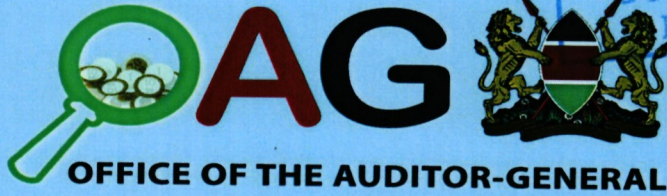



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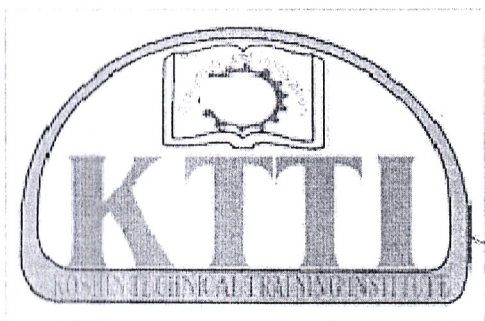
THE AUDITOR-GENERAL

ON

**KOSHIN TECHNICAL
TRAINING INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE 2020**





OFFICE OF THE AUDITOR GENERAL
ELDORET HUB
19 MAY 2021
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P. O. Box 2774 - 30100, ELDORET



KOSHIN TECHNICAL TRAINING INSTITUTE

ANNUAL REPORTS AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2020**

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



Table of Contents

1.	KEY ENTITY INFORMATION AND MANAGEMENT	ii
4.	CHAIRPERSON'S STATEMENT	ix
5.	REPORT OF THE PRINCIPAL	ix
6.	REVIEW OF KOSHIN TECHNICAL TRAINING INSTITUTE PERFORMANCE FOR FY 2019/2020	x
7.	CORPORATE GOVERNANCE STATEMENT	xiii
8.	MANAGEMENT DISCUSSION AND ANALYSIS	xiv
9.	CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	xiii
10.	REPORT OF THE BOARD OF GOVERNORS	xiii
11.	STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES	xv
12.	STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020	1
13.	STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020	2
14.	STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2020	3
15.	STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020	4
16.	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020	5
17.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	6
18.	NOTES TO THE FINANCIAL STATEMENTS	17
19.	APPENDICES	40
	APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	40
	APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY	41
	APPENDIX III: INTER-ENTITY TRANSFERS	42
	APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES	43

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Koshin Technical Training Institute was originally established as a Youth Polytechnic by Rafiki Ya Maisha, Kenya a community-based organization in collaboration with Rafiki Ya Maisha International in Paris, France. The Institute was registered by the Technical Vocational Education and Training Authority (TVETA) in April 2016 to operate as a Technical and Vocational College in accordance with the TVET ACT, No 29 of 2013. The initial objective was to build a Youth Polytechnic (Vocational Training Centre) to benefit the youths within the community. However, in consultation with the surrounding community, a decision was reached in which the facility was handed over to the government. It was recommended that it becomes a Technical Training Institution resulting to the birth of Koshin Technical Training Institute.

(i) Principal Activities

Vision

The Vision of Koshin Technical Training Institute is to be a Global centre of excellence in quality technical and entrepreneurship training, research and innovation

Mission

Our mission is to provide technical and entrepreneurship skills, research and innovation that meet the human resource needs for industrial and societal sustainable development

Mandate

- To offer technical training
- To provide and promote lifelong learning.

Core Values

At Koshin Technical Training Institute, we are committed to the following core values:

- a) Customer Focus,
- b) Team work,
- c) Integrity,
- d) Competitiveness,
- e) Diversity.

The following are the strategic objectives;

1. To offer access to quality technical training in market driven courses;
2. To establish strategic partnerships, collaborations, linkages and networks with research institutions, industry and professional bodies to enhance human and physical capacity for research, training and innovation
3. To enhance integration of ICT in management, training and learning.
4. To promote capacity building for teaching and non-teaching staff for suitable effective service delivery.
5. To develop and encourage a culture of research, creativity and innovation among training staff.
6. To enhance institutional corporate governance image and management of institutional resources for operational efficiency and effectiveness

(ii) Key Management

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

- Board of Governors members
- Accounting officer/ Principal
- Management

(iii) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Ernest Cheruiyot
2.	Head of Finance	Abraham Kiptoo
3.	Head of Procurement	Hilda Sum
4.	Registrar	Nancy Sergon
5.	Dean of students	Robert Kemboi

(iv) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- **Audit committee activities**

Responsibilities of the audit committee typically include:

- Overseeing the financial reporting and disclosure process.
- Monitoring choice of accounting policies and principles.
- Overseeing hiring, performance and independence of the external auditors.
- Oversight of regulatory compliance, ethics, and whistle blower hotlines.
- Monitoring the internal control process.
- Overseeing the performance of the internal audit function.
- Discussing risk management policies and practices with management.

- Development partner oversight activities
Other oversight activities

(v) Entity Headquarters

P.O. Box 4040 code 30100
ELDORET – ITEN OFF KOSHIN ROAD
Eldoret, KENYA

(vi) Contacts

Telephone: (254) 795811170
E-mail: koshintti@gmail.com
Website: info@koshintti.ac.ke

(vii) Bankers

Kenya Commercial Bank of Kenya Ltd
Eldoret Main Branch
P.O. Box Code 560- 30100
Eldoret, Kenya

(viii) Independent Auditors

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

(iv) Principal Legal Adviser

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

2. BOARD MEMBERS



Mrs. Leah Kibii
Bsc. Food Technology, MBA General...

Mrs. Leah Kibii was born on 10th Dec. 1962. She is a holder of Bsc. in Food Technology; She is currently a Director with the Eastern Produce (K) Ltd., with wide experience in Industrial Management and Leadership. She is the Board chairperson.



Mr. James Chirchir
CPA K- Accountant.

Mr. James Chirchir was born in 1956. He is a CPA K holder with over 40 yrs experience in Accounting practises. He is the Chairperson of Finance and Infrastructure and Development Committee.







Mr. Jeremiah Oruko
Automotive Engineering.

Mr. Oruko was born on 20th Sept. 1956; he holds a Bachelor of Education (Vocational) from university of New Brunswick-Canada. He is a retired civil servant who served with distinguished service in the ministry of Education for 33yrs dealing with technical Education. He is the Chairperson of Education and training Committee.



Mr. Walter Mhando
Bsc. Electrical Engineering

Mr. Mhando was born in 1972. He has a wide experience in Electrical and Electronics Engineering and ICT-Networks and soft ware development; he is currently a technical Director of Dace Solutions Ltd. He is a member of Finance and Infrastructure and Development Committee.






