Kenya Technical Training College for the year ended 30 June 2017

for the matter described in the Emphasis of Matter section of my report, there were no Key Audit Matters to communicate in my report.

Emphasis of Matter

Going Concern

I draw attention to note 30 to the financial statements which describes the rationale upon which the Council members have prepared the financial statements on a going concern basis. The College registered a deficit of Kshs.101,414,755 (2016 surplus: Kshs.15,378,221) thereby reducing revenue reserves from Kshs.15,378,211 to negative Kshs.86,036,534 as at 30 June 2017. The total current liabilities of Kshs.91,383,556 exceeded the current assets of Kshs.46,508,517 resulting in a negative capital of Kshs.44,875,039 as at the same time. The college has attributed the negative working capital to third party liabilities in respect of construction projects being carried out on behalf of the parent Ministry. If the Ministry fails to pay the third party liabilities then there may be doubt about the college's ability to continue as a going concern.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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 such 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.

In preparing the financial statements, management is responsible for assessing the College's ability in continuing to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the College or to cease operations, or have no realistic alternative but to do so.

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

Those charged with governance are responsible for overseeing the College's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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 of Kenya. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

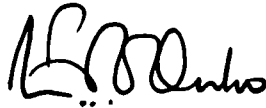
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to 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 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 control that are identified during the audit.

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



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

10 May 2018

Reports and Financial Statements for the year ended June 30, 2017

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

		2017	2016
		Kshs	Kshs
REVENUE	Note		
Revenue from non-exchange transactions	3	112,000,000	110,566,787
Revenue from exchange transactions	4	102,527,487	82,564,072
Revenue from Facilities & Equipment	5	14,074,180	17,288,758
Finance Income from External Investments	6	294,209	779,624
Other Incomes	7	18,283,975	39,812,488
Total revenue		247,179,851	251,011,729
EXPENSES			
Bulk Purchases of Water & Electricity	8	16,605,005	13,537,894
Staff Costs	9	99,504,681	97,033,848
Council Members Expenses	10	3,046,900	2,983,000
Repairs and Maintenance	11	11,127,756	6,531,315
Provision for Depreciation	12	76,529,338	914,957
Contracted Professional Services	13	5,263,788	3,690,665
Operating Expenses	14	85,562,709	70,505,799
Administrative Expenses	15	48,810,709	37,945,303
Grants and Subsidies	16	718,000	1,437,115
Finance Costs	17	925,721	853,612
Provision for Audit Fees	18	500,000	200,000
Total Expenses		348,594,607	235,633,508
(Deficit)/ Surplus for the Period		(101,414,755)	15,378,221


The notes set out on pages 8 to 36 form an integral part of these Financial Statements

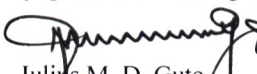
Reports and Financial Statements for the year ended June 30, 2017


**XII. STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2017**

	N ote	2017 Kshs	2016 Kshs
Assets			
Current assets			
Cash and cash equivalents	19	43,004,418	60,756,411
Receivables from exchange transactions	20	3,504,100	3,640,770
Total Current Assets		46,508,517	64,397,181
Non-current assets			
Property, plant and equipment	21	26,802,967,581	8,234,612
Work in Progress	22	362,991,656	242,944,198
Total Non-Current Assets		27,165,959,237	251,178,810
Total Assets		27,212,467,755	315,575,991
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	23	39,044,173	37,297,131
Retentions	24	34,435,773	24,315,440
Deferred Income	25	12,797,930	51,138,043
Payables for Construction Contracts	29	5,105,679	-
Total liabilities		91,383,556	112,750,614
Capital Reserves & Surpluses			
Revenue Reserves	26	(86,036,534)	15,378,221
Capital Reserves	27	27,207,120,733	187,447,156
Total Capital Reserves & Surpluses		27,121,084,199	202,825,377
Total Reserves and liabilities		27,212,467,755	315,575,991

The Financial Statements set out on pages 2 to 8 were signed on behalf of the Board of Directors by:


 Jamleck Maina
 Chief Principal


 Julius M. D. Guto
 Ag. Finance Officer
 ICPAK Member Number:4399
 Date: 22.04.2018 Date:22.04.2018


 Hon. Mathew Adams Karauri
 Chairman of the Governing Council

te: 22.04.2018

Reports and Financial Statements for the year ended June 30, 2017

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

Reserves	Revenue Reserves	Capital Reserves	Deferred Income	Total
	Kshs	Kshs		Kshs
Balance as at 1 July 2015	-	123,447,156		-
Additions for the Year			51,138,043	
Surplus for the Year	15,378,221			15,378,221
Development Funds		64,000,000		64,000,000
Balance as at 30 JUNE 2016	15,378,221	187,447,156	51,138,043	202,825,377
Balance as at 1 July 2016	15,378,221	187,447,156	51,138,043	202,825,377
Additions for the Year				
Loss for the Year****	(101,414,755)			(101,414,755)
Valuations During the Year		26,862,122,000		26,862,122,000
Development Funds		73,034,375		73,034,375
Transfers to accumulated Fund		84,517,202		84,517,202
Deferred Income (reductions in Year)			(38,340,113)	(38,340,113)
Balance as at 30 JUNE 2017	(86,036,534)	27,207,120,733	12,797,930	27,082,744,086

**** The deficit for the year was largely as a result of the Depreciation charge Ksh. 76 million – See note 30

Reports and Financial Statements for the year ended June 30, 2017

**XIV. STATEMENT OF CASHFLOWS
 FOR THE YEAR ENDED 30 JUNE 2017**

	Note	Current Year 2016/2017	Actual Audited Prior Year 2015/2016
Cash flows from operating activities			
Receipts			
Government grants and subsidies	3	185,034,375	174,566,787
Cash flows from Exchange Transactions	4	102,527,487	82,564,072
Cashflow from Rents facilities and equipment	5	14,074,180	17,288,758
Cashflow from external investments	6	294,209	779,624
Cashflows from other transactions	7	18,283,975	39,812,488
		320,214,226	315,011,729
Payments			
Bulk Purchases of Water & Electricity	8	16,605,005	13,537,894
Staff Costs	9	99,504,681	97,033,848
Council Members Expenses	10	3,046,900	2,983,000
Repairs and Maintenance	11	11,127,756	6,531,316
Contracted Professional Services	13	5,263,788	3,690,665
Operating Expenses	14	85,562,709	70,505,799
Administrative Expenses	15	48,626,283	37,945,303
Grants and Subsidies	16	718,000	1,437,115
Finance Costs	17	925,721	853,612
Net cash flows from operating activities		271,380,843	234,518,552
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	21	(2,612,439)	(9,149,569.00)
Construction of Buildings (Work in Progress)	22	(104,689,417)	(69,388,109.00)
Proceeds from sale of property, plant and Equipment		-	-
(Decrease)/(Increase) in investments		-	-
Net cash flows used in investing activities		(107,301,856)	(78,537,678.00)
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of borrowings			
Increase/ (Decrease) in Other Payables	28a	(2,585,449)	(27,211,665)
Increase in Payables to Contractor (IM)	29	5,105,679	-
(Increase)/ Decrease in Receivables	28b	(143,864)	-
Increase in Deferred Income			35,527,672
Decrease in Deferred Income	25	38,340,113	
Net cash flows used in financing activities		40,716,479	8,316,007
Cash and cash equivalents at the beginning of the Year		60,756,411	50,484,905
Net increase/(decrease) in cash and cash equivalents		(17,751,993)	10,271,506
Cash and cash equivalents at end of the year	19	43,004,418	60,756,411



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 Email: info@kittc.ac.ke, website: www.kitc.ac.ke

Reports and Financial Statements for the year ended June 30, 2017

XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2017

	Original budget 2016-2017	Adjustments 2016-2017	Final budget 2016-2017	Actualon comparable basis 2016-2017	Performance difference	% Change
REVENUE						
Revenue from exchange transactions	171,376,390	0	171,376,390	102,527,487	(68,848,903)	(40)
Revenue from NON-exchange transactions	239,020,500	0	239,020,500	112,000,000	(127,020,500)	(53)
Revenue from Facilities & Equipment	16,184,000	0	16,184,000	14,074,180	(2,109,820)	(13)
Finance Income from External Investments	500,000	0	500,000	294,209	(205,791)	(41)
Other Incomes	33,233,929	0	33,233,929	18,283,975	(14,949,954)	(45)
Total revenue	460,314,819	0	460,314,819	247,179,851	(213,134,968)	



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Reports and Financial Statements for the year ended June 30, 2017

EXPENSES

Bulk Purchases of Water & Electricity	22,418,000	0	22,418,000	16,605,005	5,556,437	25
Staff Costs	106,087,060	0	106,087,060	99,504,681	6,582,379	6
Council Members Expenses	2,493,000	0	2,493,000	3,046,900	(553,900)	(22)
Repairs and Maintenance	24,600,000	0	24,600,000	11,127,756	13,472,244	55
Provision for Depreciation	0	0	0	76,529,338	0	0
Contracted Professional Services	9,660,000	0	9,660,000	5,263,788	4,396,212	46
Operating Expenses	88,224,789	0	88,224,789	85,562,709	2,662,081	3
Administrative Expenses	70,404,150	0	70,404,150	48,810,709	21,593,441	31
Grants and Subsidies	1,200,000	0	1,200,000	718,000	482,000	40
Finance Costs	1,093,700	0	1,093,700	925,721	0	0
Provision for Audit Fees	0	0	0	500,000	0	0
Total Expenditure	326,180,699	0	326,180,699	348,594,606	54,190,893	



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Reports and Financial Statements for the year ended June 30, 2017

There were no items that were disposed at all during the year. Only very few tenders were sold since the Government policy exempts the women and people with disability from buying tenders. They are given tender documents free. The production units' revenue is received from the CEP and School Based Students. The enrolment in this category significantly went down during the year under review.