 <p>Mrs. Dorcas Arusei Information Communication Technology</p>	<p>Mrs Dorcas Arusei was born on 10th Sept. 1988. She is a holder of Msc. Computer science with experience of 4 yrs in lecturing in the University of Eldoret and Moi university, she practises as an Entrepreneur in Hospitality. She is a member of Finance and Infrastructure and Development Committee.</p>
 <p>Ms. Sotimarie Biwott Industrial Technology</p>	<p>Ms. Sotimarie Biwott was born on 31st Jan. 1988 She holds Msc. Oil and Gas Trade management from Regents University London –UK.,B. Engineering chemical Engineering with environmental Engineering in McGill University Montreal Canada. She is experienced in design Engineering in Energy/Petroleum and mining system She is member of Education and training Committee.</p>
 <p>Mr. Geoffrey GichuruMutulili Master's in Business Administration (Management Information Systems) and B.Ed. (Arts)</p>	<p>Mr.GichuruMutulili was born on 3rd Sept.1966; he is the current TVET County Director UasinGichu, Nandi and Elgeyo Marakwet Regions. He is the Ministry representative in the Board and provide advice and guidelines on Ministry's strategic goals, mandate and policy direction HE holds Master's in Business Administration (Management Information Systems) and B.Ed. (Arts) Mathematics &Business Studies. Further ,has wealth experience in public service particularly in Educational management particularly, ISQ Training, Performance management, project management, financial management, procurement management and monitoring and evaluation of programmes and projects having served as a teacher ,education officer in various positions and Counties. He is a member of Education and training Committee.</p>
 <p>Mrs. Claire Roth PhD. Psychology</p>	<p>Mrs. Claire Roth was born in 1962. She is a holder of PhD in Psychology in areas of Human Resource Management, Project management, Psychological counselling and leadership. She is a board member.</p>




Mr. Ernest Cheruiyot
Msc. Enterprenuership

Mr. Ernest Cheruiyot was born on 10th Feb. 1963. He holds Msc. Entrepreneurship in Jomo Kenyatta University of Agriculture and Technology. He has a wide experience in teaching and training, strategic planning and General administration. He is the Chief Executive Officer of Koshin Technical Training Institute serving as the Principal and Secretary to the Board.

3. KEY MANAGEMENT

Staff	Area of responsibility
 <p>Mr. Ernest Cheruiyot Msc. Entrepreneurship</p>	<p>He is the Chief Executive Officer of Koshin Technical Training Institute serving as the Principal and Secretary to the Board of Governors. He is the Accounting Officer.</p>
 <p>Mr Sammy Chirchir Cheruiyot PhD(Cand), Med,MBA</p>	<p>He is the Deputy Principal. He is in charge of Administration and Academic affairs.</p>
 <p>Ms Nancy Sergon BED (science)</p>	<p>She is the Registrar in charge of Student Admissions and Marketing</p>
 <p>MR. ROBERT KEMBOI HND Electrical Engineering (Power Option)</p>	<p>He is the Dean of Students who is in charge of Student welfare.</p>
 <p>Mr. Abraham Kiptoo</p>	<p>He is the Accountant and the head of Finance he is in charge of; Financial management, budgeting and control and Financial Reporting</p>

Staff	Area of responsibility
 <p>Miss Hilda Sum 3BM Purchase and Supplies</p>	<p>She is the Procurement officer who is in charge of Advisory service in procurement matters.</p>

4. CHAIRPERSON’S STATEMENT

The institutes’ strategic plan 2017-2022 (Revised December 2018) highlights Key strategic issues namely:

- i. Curriculum implementation
- ii. Physical Infrastructure
- iii. Governance and leadership
- iv. Machines, Equipment and ICT infrastructure
- v. Financial capacity
- vi. Human resource
- vii. Collaboration, partnership and linkages.
- viii. Research and Innovation

These issues were identified through a situation analysis involving internal and external environments that influence the operations of the institute.

The external environment was analysed through the analysis of Political, Economic, Social-cultural, Technological, Environmental and Legal factors.

The internal analysis was conducted through consideration of the strengths, weaknesses, opportunities and threats with a view to uphold or leverage the strengths and opportunities and eliminate or cope up with weaknesses and threats.

From the strategic issues identified there was need to implement strategies and activities that went along away to provide solutions: for instance, provision of quality and relevant education and training under the Curriculum implementation pillar, construction of electrical workshop for physical infrastructure, employment of qualified and competent trainers and non-trainers, Capacity building, and participating in TVET fairs, research competition and robot

5. REPORT OF THE PRINCIPAL

As highlighted by the chairperson of the Board of Governors, the main strategic issues considered at Koshin Technical Training Institute were curriculum implementation, Physical infrastructure, Governance and leadership, Machines, Equipment and ICT infrastructure, Financial Capacity, Human Resource, Collaboration, Partnership and Linkages, Research and Innovation.

During the year under consideration the following activities were undertaken:

- 1. Curriculum implementation:
 Marketing of the institute’s courses for increased enrolment.
- 2. Physical Infrastructure

- Construction of the new electrical engineering workshop to accommodate additional equipment.
- 3. Governance and leadership
Training workshop for the Board of governors conducted to enhance the management skills of the members of the board.
- 4. Machines, Equipment and ICT infrastructure
Existing machines and equipment well maintained
- 5. Financial capacity
Mobilisation of resources and policy implementation.
- 6. Human resource
Recruitment of qualified and competent trainers and non-trainers
- 7. Collaboration, partnership and linkages.
Consideration of developing networks with industries which would translate to a memorandum.
- 8. Research and Innovation
Encouraged the culture of creativity and innovation to both trainers and trainees. Participated in the year's TVET fairs at Kapenguria, West Pokot county.

6. REVIEW OF KOSHIN TECHNICAL TRAINING INSTITUTE PERFORMANCE FOR FY 2019/2020

Two-to-three pages

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Koshin Technical Training Institute has 8 strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

Pillar 1: Curriculum and student Enrolment

Pillar 2: Physical Infrastructural Facilities

Pillar 3: Governance and Leadership

Pillar 4: Machine, Equipment and Information Communication technology Infrastructure

Pillar 5: Financial Capacity

Pillar 6: Human Resource (Teaching and Non-Teaching Staff)

Pillar 7: Collaborations, Partnerships and Linkages

Pillar 8: Research and Innovation

Koshin Technical Training Institute develops its annual work plans based on the above 8 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Institution achieved its performance targets set for the FY 2019/2020 period for its 8 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Curriculum and student Enrolment	-To provide quality and relevant technical training to trainees -To raise and maintain academic standards in all Koshin TTI course Programmes	Increased enrolment	-Enhance Marketing - Introduce more courses	-There was increased enrolment of students from 264 student to 354
Pillar 2: Physical Infrastructural Facilities	-To develop and enhance infrastructure for effective delivery of the institutions mandate	Completed site plan	-Develop a site plan	-The site plan has been developed