The Expenditure on this vote was reduced to the reduction in operating grants.

Part of the electricity expenses that was budgeted for was for the installation of solar lighting in the Hostels. However, this was not done due to lack of funding. The anticipated grants were significantly reduced. The budget for this exercise was 5 million. The cost of electricity also went down.

The staff costs went down due to retirements and resignations

There was in excess on the Council members expenses because of extra meetings which included the trainings on transiting from ISO 9001:2008 to ISO 9001:2015

Due to reduction in grants it was not possible to do all the repairs. The vote head of Repairs and maintenance was not fully utilized due to lack of funds. Some activities like the painting of hostels and the staff houses was not done. Tiling of the staff houses was also not done.

Due to reduction and delay in remittance of development grants, the number of visitations by to consultant to the construction sites was greatly reduced.

Operating expenses were reduced due to prudence in the management of resources

Reports and Financial Statement For the year ended June 30, 2017
XVI. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL GUIDELINES

A. GENERAL INFORMATION

Kenya Technical Trainers College is established by and derives its authority and accountability from Education Act Cap. 211 (revised in 1980) and Legal Notice no. 242 of 1978, which mandates it to train Technical Teachers for Technical and other Institutions of learning in the Country. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

B. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

The Institution adopted IPSAS in the year 2016 following the gazettelement of the Public Sector Accounting Standards Board (PSASB), which was established by the Public Financial Management Act (PFM) No. 18 of 24th July 2012. PSASB issued financial reporting standards and guidelines to be adopted by all state organs and public sector entities, which the Institution complies with. The financial statements have been prepared in accordance with the PFM Act, the state Corporations Act, and International Public Sector Accounting Standards (IPSAS).

Reports and Financial Statement For the year ended June 30, 2017
Notes to the Financial Statements Continued.....

C. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2017

Standard Impact

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Accrual Basis IPSAS</p>	<p>IPSAS 33: First time adoption of</p>	<p>(Effective for annual periods beginning on or January 1, 2017)</p> <p>In January 2015, the IPSASB published IPSAS 33, First-time Adoption of Accrual Basis IPSASs. IPSAS 33 grants transitional exemptions to entities adopting accrual basis IPSASs for the first time, providing a major tool to help entities along their journey to implement IPSASs. It allows first-time adopters three years to recognize specified assets and liabilities. This provision allows sufficient time to develop reliable models for recognizing and measuring assets and liabilities during the transition period.</p> <p><i>The Kenya Technical Trainers College adopted IPSAS in the year ended 30 June 2016 and therefore provisions of first time adoption of accrual basis does not apply to the entity.</i></p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Financial Statements</p>	<p>IPSAS 34: Separate</p>	<p>(Effective for annual periods beginning on or January 1, 2017)</p> <p>In January 2015, the IPSASB published IPSAS 34, Separate Financial Statements. IPSAS 34 prescribes the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.</p> <p><i>The Kenya Technical Trainers College does not have any subsidiaries, joint ventures or investments and therefore the standard does not apply.</i></p>



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Reports and Financial Statement For the year ended June 30, 2017

Standard Impact

IPSAS 35: Consolidated Financial Statements

Effective for annual periods beginning on or January 1, 2017)

In January 2015, the IPSASB published IPSAS 35, Consolidated Financial Statements. IPSAS 35 establishes principles for the preparation and disclosure of consolidated financial statements when an entity controls one or more entities. It requires an entity that controls one or more other entities to assess control over those entities based on the following:

- Its power over the other entity
- Its exposure or rights to variable benefits from involvement with the other entity
- Its ability to control the nature, timing and amount of benefits from the other entity.

Once control is assessed the controlling entity is supposed to prepare consolidated financial statements unless it meets all the criteria under section 5 of IPSAS 35.

The Kenya Technical Trainers College does not have any subsidiaries, joint ventures or investments and therefore the standard does not apply.

IPSAS 36: Investments in Associates and Joint Ventures

(Effective for annual periods beginning on or January 1, 2017)

In January 2015, the IPSASB published IPSAS 36, Investments in Associates and Joint Ventures. The Standard prescribes for the accounting for investments in associates and joint ventures and to set out requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard shall be applied by all entities with significant influence over, or joint control of, an investee where the investment leads to the holding of a quantifiable ownership interest.

The Kenya Technical Trainers College does not have investments in associates or joint ventures.

Reports and Financial Statement For the year ended June 30, 2017

Standard Impact

Arrangements
 IPSAS 37: Joint

(Effective for annual periods beginning on or January 1, 2017)

In January 2015, the IPSASB published IPSAS 37, Joint Arrangements. IPSAS 37 establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly.

The Kenya Technical Trainers College does not have an interest in a joint arrangement and therefore the standard does not apply.