Koshin Technical Training Institute
Annual Report for the year ended June 2020

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 3: Governance and Leadership	<ul style="list-style-type: none"> - To develop a management structure that serves the Institution effectively - To establish culture of good governance in management and administration of the institution over the plan period 	<ul style="list-style-type: none"> - Policies implemented - Programmes implemented and reforms implemented - A well working student Organization - Monitoring and evaluation mechanism 	<ul style="list-style-type: none"> - Policies and regulation implemented - Programmes implemented and relevant service reforms implemented - Implementation of the institutional policy framework 	-There were new courses introduced during the year and a well-structured student council.
Pillar 4: Machine, Equipment and Information Communication technology Infrastructure	<ul style="list-style-type: none"> - To build ICT capacity in curriculum delivery, service delivery and institutional management. - To acquire, install, commission and maintain machines and equipment - To build ICT capacity in curriculum delivery. 	<ul style="list-style-type: none"> - Use of ICTs in instruction - Inter-connectivity of departments through viable means of communication 	<ul style="list-style-type: none"> - Develop an ICT framework - Interaction of ICT in teaching and learning - Develop and maintain fully functional networked and wireless internet facilities 	-Trainers are accessed to Projectors and computers to use in training students - Heads of Department are connected to internet for ease of communication
Pillar 5: Financial Capacity	<ul style="list-style-type: none"> - Improve financial sustainability through effective and efficient financial and procurement systems 	<ul style="list-style-type: none"> - Implemented financial policies in daily operations - Developed proposals 	<ul style="list-style-type: none"> - Reduce fees defaults - Cost reductions and savings - Develop funding to the GOK - Develop funding to donors and income generating activities 	- All transactions of fees payment are verified through bank and Paybill statements before receipting is done. - Proposals to donors on funding was done
Pillar 6: Human Resource (Teaching and Non-Teaching Staff)	<ul style="list-style-type: none"> - To attract, upgrade and maintain qualified staff - To provide an enabling environment for teaching and non-teaching staff to 	<ul style="list-style-type: none"> - Creation of staff welfare - Good rapport and working relationship between the administration and the staff 	<ul style="list-style-type: none"> - Develop and implement policies - Create and support the welfare support program 	- A good working relationship between the administration and staff has been created

Koshin Technical Training Institute
Annual Report for the year ended June 2020

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	develop themselves		<ul style="list-style-type: none"> - Conduct employee satisfaction and work environment survey 	through welfare creation
Pillar7: Collaborations, Partnerships and Linkages	<ul style="list-style-type: none"> - To establish collaborations and partnerships with industry, development partners, institutions of higher learning government and professional bodies and community to ensure relevance of our graduates to the market 	<ul style="list-style-type: none"> - Increased public private partnerships - Established exchange programmes 	<ul style="list-style-type: none"> - Develop collaborations for research and development - Establishment of collaborations and partnerships with other institutions 	<ul style="list-style-type: none"> - There was increased partnership between the Institution and private firms offering attachment opportunities to our students.
Pillar8: Research and Innovation	<ul style="list-style-type: none"> - To enhance research and development in the institution. - To enhance research and innovations over the planned period 	<ul style="list-style-type: none"> - Research and development infrastructure 	<ul style="list-style-type: none"> - Research and development infrastructure 	<ul style="list-style-type: none"> - There were programmes developed and presented in TVET fairs and exhibitions

7. CORPORATE GOVERNANCE STATEMENT

Koshin Technical Training Institute is organised under the category of Technical and Vocational Colleges to offer programmes up to Diploma level, in accordance with the TVET Act No. 29 of 2013. The institute is governed by the Board of Governors (BOG). The membership of the BOG comprises the Chairperson, representative of the Principal Secretary, State Department of Vocational and Technical Training, Ministry of Education, representative of the Governor of Uasin Gishu within which the institute is located, Six other persons appointed on the basis of their knowledge and experience in leadership and management, financial management, technology, industry, engineering and Information Communication Technology. The Principal/Accounting/Executive officer being the secretary to the BOG. During the FY 2019/2020 the representative of the Governors had not been appointed.

In appointing and reappointing of board members, commencement dates of some members are staggered to maintain continuity in the affairs of the board.

The appointment of a member to the BOG may be revoked if the member resigns, becomes insolvent, imprisoned for a term of six months or more, incapacitated by physical or mental illness, absent from three consecutive meetings of the board without leave, inability to discharge his/her function or appointment revoked by the appointing authority.

The BOG meets at least once every four months. Quorum for the conduct of business at a meeting of the BOG is two-thirds of the total number of members of the Board.

During the financial year an induction of the board members was conducted in Nakuru facilitated by officials from the state department for Vocational and Technical Training. Topics covered included Corporate Governance, Project Management, TVET reforms, Public Procurement, Financial Management among others.

The functions of the Board Included:

- Overseeing the conduct of education and Training in the institute
- Promoting and maintaining quality standards and relevance in education and Training
- Administering and managing the institutes property
- Preparing annual estimates of revenue and expenditure as well as incurring expenditure
- Receiving fees, grants, subscriptions, donations and other moneys and making disbursements
- Mobilising resources for the institute
- Developing and reviewing training programmes
- Regulating admissions subject to the Act
- Approving collaborations or associations with other institutions and industries
- Recruiting trainers from among qualified professionals
- Determining suitable terms and conditions of service for support staff and trainers and remunerating them in consultation with the Authority.
- Making regulations governing the institute, conduct and discipline of staff and students.
- Preparing annual reports in areas of their mandate
- Providing for the welfare of staff and students
- Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institute.

8. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

Koshin Technical Training Institute operational and financial performance

During the financial year the institute realized Appropriation in Aid revenue of **Ksh. 9,345,600** and Government grants of **Ksh.8,228,350** and recurrent expenditure stood at **Ksh.15, 388,470**.

Although the Institute has been receiving support from the State Department of Vocational and Technical Training on projects through the Development grants, it has not received 4th Quarter capitation grants in the year. This has adversely affected our day-to-day operations.

SECTION B

Koshin Technical Training Institute compliance with statutory requirements

Koshin Technical Training Institute has complied with all statutory requirements which include prompt remittance of NSSF, NHIF, PAYE, HELB and Withholding Taxes.

Koshin Technical Training Institute
Annual Report for the year ended June 2020

SECTION C

Note:

Key projects Koshin Technical Training Institute is implementing.

The following are the ongoing projects at Koshin Technical Training Institute funded using grants from the state Department and Donor.