Interests in Other Entities
 IPSAS 38: Disclosure of

(Effective for annual periods beginning on or January 1, 2017)

In January 2015, the IPSASB published IPSAS 38, Disclosure of Interests in Other Entities. IPSAS 38 requires an entity to disclose information that enables users of its financial statements to evaluate the nature of and risks associated with, its interests in controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and the effects of those interests on its financial position, financial performance and cash flows.

The Kenya Technical Trainers College does not have interests in other entities and therefore the standard does not apply.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2017

Standard	Effective date and impact:
IPSAS 39: Employee Benefits	Applicable: 1st January 2018 The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non exchange transactions which are covered purely under Public Sector combinations as amalgamations.

Reports and Financial Statement For the year ended June 30, 2017
Notes to the Financial Statements Continued.....

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2017.

D. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i)Revenue from non-exchange transactions

Fees, taxes and fines

The Institution recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Institution and the fair value of the asset can be measured reliably.

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 Institution and can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

The KTTC 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 labourhours incurred to date as a percentage of total estimated labour hours.

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

Sale of goods

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

Reports and Financial Statement For the year ended June 30, 2017

Notes to the Financial Statements Continued.....

Interest income

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for FY 2016/2017 was approved by the Governing Council on 22rd September 2015 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 upon receiving the respective approvals in order to conclude the final budget. In this respect there were no additional appropriations to the original budget for the FY 2016/2017.

c) Taxes

Kenya Technical Trainers College is not subject to payment of Taxes on the gains from its activities.

d) Investment property

Kenya Technical Trainers College has not invested in any Property. The rental income shown in the accounts is the economic rent charged to the staff who occupies the institution houses.

e)



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Reports and Financial Statement For the year ended June 30, 2017
Notes to the Financial Statements Continued.....

f) Property, plant and equipment

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

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Where applicable, the following depreciation rates are applied to Property, Plant and Equipment.

Description	Rate of Depreciation
Building	2.0%
Computers & Electronics	30%
Furniture & Fittings	10.0%
Plant, Property & Equipment	10.0%
Motor Vehicles	25%
Intangible Assets	30%
Investment Property	2.0%

g) Leases

Kenya Technical Trainers College has not entered into any leases

h) Intangible assets

Kenya Technical Trainers College does not have any intangible assets

Reports and Financial Statement For the year ended June 30, 2017

Notes to the Financial Statements Continued.....

i) Research and development costs

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

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

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

j) Financial instruments

i. Financial assets

Kenya Technical Trainers College Does not hold any Financial Assets

ii. Financial liabilities

Kenya Technical Trainers College Does not hold any Financial Liabilities

k) Inventories

Kenya Technical Trainers College has partly developed and maintained an inventory of its assets

l) Provisions

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

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

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

Reports and Financial Statement For the year ended June 30, 2017
Notes to the Financial Statements Continued.....

Contingent liabilities

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

As at 30 June 2017, more than 5 years after the completion period, the contractor had been paid Kshs.50,335,791 or 95% for the Standard Workshops but with a variation claim of Kshs.21,269,341 arising out of a dispute over alterations to the original bill of quantity. No authority from the procurement committee for the extension of contract period and possible variations was availed for audit verification. According to records available, the contractor has already sought for legal redress while the building is yet to be handed over to the client. This matter has not been disclosed in the financial statement as a contingent liability.

Contingent assets

The Entity does not recognize a contingent asset.

m) Nature and purpose of reserves

The Kenya Technical Trainers College has not maintained any reserves during the year under review.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

Kenya Technical Trainers College does not operate a pension plan for its employees. However, the staffs are paid a service gratuity upon retirement based on one month's basic salary for every year worked, subject to having worked for a minimum of ten years.

Reports and Financial Statement For the year ended June 30, 2017

Notes to the Financial Statements Continued.....

p) Foreign currency transactions

Kenya Technical Trainers College did not have any transactions in foreign currency during the year.

q) Borrowing costs

Kenya Technical Trainers College did not make any borrowings during the year under review.

r) Related parties

The Institution regards a related party as a person or an Institution with the ability to exert control individually or jointly, or to exercise significant influence over the Institution, or vice versa. Members of key management are regarded as related parties and comprise the Cabinet Secretary and Principal Secretary- Ministry of Education Science and Technology, the Governing council or, the Principal, Senior Management committee members.

During the year under Review, the Institution continued with the contract that it had entered with the Teachers Service commission to the partitioning of the TSC offices.

The institution paid a sum of Ksh. 3,046,900.00 during the year to the Members of the Governing Council in form of Allowances.

s)Service concession arrangements

Kenya Technical Trainers College has not entered into any service concession agreements.

t)Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

u) Comparative figures

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

Reports and Financial Statement For the year ended June 30, 2017
Notes to the Financial Statements Continued.....

E. 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

State all judgements, estimates and assumptions made: e.g

Estimates and assumptions

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

Useful lives and residual values

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

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

Reports and Financial Statement For the year ended June 30, 2017

Notes to the Financial Statements Continued.....