ON-GOING PROJECTS						CONTRACTORS PAID		Balance due
Project Title	Funding	Contract Sum	Status	Amount spent to date	% status	Tenderi talent	Florato Construction. Co	
1. Electrical Workshop extension	G.O.K Grants	5,137,040	Complete	4,880,188	100%	4,880,188	-	256,852
2. Twin Workshop (Building Technology)	Donor	-	On going	-	95%	-	-	-
3. Ablution block	G.O.K Grants	2,940,835	On going	0	20%	-	-	2,940,835
4. Septic tank	G.O.K Grants	2,146,117	On going	0	30%	-	-	2,146,117
TOTAL		10,223,992		4,880,188		4,880,188	-	5,343,804

1. The institution has not spent any funds on both Ablution block and Septic tank since no certificate been presented for payment

2. The twin workshop (Building technology) is a donated building hence the institution has not paid any funds.

SECTION D

Major risks facing Koshin Technical Training Institute

Koshin Technical Training Institute desires to enhance its performance and competitiveness in the tertiary education sector in the face of competition of already established institutions and private colleges/institutions. However, to succeed in competitive environment the Institute requires a lot of support from the Government and other stakeholders in terms of funding and other development projects because there is lack of; hostels for students and staff, inadequate classroom infrastructure, inadequate land for expansion, insufficient funds, inadequate library space and books and means of transport-utility vehicles.

The challenges include Inadequate Development and Recurrent grants that reduces implementation of procurement plan activities and Untimely disbursement of student Capitation.

SECTION E

Material arrears in statutory/financial obligations

Koshin Technical Training Institute is law abiding Institution and is committed to its core mandate hence it has no Statutory or tax default to date.

SECTION F

The entity's financial probity and serious governance issues

The Institute has no governance issues among the Board of Governors members or the top management in so far as conflict of interest is concerned.

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Koshin Technical Training Institute exists to offer quality training services. Our purpose is to provide quality technical and entrepreneurship skills, research and innovation that meet the human resource needs for industrial, societal and industrial development. It's what guides us to deliver our strategy, which is founded on 8 pillars:

1. Curriculum implementation
2. Physical Infrastructure
3. Governance and leadership
4. Machines, Equipment and ICT infrastructure
5. Financial capacity
6. Human resource
7. Collaboration, partnership and linkages.
8. Research and Innovation

Below is a brief highlight of our achievements in each pillar:

Curriculum implementation

In the implementation of the curriculum the management ensured that the training offered was of high quality. Instructional training, continuous assessment and evaluation conducted in line with the academic policy. External examinations were conducted.

Physical Infrastructure

During the period the construction of additional workshop was under taken.

Governance and leadership

Reviewed an organogram exists for clear identification of reporting mechanisms among various positions.

Machines, Equipment and ICT infrastructure

Maintenance of the existing machines, equipment and renovations of structures was enhanced,

Financial capacity

Mobilisation of resources through cost cutting measures, policy implementation regarding daily operations

Human resource

Persons with the right qualifications and competence were hired following established process of advertising existing posts, receiving applications, shortlisting of qualified candidates and inviting for an interview conducted based on established criteria that include gender consideration, experiences and relevant qualifications.

Collaboration, Partnership and Linkages.

Partnered with the community in tree planting to increase the Kenya's forest cover.

Research and Innovation

During the year under review, Trainers and Trainees participated in TVET fairs for presentations in research writing competitions, robotics and innovations.

10. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the entity's affairs.

Principal activities

The principal activities of the entity are;

- To offer technical training
- To provide and promote life-long learning

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page. During the year Ms Joan Tanui and Bro Paul Brennan directors retired and Mrs Dorcas Arusei and Ms Sotimarie Biwott were appointed with effect from January 2020.

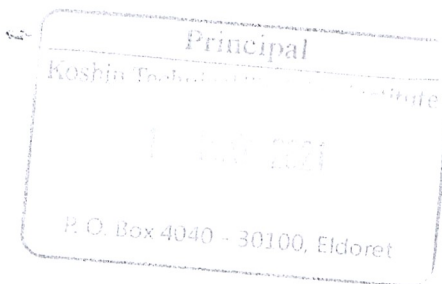
Auditors

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

By Order of the Board of Governors

Principal
Eldoret
Date:

[Handwritten Signature]
17/5/2021



11. STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES

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

The Board members are responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial year ended on June 30, 2020.

This responsibility includes:

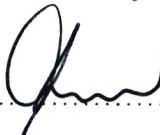
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Institute;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Institute'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, 2012 and the TVET Act. The Board members are of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2020, and of the Institute's financial position as Institute at that date. The Board members further confirm the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

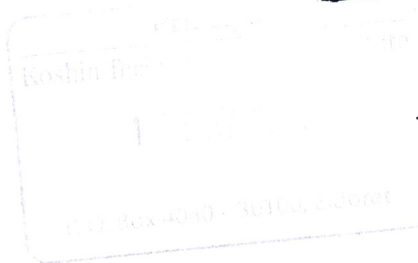
Nothing has come to the attention of the Board members to indicate that the Institute will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial s Institute statements

The Institute's financial statements were approved by the Board on 15/8/2020 and signed on its behalf by:


.....

Leah Kibii
Chairperson of the Board

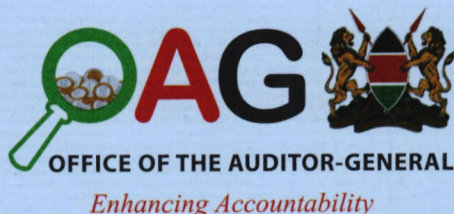



.....

Ernest Cheruiyot
Accounting officer/Principal

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KOSHIN TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Koshin Technical Training Institute set out on pages 1 to 40, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Koshin Technical Training Institute as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1.0 Property, Plant and Equipment

1.1 Land Ownership and Valuation

The statement of financial position reflects property, plant and equipment of Kshs.40,337,238. However, as previously reported, available information indicated that the institution stands on a 2.023 hectares of land title reference No. Tembelio/Elgeyo Border Block 15/45 in Uasin Gishu County but which has not been valued and included as part of property, plant and equipment. A copy of the title deed provided for audit review indicated that the land is reserved for Sergoek Youth Polytechnic Vocational Training Centre which handed over to the Ministry for the establishment Koshin Technical Training Institute.

Although Management explained that the processing of the title deed is ongoing, it was not possible to confirm the status of the process and when the title is likely to be obtained. .

Therefore, the accuracy, completeness, ownership and valuation of the land as at 30 June, 2020 could not be confirmed.

1.2 Buildings Valuation

The statement of financial position reflects property, plant and equipment of Kshs.40,337,238. However, as reported in the previous year, available information indicated that capital work in progress certified amounting to Kshs.5,137,040 in respect of construction of two workshops and office extension were not supported with contract documents, bills of quantities, tender opening minutes, tender evaluation reports, inspection and acceptance committee minutes and certificates of completion. In addition, six buildings that were handed over to the institution by the community did not have values attached to them and hence were excluded from the assets balance as detailed below:

Serial No.	Description of the Asset
1.	Administration Block
2.	Classrooms and Electrical Workshops
3.	Penina Hall
4.	Pit Latrine
5.	Generator House
6.	Building Technology Workshop

In the circumstances, the accuracy, completeness, and valuation of property, plant and equipment of Kshs.40,327,238 as at 30 June, 2020 could not be confirmed.