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 15 and Note 20. 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. Assumptions were used in determining the provision for rehabilitation of landfill sites. Landfill areas are rehabilitated over years and the assumption was made that the areas stay the same in size for a number of years. Provision is made for the estimated cost to be incurred on the long-term environmental obligations, comprising expenditure on pollution control and closure over the estimated life of the landfill. The provision is based on the advice and judgment of qualified engineers. The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money. The increase in the rehabilitation provision due to passage of time is recognized as finance cost in the statement of financial performance. The cost of ongoing programs to prevent and control pollution and rehabilitate the environment is recognized as an expense when incurred.

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, 2017.

2. FINANCIAL MANAGEMENT NOTES

(i) 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 institution 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 institution's financial risk management objectives and policies are detailed below:

(i) Credit risk

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

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

Reports and Financial Statement For the year ended June 30, 2017

Notes to the Financial Statements Continued.....

(i) Credit risk (Continued)

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

The entity has significant concentration of credit risk on amounts due from xxxx

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.

(iii) Market risk

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

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

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

Reports and Financial Statement For the year ended June 30, 2017
Notes to the Financial Statements Continued.....

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

a) Foreign currency risk

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

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

KTTC does not have any foreign exchange transactions

Financial Risk Management (Continued)

(iii)

b) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Reports and Financial Statement For the year ended June 30, 2017
Notes to the Financial Statements Continued.....

Capital Risk Management

The objective of the entity's capital risk management is to safeguard the Board's ability to continue as a going concern. The entity capital structure comprises of the following funds:

	2016-2017		2015-2016
	Kshs		Kshs
Revaluation reserve	26,852,972,341		-
Retained earnings	0		15,378,221
Capital reserve	343,028,587		187,447,156
	0		0
Total funds	27,196,000,928		202,825,377
Total borrowings	-		-
Less: cash and bank balances	44,889,377		60,756,411
Net debt/(excess cash and cash equivalents)	27,159,538,984		142,068,966
Gearing	0.016%		42.76%

(ii) Related Party Balances

a) 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.

The entity is related to

- i) The National Government;
- ii) The Parent Ministry;
- iii) The Teachers Service Commission
- iv) Governing Council

b) Related party transactions

	2017	2016
	Kshs	Kshs
Transfers from related parties' - TSC	9,665,229	8,879,443
Transfers to related parties - Council	3,046,900	2,983,000
	=====	=====

Reports and Financial Statement For the year ended June 30, 2017
Notes to the Financial Statements Continued.....

Related Party Balances (continued)

c) Key management remuneration

	2017	2016
	Kshs	Kshs
Directors'	-	-
Key management compensation	-	-
	=====	=====

d) Due from related parties

Due from Parent Ministry	-	-
Due from SC or SAGA	-	-
	-----	-----
	=====	=====

e) Due to related parties

Due to the parent Ministry	-	-
Due to SC or SAGA	-	-
	-----	-----
	=====	=====

(iii) Segment information

(KTTC does not operate any segments)

(iv) Contingent assets and contingent liabilities

Contingent liabilities	2016-2017	2015-2016
	Kshs	Kshs
Court case xxx against the company	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

(KTTC does not have any quantifiable contingent liabilities)

Reports and Financial Statement For the year ended June 30, 2017
Notes to the Financial Statements Continued.....

(v) Capital Commitments

Capital commitments	2016-2017		2015-2016
	Kshs		Kshs
Authorised for	-		-
Authorised and contracted for	-		-
Total	-		-

(KTTC does not have any capital commitments)

(vi) Events after the reporting period

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

(vii) Ultimate and Holding Entity

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

(viii) Currency

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

Reports and Financial Statement For the year ended June 30, 2017

Notes to the Financial Statements Continued.....

	2017	2016
	KSH	KSH
3 3 (a)Revenue from Non-Exchange transactions		
Operational grant from GOK	112,000,000	110,566,787
	112,000,000	110,566,787

**3 (b) Development Grants
 Transfers from Ministries, Departments and
 Agencies**

Im Training Centre	49,175,000	54,000,000
Perimetre Wall	-	
Hostels	-	
Heroes TTI - Bahati	23,859,375	10,000,000
	73,034,375	64,000,000

	2017	2016
	KShs	KShs
4 Revenue From Exchange Transactions		
Accommodation Subsidy	36,348,550	33,966,390
Activity Fees	3,321,255	3,137,845
Application Fees	893,600	958,530
Attachment Fees Income	2,787,185	1,997,176
Ict Fees	3,254,735	3,033,480
Library Fees	2,044,865	1,966,795
Maintenance Fees	3,528,539	4,009,396
Medical Fees	2,883,485	2,742,135
Teaching Practice Fees	8,545,670	5,812,633
Registration Fees	2,028,650	1,910,000
Tuition Fees	36,890,953	23,029,692
Total revenue from exchange transactions	102,527,487	82,564,072

5 Revenue from Facilities and Equipment

Bill Boards	6,800,466	4,799,500
Rental From staff Houses	5,536,214	7,123,598
Hire of College Facilities	1,737,500	5,365,660
	14,074,180	17,288,758

Reports and Financial Statement For the year ended June 30, 2017

6 Finance Income from external Investments	2017	2016
	KShs	KShs
Interest From Savings and Investments	294,209	779,624
	294,209	779,624
7 Other Incomes		
Disposal of idle items	-	-
Tenders	29,000	157,000
Insurance cover for students	184,000	
Production Units Revenue	18,070,975	39,655,488
Total Other Incomes	18,283,975	39,812,488
8 Bulk Purchases of Water & Electricity		
140 Electricity Expenses	12,741,468	12,392,907
141 Water, Fuel And Conservancy	3,863,537	1,144,987
	16,605,005	13,537,894
9 Staff Costs	2017	2016
	KShs	KShs
050 House Allowance	11,395,679	14,282,404
065 Medical Allowances	2,126,644	1,768,760
060 Commuter Allowance	7,751,332	10,515,188
080 Passage And Leave Expenses	962,250	1,009,050
000 Personal Emoluments	53,723,456	53,955,014
Responsibility Allowance	1,498,000	1,581,000
040 Gratuity And Pensions	10,423,583	8,332,454
Honoraria To Administration Staff	11,623,737	5,589,978
Total Staff Costs	99,504,681	97,033,848
10 Council Members Expenses	2017	2016
	KShs	KShs
Honoraria	720,000	420,000
Sitting Allowance	1,653,000	2,211,000
Transport	284,000	206,000
Accomodation	367,500	144,000
Lunches	22,400	2,000
Total Council Members' Remuneration	3,046,900	2,983,000

Reports and Financial Statement For the year ended June 30, 2017

11 Repairs and Maintenance	2017	2016
	KShs	KShs
260 Maint. Of Buildings And Furniture	6,486,167	3,084,395
250 Maint. Of Plant M. & Equipment	2,204,081	2,632,380
270 Maintenance Of Water Supplies	704,224	233,590
324 Refurbishment of Buildings	1,733,284	580,950
	11,127,756	6,531,315
12 Depreciation and Amortization		
Property, Plant and Equipment	76,489,338	914,957
13 Contracted Professional Services		
Consultancies for Projects	4,663,788	3,690,665
Property Valuations	600,000	
	5,263,788	3,690,665
14 Operating Expenses		
Teaching Practice Expenses	20,298,120	14,740,775
Purchase Of Food and rations	45,035,754	40,093,005
Purchase Tuition Materials	13,739,637	9,294,700
Graduation	1,153,348	2,409,178
IITC Project	790,000	1,200,000
Attachment Expenses	4,545,850	2,768,141
Total Operating Expenses	85,562,709	70,505,799
15 Administrative Expenses	2017	2016
	KShs	KShs
100 Transport Operating Expenses	10,496,161	11,215,654
311 Grants For Staff Training	4,793,883	4,018,766
Farewell And Special Events	1,132,415	1,409,721
323 International Trips (Capa& Others)	2,377,381	1,413,970
173 Library Expenses	1,145,918	2,747,949
190 Insurance for Vehicles	770,969	584,250
182 Payment Of Rents And Rates (nr)	-	10,000
120 Postal And Telegrams Expenses	96,960	71,826
171 Publishing And Printing Expenses	117,298	353,308
172 Purchase Of Uniform And Clothing	1,377,286	43,000
121 Telephone Expenses	836,623	946,373

Reports and Financial Statement For the year ended June 30, 2017

	2017	2016
	KShs	KShs
175 Advertising And Publicity	3,246,363	3,123,663
Hire Of College Facilities Expenses	794,792	
325 Research Innovation & Incubation	2,187,160	2,465,081
327 Student Activities	14,420,288	7,077,711
193 Fees Commission And Honoraria	1,159,790	2,272,412
130 Official Entertainment	355,008	-
174 Purchase Of Stationery	49,900	-
322 Ict& Open Learning Expenses	3,268,089	-
	<hr/>	<hr/>
	48,626,283	37,753,684
Provision for Doubtful Debts	184,426	191,619
	<hr/>	<hr/>
Total Administrative Expenses	48,810,709	37,945,303
	<hr/> <hr/>	<hr/> <hr/>
Grants and Subsidies		
16 Bursaries to Needy Students	718,000	1,437,115
	<hr/> <hr/>	<hr/> <hr/>
17 Finance costs	2017	2016
	KShs	KShs
College Fund Account _BARCLAYS	59,048	15,736
Continuing Education Program _ BARCLAYS	35,493	29,946
Main Account _ KCB	562,031	793,806
ESP Account _ KCB	9,910	8,930
KESSP Account _KCB	22,245	5,194
Fees Collection - Cooperative Bank	228,478	-
Fees Collection - Equity Bank	8,517	-
	<hr/>	<hr/>
Total finance costs	925,721	853,612
	<hr/> <hr/>	<hr/> <hr/>
18 Audit Fees		
Provision for Audit Fees	500,000	200,000