2.0 Cash and Cash Equivalents

As disclosed in Note 21 to the financial statements, the statement of financial position as at 30 June, 2020 reflects cash and cash equivalents of Kshs.6,273,348 which include recurrent, development bank balances and cash in hand of Kshs.870,728, Kshs.5,383,523 and Kshs.20,097 respectively. However, the certificate of bank balance for recurrent and development accounts and cash count certificate as at 30 June, 2020 were not provided for audit review. Further, the cash book, bank reconciliation statement and Mpesa confirmation certificate for Mpesa Paybill No.678649 were not provided for audit review.

Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.6,273,348 as at 30 June, 2020 could not be confirmed.

3.0 Receivables from Exchange Transactions

The statement of financial position reflects Kshs.6,359,523 in respect to receivables from exchange transactions which is at variance with the supporting schedule balance of Kshs.3,795,670 resulting to unexplained variance of Kshs.2,563,853. In addition, the increase of Kshs.5,400,233 (85%) from Kshs 959,290 in the financial year 2018/2019 was not reconciled. Further, there was no evidence that that Management carried out an

assessment of impairment of receivables including preparation of an aging analysis for the trade receivables and the institution did not maintain a debtor's policy.

In the circumstances, the collectability, accuracy and completeness of receivables from exchange transactions balance of Kshs.6,359,523 as at 30 June, 2020 could not be confirmed.

4.0 Receivables from Non-Exchange Transactions

The statement of financial position reflects Kshs.1,582,500 in respect to receivables from non-exchange transactions for which no supporting schedules were provided for audit review.

Consequently, the accuracy and completeness of non-exchange transactions balance of Kshs.1,582,500 as at 30 June, 2020 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Failure to Provide Approved Budget

The statement of comparison of budget and actual amounts reflects Kshs.16,045,600 and Kshs.12,997,056 in respect to total actual income and payments for the year ended 30 June, 2020 respectively. However, the Management did not provide the approved budget contrary to Paragraph 22 of the Second Schedule of the Technical and Vocational Education and Training Act, 2013 which stipulates that Board of Governors may incur expenditure for the purpose of the institution in accordance with the estimates approved by the Cabinet Secretary, and any approved expenditure under any head of the estimates may not be exceeded without the prior approval of the Cabinet Secretary.

The Management of the Institute is in breach of the law and the propriety of the total payments of Kshs.12,997,056 could not be confirmed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and

Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Fixed Assets Register

The statement of financial position reflects property, plant and equipment of Kshs.40,327,238. However, as reported in the previous year, the asset register provided for audit review did not conform with the formats in **Appendix 6** of the Guidelines approved by the Public Sector Accounting Standards Board (PSASB) and issued by the National Treasury on asset and liability management in the public sector dated July, 2020.

In the circumstances, the Management was in breach of the guidelines on maintenance of the fixed asset register.

2. Human Resource Policy and Staff Establishment

As reported in the previous year, a review of the human resource records provided revealed that the Institute did not have an approved staff establishment and an approved Human Resource Policy in place as at the time of audit. Without the approved staff establishment, it is not possible to confirm the deficit or surplus of the number of staff per department or the institution.

Consequently, the Management was in contravention of Section B2(1) of the Human Resource Policies and Procedures Manual for the Public Service 2016 which requires every Ministry/State Department to prepare human resource plans to support achievement of goals and objectives in their strategic plans.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

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

Basis for Conclusion

1. Lack of Internal Audit Function

During the financial year under review, it was observed that the institution did not have an Internal Audit department in place as required by regulation 162(2) of the Public Finance Management (National Governments) Regulations, 2015.

Consequently, the Management is in breach of the regulations.

2. Failure to Establish an Audit Committee

The Koshin Technical Training Institute has not established an audit committee contrary to Section 73(5) of the Public Finance Management Act, 2012 which states that every National Government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations.

No satisfactory explanation has been provided for the failure to establish independent audit committee and consequently, the Institute's Management is in breach of the law.

3. Lack of IT Policy

A scrutiny of the Institute's IT internal controls shows that the Institute it did not have an IT Strategic Committee, IT Steering Committee, IT Security Policy, Emergency procedures and an approved back up and retention strategy in place, this is contrary to the requirement of Section 165(1)(b) of the Public Finance Management Act, 2012 that provides that Accounting officer shall ensure that the National Government entity develops a system of risk management and internal control that builds robust business operations. Such controls are instituted as appropriate to provide access controls needed to minimizes breaches in systems of information, confidentiality, data integrity and loss of business continuity.

In the absence of a back-up in an off-site location, there is the risk of the operations coming to a complete shut down in the event of a disaster.

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

Responsibilities of Management and Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in

which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

01 February, 2022

12. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government—grants/ gifts in kind	1	8,228,350	7,458,350
Grants from donors and development partners	2	0	0
Transfers from other levels of government	3	0	0
Public contributions and donations	4	0	0
		8,228,350	7,458,350
Revenue from exchange transactions			
Rendering of services- Fees from students	5	9,345,600	6,145,620
Sale of goods	6	0	0
Rental revenue from facilities and equipment	7	0	0
Finance income-external investments	8	0	0
Other income/Tender Registration	9	0	9,000
Revenue from exchange transactions		9,345,600	6,154,620
Total revenue		17,573,950	13,612,970
Expenses			
Use of goods and services	10	3,514,645	10,009,786
Employee costs	11	6,905,135	6,618,070
Remuneration of Directors	12	957,300	966,500
Depreciation and amortization expense	13	3,593,200	4,050,695
Repairs and maintenance	14	418,190	252,071
Contracted services	15	0	0
Grants and subsidies	16	0	0
Finance costs	17	0	0
Total expenses		15,388,470	21,897,122
Other gains/(losses)			
Gain on sale of assets	18	0	0
Unrealized gain on fair value of investments	19	0	0
Impairment loss	20	0	0
Total other gains/(losses)		0	0
Net Surplus for the year		2,185,480	-8,284,152

The notes set out on pages 17 to 43 form an integral part of the Annual Financial Statements.

13. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2019-2020 Kshs	2018-2019 Kshs
Assets			
Current assets			
Cash and cash equivalents	21	6,273,348	6,833,752
Current portion of receivables from exchange transactions	22 (a)	6,359,523	3,254,830
Receivables from non-exchange transactions	22 (c)	1,582,500	0
Inventories	23	202,127	0
Investments	24	0	0
		14,417,498	10,088,582
Non-current assets			
Property, plant and equipment	25	40,337,238	36,805,465
Intangible assets	26	0	0
Investment property	27	0	0
Long term receivables from exchange transactions	22 (b)	0	0
		40,337,238	36,805,465
Total assets		54,754,736	46,894,047
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	28	512,882	1,476,963
Refundable deposits – caution money	29	0	38,630
Provisions	30	0	0
Finance lease obligation	31	0	0
Current portion of borrowings	35	0	0
Deferred income	32	0	0
Employee benefit obligation	33	0	0
		512,882	1,515,593
Non-current liabilities			
Non-current employee benefit obligation	33	0	0
Non-current provisions	34	0	0
Borrowings	35	0	0
Service concession liability	36	0	0
Total liabilities		512,882	1,515,593
Net assets		54,241,854	45,378,454
Reserves		8,126,768	8,593,843
Accumulated surplus		-6,754,938	-8,284,152
Capital Fund		-858,948	1,205,902
Total net assets and liabilities		54,754,736	46,894,047

The Financial Statements set out on pages 01 to 43 were signed on behalf of the Institute Board of Governors by:

Chairperson Board of Governors

Date.....17/07/2021

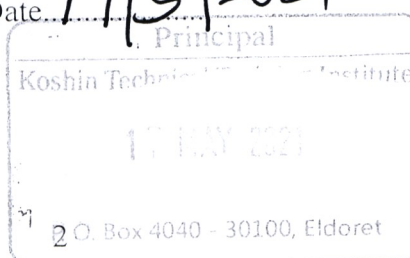
Principal

Date 17/5/2021

Finance Officer

ICPAK No. Assoc/3127

Date 17/05/2021



Koshin Technical Training Institute
Financial Statements for the year ended 30 June 2020

14. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2020

	Donated assets	Development fund	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2018	-	-	12,827,300	3,728,247	16,555,547
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	-8,284,152	-	-8,284,152
Capital/Development grants received during the year	-	-	-	1,528,350	1,528,350
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	4,050,695	(4,050,695)	-
At June 30, 2019	-	-	8,593,843	1,205,902	9,799,745
At July 1, 2019	-	-	8,593,843	1,205,902	9,799,745
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	2,185,480	-	2,185,480
Capital/Development grants received during the year	-	-	-	1,528,350	1,528,350
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	3,593,200	(3,593,200)	-
At June 30, 2020	-	-	14,372,523	-858,948	13,513,575

15. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2019-2020 Kshs	2018-2019 Kshs
Cashflows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	1 (a)	8,228,350	7,458,350
Public contributions and donations	4	0	0
Rendering of services- Fees from students	5	9,345,600	6,145,620
Sale of goods	6	0	
Rental revenue from facilities and equipment	7	0	
Finance income	8	0	
Other income	9	0	9,000
Total Receipts		17,573,950	13,612,970
Payments			
Use of goods and services	10	3,514,645	10,009,780
Employee costs	11	6,905,135	6,618,000
Remuneration of Directors	12	957,300	966,500
Repairs and maintenance	14	418,190	252,070
Contracted services	15	0	
Grants and subsidies	16	0	
Finance costs	17	0	0
Total payments			17,846,480
Net cash flows from operating activities	37	(1,967,181)	2,487,620
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(1,987,933)	(3,134,582)
Proceeds from sale of property, plant and equipment		0	0
Decrease in non-current receivables		0	
Increase in investments		0	
Net cash flows used in investing activities		(1,987,933)	(3,134,582)
Cash flows from financing activities			
Proceeds from borrowings		0	
Repayment of borrowings		0	0
Increase in deposits		0	
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		(560,404)	(8,527,480)
Cash and cash equivalents at 1 JULY	21	6,833,752	15,361,200
Cash and cash equivalents at 30 JUNE	21	6,273,348	6,833,752

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

	Original budget 2019-2020	Adjustments 2019-2020	Final budget 2019-2020	Actuation comparable basis 2019-2020	Performance difference 2019-2020
Revenue					
Transfers from other Govt entities Govt grants	24,000,000	-	24,000,000	6,700,000	17,300,000
Public contributions and donations	-	-	-	-	-
Rending of services- Fees from students	21,136,000	-	21,136,000	9,345,600	11,790,400
Sale of goods	-	-	-	-	-
Finance income	-	-	-	-	-
Other Income	-	-	-	-	-
Gain on disposal, rental income and agency fees	-	-	-	-	-
Total income	45,136,000	-	45,136,000	16,045,600	29,090,400
Expenses					
Use of goods and services	18,255,200	-	18,255,200	3,514,645	14,740,555
Employee costs	12,950,000	-	12,950,000	6,905,135	6,058,085
Remuneration of Directors	1,948,800	-	1,948,800	957,300	991,500
Repairs and maintenance	1,390,000	-	1,390,000	418,190	971,810
Total expenditure	41,494,000	-	41,494,000	12,997,056	28,510,164
Surplus for the period	3,642,000	-	3,642,000	3,048,544	580,236

Budget notes

1. The high-performance differences resulted from low revenue collection and undisbursed government grants

17. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 32

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

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

2. ADOPTION OF NEW AND REVISED STANDARDS

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1 st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2022:</p> <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

Standard	Effective date and impact:
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020.

3 REVENUE RECOGNITION

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Rental income

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

4 BUDGET INFORMATION

The original budget for FY 2019/2020 was approved by the Board in 09 July 2019. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

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

5 TAXES

Current income tax

The entity is not exempt from paying taxes since it is acting as a VAT agent as well as deducting PAYE and remits for its employees.

Sales tax/ Value Added Tax

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

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

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

6 INVESTMENT PROPERTY

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment

property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

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

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

Transfers are made to or from investment property only when there is a change in use.

7 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.

8 LEASES

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

9 INTANGIBLE ASSETS

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

10 RESEARCH AND DEVELOPMENT COSTS

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

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

11 FINANCIAL INSTRUMENTS

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

12 INVENTORIES

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

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

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

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

13 PROVISIONS

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

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

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

Contingent liabilities

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

Contingent assets

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

14 NATURE AND PURPOSE OF RESERVES

The Entity does not maintain reserves in terms of specific requirements.

15 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.

16 EMPLOYEE BENEFITS

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

17 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

18 BORROWING COSTS

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

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

19 RELATED PARTIES

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

20 SERVICE CONCESSION ARRANGEMENTS

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

21 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 imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

22 COMPARATIVE FIGURES

Comparative figures have been amended to conform with the Financial Reporting template issued by the Public Sector Accounting Standards Board.

23 SUBSEQUENT EVENTS

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.

24 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions

and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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.

18. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Operational grant	6,700,000	5,930,000
Other grants	-	-
Conditional grants		
Development grant	1,528,350	1,528,350
Library grant	-	-
Hostels grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Learning facilities grant	-	-
Other organizational grants	-	-
Total government grants and subsidies	8,228,350	7,458,350

b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2019-2020
			KShs	KShs	KShs
State Department of Vocational & Technical Training	0	0	0	8,228,350	0
Ministry	0	0	0	0	0
Total	0	0	0	8,228,350	0

2 GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

Description	2019-2020	2018-2019
	KShs	KShs
JICA- Research grant	0	0
World Bank grants	0	0
Other grants	0	0
Total grants from development partners	0	0

We did not receive any income from donors or development partners

Reconciliations of grants from donors and development partners

Koshin Technical Training Institute
Notes to the Financial Statements for the year ended 30 June 2020

Description	2019-2020	2018-2019
	KShs	KShs
	0	0
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Conditions met - transferred to revenue	0	0
Conditions to be met - remain liabilities	0	0

We did not receive any income from donors or development partners

3 TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2019-2020	2018-2019
	KShs	KShs
Transfer from County	0	0
Transfer from University	0	0
Transfer from institute	0	0
Total Transfers	0	0

4 PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2019-2020	2018-2019
	KShs	KShs
Public donations	0	0
Donations from local leadership	0	0
Donations from religious institutions	0	0
Donations from alumni	0	0
Other donations	0	0
Total donations and sponsorships	0	0

There was neither public contribution nor donations during the year

5 RENDERING OF SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Tuition fees	1,768,660	1,018,100
Activity fees	399,717	333,100
Examination fees	400,000	185,100
Library fees	530,598	0
Facilities and materials	296,200	555,327
Registration fees	70,600	46,000
Others	5,879,825	4,007,993
Total revenue from the rendering of services	9,345,600	6,145,620

The institution received income only from the collection of fees from students

6 SALE OF GOODS

Description	2019-2020	2018-2019
	KShs	KShs
Sale of goods		
Sale of books	0	0
Sale of publications	0	0
Sale of farm produce	0	0
Other(include in line with your organisation)	0	0
Total revenue from the sale of goods	0	0

There were no goods sold since we did not have any production department in place during the year

7 RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	2019-2020	2018-2019
	KShs	KShs
Straight-lined operating lease receipts	0	0
Contingent rentals	0	0
Total rentals	0	0

The institution does not have hostels hence it does not receive any income

8 FINANCE INCOME

Description	2019-2020	2018-2019
	KShs	KShs
Cash investments and fixed deposits	0	0
Interest income from Treasury Bills	0	0
Interest income from Treasury Bonds	0	0
Interest from outstanding debtors	0	0
Total finance income	0	0

There were no funds invested or interest charged to debtors during the year hence no income received

9 OTHER INCOME

Description	2019-2020	2018-2019
	KShs	KShs
Insurance recoveries	0	0
Consultancy fees	0	0
Income from sale of tender	0	0
Services concession income	0	0
Skills development levy	0	0
Income from disposal of assets	0	9,000
Total other income	0	9,000

We did not receive any other income apart from rendering of training service.

10 USE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Electricity, water and conservancy	221,500	269,555
Security	-	0
Professional services	-	0
Subscriptions	382,378	665,925
Advertising	-	0
Admin fees	482,822	1,037,073
Audit fees	-	0
Conferences and delegations	-	0
Consulting fees	-	0
Consumables	200,786	400,000
Fuel and oil	-	0
Insurance	-	0
Legal expenses	-	0
Licenses and permits	-	0
Postage	-	0
Printing and stationery	-	0
Hire charges	-	0
Rent expenses	-	0
Security costs	-	0
Sewage treatment costs	-	0
Skills development levies	-	0
Inventory scrapping	-	0
Telecommunication	391,607	814,250
Training expenses	1,001,000	2,506,790
Other	834,552	4,316,193
Total good and services	3,514,645	10,009,786

11 EMPLOYEE COSTS

	2019-2020	2018-2019
	KShs	KShs
Salaries and wages	6,905,135	6,618,070
Employee related costs-contribution to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Employee costs	6,905,135	6,618,070

12 REMUNERATION OF DIRECTORS

Description	2019-2020	2018-2019
	KShs	KShs
BOG expenses	957,300	966,500
Director's emoluments	-	-
Other allowances	-	-
Total director emoluments	957,300	966,500

13 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment	3,593,200	4,050,695
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	3,593,200	4,050,695

14 REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	KShs	KShs
Property	418,190	252,071
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Other	-	-
Total repairs and maintenance	418,190	252,071

15 CONTRACTED SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Actuarial valuations	0	0
Investment valuations	0	0
Property valuations	0	0
Total contracted services	0	0

16 GRANTS AND SUBSIDIES

Description	2019-2020	2018-2019
	KShs	KShs
Community development	0	0
Education initiatives and programs	0	0
Social development	0	0
Community trust	0	0
Sporting bodies	0	0
Total grants and subsidies	0	0

17 FINANCE COSTS

Description	2019-2020	2018-2019
	KShs	KShs
Borrowings (amortized cost)	0	0
Finance leases (amortized cost)	0	0
Unwinding of discount	0	0
Interest on Bank overdrafts	0	0
Interest on loans from commercial banks	0	0
Total finance costs	0	0

We did not undertake any borrowing during the financial year

18 GAIN ON SALE OF ASSETS

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment	0	0
Intangible assets	0	0
Other assets not capitalised	0	0
Total gain on sale of assets	0	0

19 UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description	2019-2020	2018-2019
	KShs	KShs
Investments at fair value	0	0
Total gain	0	0

20 IMPAIRMENT LOSS

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment	0	0
Intangible assets	0	0
Total impairment loss	0	0

21 CASH AND CASH EQUIVALENTS

Description	2019-2020	2018-2019
	KShs	KShs
Current account	870,728	1,192,558
On - call deposits		0
Fixed deposits account		0
Staff car loan/ mortgage		0
Others (Development account and cash in hand)	5,402,620	5,641,194
Total cash and cash equivalents	6,273,348	6,833,752

22(a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2019-2020	2018-2019
		KShs	KShs
a) Current account			
Kenya Commercial bank	1203016522	870,728	1,192,558
Sub- total		870,728	1,192,558
b) Development account			
Kenya Commercial bank	12030116565	5,382,523	5,620,523
Sub- total		5,382,523	5,620,523
c) Others (specify)			
Cash in transit			
cash in hand		20,097	20,670
M pesa			
Sub- total		20,097	20,670
Grand total		6,273,348	6,833,751