Reports and Financial Statement For the year ended June 30, 2017

19 Cash and cash equivalents

Cash and Bank Balances as at 30 JUNE 2017	2017	2016
	KShs	KShs
Main Account	14,025,331	15,758,181
College Fund Account	2,532,056	588,227
Continuing Education Programme Account	609,886	2,069,408
Esp (Economic Stimulus Package) Account	64,409	25,809,776
Kessp (Kenya Education Sector Support Prg) Account	18,540,405	9,592,696
	A 35,772,087	53,818,288
Investments		
	2017	2016
	KShs	KShs
Investments as at 30.06.2017		
Barclays Bank of Kenya Limited (Production Units)	891,325	891,325
Diamond Trust Kenya Limited (Caution Money)	436,096	428,289
National Bank of Kenya	4,978,738	4,741,936
Old Mutual Investments	926,173	876,573
Total investments At 30 June 2017 (NOTE 30)	B 7,232,331	6,938,123
Total Cash and Cash Equivalents	(A+B) 43,004,418	60,756,411

20 Current receivables

	2017	2016
	KShs	KShs
Staff Advance	634,984	981,054
Staff Imprest	14,000	14,000
Students Debtors	4,000	4,000
Bursar's Imprest	103,051	103,048
Kenya Alliance Insurance	13,087	13,087
Examination Fees	702,744	1,213,160
Students Union (SKETTCO)	681,880	504,040
Deposits - Total Kenya Limited	1,000,000	1,000,000
HELB Control Account	534,780	
Total Receivables	3,688,526	3,832,389
Less: 5% Provision for bad and doubtful debts	184,426	191,619
Net Receivables from Exchange transactions	3,504,100	3,640,770



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Reports and Financial Statement For the year ended June 30, 2017

21 Property, Plant and Equipment	Land	Buildings	Plant, Machinery and Equipment	Motor Vehicles	Computers	Intangible Assets	Furniture	Total
	Ksh	Ksh 2.00%	Ksh 10.00%	Ksh 25%	Ksh 30%	Ksh 30%	Ksh 10.00%	Ksh
COST								
Cost as at 1st July 2016	-	-	5,467,740	-	-	-	3,681,829	9,149,569
Additions for the Year	-	-	2,612,439	-	-	4,560,000	1,967,868	9,140,307
Valuations for the Year	24,000,000,000	2,775,000,000	21,625,000	19,665,000	33,132,000		12,700,000	26,862,122,000
Cost as at 30 June 2017	24,000,000,000	2,775,000,000	29,705,179	19,665,000	33,132,000	4,560,000	18,349,697	26,880,411,876
Depreciation As at 1st July 2016								
Charge for the year	-	-	546,774	-	-	-	368,183	914,957
Depreciation as at 30 June 2017	-	55,500,000	2,970,518	4,916,250	9,939,600	1,368,000	1,834,970	76,529,338
Book Value as at 30th June 2017	24,000,000,000	2,719,500,000	26,187,887	14,748,750	23,192,400	3,192,000	16,146,544	26,802,967,581
Net Book Value as at 30 June 2016	-	-	3,313,646	-	-	-	4,920,966	8,234,612

The College carried out a valuation of its assets which were not incorporated in the Financial Statements of 2015/2016, from November 2016 by the Ministry of Transport, Infrastructure, and Housing and Urban Development. A report for the valuation of assets was issued on 21st March 2017.



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Reports and Financial Statement For the year ended June 30, 2017

22 Work in Progress as at 01.07.2016	IM TC	STD WORKSHOPS	North HERR TTI	Heroes TTI	Total
	152,806,307	52,352,441	37,785,450	0	242,944,198
Additions during the year	85,506,979	0	5,701,876	28,838,603	120,047,458
Work in Progress as at 30.06.2017	238,313,286	52,352,441	43,487,326	28,838,603	362,991,656

Reports and Financial Statement For the year ended June 30, 2017

23 Trade & Other Payables		
Trade Payables	23,208,935	17,733,225
Other Payables		
Gratuity	7,973,995	6,822,754
Resource Persons Claims	2,387,387	8,295,237
Project Fees	586,297	586,297
Students Creditors	19,500	31,200
ID Card Fees	1,253,540	762,095
Elimu Sacco Limited	15,983	15,983
Madison Insurance Limited	20,575	20,575
Caution Money	2,835,251	2,407,206
COTU	7,950	7,950
KUDHEIHA	23,100	23,100
PIONEER INSURANCE	1,500	1,500
KTTC B/F	7,718	7,718
ICEA Limited	13,230	13,230
PERSONAL LOANS EQUITY	95,699	95,699
Deferred Tax	216,000	126,000
Over recovery of Salaries	305,676	347,362
Platinum Credit	2,293	-
Eft Disbursements	69,545	-
	39,044,173	37,297,131
24 Retentions		
IM Training Centre	23,844,070	15,293,372
North Horr TTI	2,454,601	3,768,825
Standard Workshops	5,253,243	5,253,243
Heroes TTI	2,883,860	-
Total Retentions	34,435,773	24,315,440
25 Deferred Income		2016
		KShs
Im Training Centre	-	25,527,672
Bahati TTI	5,021,484	10,000,000
Marsabit Campus	6,687,408	14,521,333
Standard Workshops	1,089,038	1,089,038
	12,797,930	51,138,043
26 Revenue Reserves		
Reserves brought forward	15,378,221	-
(Deficit) /Surplus for the Year	(101,414,755)	15,378,221
Reserves carried forward	(86,036,534)	15,378,221

Reports and Financial Statement For the year ended June 30, 2017

27	Capital Reserves		
	Reserves brought forward	187,447,156	123,447,156
	Valuation of Assets During the Year	26,862,122,000	
	Conditional Grants Received	73,034,375	64,000,000
	Transfers during the Year	84,517,202	-
	Reserves Carried forward	27,207,120,733	187,447,156

28 Workings to the Statement of Cashflows

a **Receivables**

Opening Balance as at 01.07.2016	3,832,390	1,766,338
Movement During the Year	(143,864)	2,066,052
Closing Balance 30 June 2017	<u>3,688,526</u>	<u>3,832,390</u>

b **Payables**

Opening Balance as at 01.07.2015	37,297,131	21,753,106
Movement During the Year	2,585,449	15,544,025
Closing Balance as at 30.June 2016	<u>39,882,580</u>	<u>37,297,131</u>

29 **Payables to Contractors**

IM Training Centre

Amount as per Certificate No. 10	35,311,866	-
Less: Partial Payments	(26,675,000)	-
Less: Retentions on Certificate No. 10	(3,531,187)	-
Payables to Contractors as at 30 June 2017	<u>5,105,679</u>	-

30 **Going Concern**

The deficit for the year of Kshs. 101,414,755 and negative working capital of Kshs. 44,875,039 from a surplus of Kshs. 15,378,221 and negative working capital of Kshs. 48,353,433 in 2015/16 respectively arose due to the following:

- a. Depreciation charge of 76 million on the assets that were valued during the year.
- b. Liabilities incurred for construction and monitoring projects at Heroes TTI in Bahati and the North Horr TTI, whose costs had not been paid by the Ministry by 30 June 2017.
- c. During the year the operational costs went down due to increase in prices of commodities. This brought down revenues from other activities from 39 million to 18 million

The college has handed over the North Horr TTI and its retention fee paid and deferred income utilised in 2017/18. Other Ministry liabilities are being pursued for payment. Revenue from other activities have greatly improved in 2017/18 when compared to 2016/2017. With this positive trend, the college intends to reverse the deficit and negative working capital posted in the year ended 30 June 2017.

Reports and Financial Statement For the year ended June 30, 2017

XVII. Investments

	INVESTMENTS 2016/2017			
	Balance b/f	Interest Earned	Withdrawals	Balance C/f
Diamond Trust Bank Limited	428,289	7,807		436,096
National Bank of Kenya	4,468,009	223,453		4,691,462
	273,927	13,349		287,276
	0			
	4,741,936	236,802	0	4,978,738
Old Mutual	876,573	49,600		926,173
	876,573	49,600		926,173
Production Units	891,325			891,325
	891,325			891,325
Total Investments	6,938,122	294,209	0	7,232,331

Reports and Financial Statement For the year ended June 30, 2017
XVIII. 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)
Property, Plant and Equipment	The property, Plant and Equipment value recorded as at 30 June 2016 excluded an undetermined value of Land, Buildings and other assets.	A valuation exercise shall be conducted to determine the value of the Land and other assets	Directorate of Planning and Quality Assurance	Valuations have been done and a report made in the Month of March 2017 The report is date 21 ST March 2017	Resolved

Reports and Financial Statement For the year ended June 30, 2017

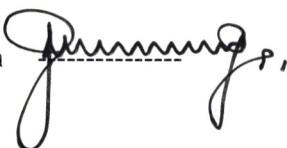
XIX. INTER-ENTITY TRANSFERS

ENTITY NAME:			
Break down of Transfers from the State Department of Technical and Vocational Training			
FY 2016/2017			
a. Recurrent Grants			
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	September 2016	28,000,000	2016/2017
	November 2016	28,000,000	2016/2017
	March 2017	28,000,000	2016/2017
	April 2017	28,000,000	2016/2017
	Total	112,000,000	
b. Development Grants			
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	05.07.2016	10,000,000	2016/2017
	08.09.2016	22,500,000	2016/2017
	28.11.2016	7,145,000	2016/2017
	March 2017	14,381,250	2016/2017
	April 2017	12,293,750	2016/2017
	June 2017	6,714,375	2016/2017
	Total	73,034,375	
c. Direct Payments			
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		-	
	Total	-	
d. Donor Receipts			
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		-	
	Total	-	

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

Senior Finance Officer
 Kenya Technical Trainers College

Head of Accounting Unit
 Education Ministry

Sign 

Sign-----