22 a) RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Student	6,359,523	3,254,830
Rent debtors	-	-
Consultancy debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total current receivables	6,359,523	3,254,830

b) NON-CURRENT RECEIVABLES

Description	2019-2020	2018-2019
	KShs	KShs
Non-current receivables		
Refundable deposits	-	-
Advance payments	-	-
Public organizations	-	-
Less: impairment allowance	-	-
Total	-	-
Current portion transferred to current receivables	--	-
Total non-current receivables	-	-
Total receivables	6,359,523	3,254,830

c) RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Undisbursed students capitation	1,582,500	-
Transfers from other govt. entities	-	-
Undisbursed donor funds	-	-
Other debtors (non-exchange transactions)	-	-
Less: impairment allowance	-	-
Total current receivables	1,582,500	-

23 INVENTORIES

Description	2019-2020	2018-2019
	KShs	KShs
Consumable stores	202,127	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning materials stores	-	-
Catering stores	-	-
Total inventories at the lower of cost and net realizable value	202,127	-

24 INVESTMENTS

Description	2019-2020	2018-2019
	KShs	KShs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK	0	0
CBK	0	0
Sub- total	0	0
b) Investment with Financial Institution		
Bank	0	0
Bank	0	0
Sub- total	0	0
c) Equity investments (specify)		
Equity/ shares in company	0	0
Sub- total	0	0
Grand total	0	0

Koshin Technical training Institute has not invested any money to any financial institution during the year ended June 2020.

d) Shareholding in other entities

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

Name of entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%			
				Shs	Shs	Shs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
Entity C	0	0	0	0	0	0
Entity D	0	0	0	0	0	0
	0	0	0	0	0	0

*Koshin Technical Training Institute
Notes to the Financial Statements for the year ended 30 June 2020*

25 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Capital Work in progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2018	32,490,000	0	1,283,197	857,885	374,230	0	2,369,969	37,375,281
Additions	0	0	1,189,335	699,000	499,544	0	1,093,000	3,134,582
Disposals	0	0	0	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0	0	0	0
At 30 th June 2019	32,490,000	0	2,472,532	1,556,885	873,774	0	3,462,969	40,509,863
Additions	5,137,040	0	0	48,000	265,862	0	1,674,071	7,124,973
Disposals	0	0	0	0	0	0	0	0
Transfer/adjustments	0	0	0	0	0	0	0	0
At 30 th June 2020	37,627,040	0	2,472,532	1,604,885	1,139,636	0	5,137,040	47,634,836
Depreciation and impairment								
At 1 July 2019								
Depreciation	(3,249,000)	0	(247,253)	(467,065)	(87,377)	0	0	(4,050,695)
Impairment	0	0	0	0	0	0	0	0
At 30 June 2020	3,249,000	0	247,253	467,065	87,377	0	0	4,050,695
Depreciation	(2,924,100)	0	(222,528)	(341,346)	(105,226)	0	0	(3,593,200)
Disposals	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0	0	0	0
At 30 th June 2020	2,924,100	0	222,528	341,346	105,226	0	0	3,593,200
Net book values								

Koshin Technical Training Institute

Notes to the Financial Statements for the year ended 30 June 2020

At 30 th June 2019	29,241,000	0	2,225,279	1,089,820	786,397	0	3,462,969	36,805,465
At 30 th June 2020	31,453,940	0	2,002,751	796,474	947,033	0	5,137,040	40,337,238

Notes

1. Work in Progress arises from the extension of 2NO Electrical and Electronics Engineering workshop
2. The cost of Land has not been included in the statements
3. Depreciation rates for Buildings and Other assets 10%, Furniture and fittings 12.5% and computers 30%

26 INTANGIBLE ASSETS-SOFTWARE

Description	2019-2020	2018-2019
	KShs	KShs
Cost		
At beginning of the year	0	0
Additions	0	0
At end of the year	0	0
Additions—internal development	0	0
At end of the year	0	0
Amortization and impairment	0	0
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

27 INVESTMENT PROPERTY

Description	2019-2020	2018-2019
	KShs	KShs
At beginning of the year	0	0
Additions	0	0
Fair value gain	0	0
Depreciation(where investment property is at cost)	0	0
At end of the year	0	0

28 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Trade payables	209,373	479,923
Fees paid in advance	276,509	359,540
Employee advances/Obligation	27,000	637,500
Third-party payments	-	-
Other payables	-	-
Total trade and other payables	512,882	1,476,963

29 REFUNDABLE DEPOSITS FROM STUDENTS

Description	2019-2020	2018-2019
	KShs	KShs
Consumer deposits	0	0
Caution money	27,900	38,630
Other refundable deposits	0	0
Total deposits	27,900	38,630

30 CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	0	0	0	0
Additional Provisions	0	0	0	0
Provision utilised	0	0	0	0
Change due to discount and time value for money	0	0	0	0
Transfers from non-current provisions	0	0	0	0
Total provisions	0	0	0	0

31 FINANCE LEASE OBLIGATION

Description	Minimum lease payments	Future finance charges	Present value of minimum lease payments	2019-2020
	KShs	KShs	KShs	KShs
Within current year	0	0	0	0
Long term portion of lease payments	0	0	0	0
Total provisions	0	0	0	0

32 DEFERRED INCOME

Description	2019-2020	2018-2019
	KShs	KShs
National government	0	0
International funders	0	0
Public contributions and donations	0	0
Total deferred income	0	0

The deferred income movement is as follows:

	National government	International funders/ donors	Public contributions and donations	Total
Balance brought forward	0	0	0	0
Additions during the year	0	0	0	0
Transfers to Capital fund	0	0	0	0
Transfers to income statement	0	0	0	0
Other transfers	0	0	0	0
Balance carried forward	0	0	0	0

33 EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2019-2020	2018-2019
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation	0	0	0	0	0
Non-current benefit obligation	0	0	0	0	0
Total employee benefits obligation	0	0	0	0	0

The entity operates a defined benefit scheme for all full-time employees from July 1, 2019. The scheme is based on salary of an employee multiplied by the number of years worked. During the year we did not engage any valuer for the scheme of service

	2019-2020	2018-2019
	KShs	KShs
Valuation at the beginning of the year	0	0
Changes in valuation during the year	0	0
Valuation at end of the year	0	0
	=====	=====

The Institute also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Institute's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.400 per employee per month.

34 NON-CURRENT PROVISIONS

Description	Long service leave	Gratuity	Other Provisions	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	0	0	0	0
Additional Provisions	0	0	0	0
Provision utilised	0	0	0	0
Change due to discount and time value for money	0	0	0	0
Less: Current portion	0	0	0	0
Total deferred income	0	0	0	0

35 BORROWINGS

Description	2019-2020	2018-2019
	KShs	KShs
Balance at beginning of the period	0	0
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the year	0	0
Repayments of domestic borrowings during the year	0	0
Balance at end of the period	0	0

37 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS

	2019-2020	2018-2019
	KShs	KShs
External Borrowings		
Dollar denominated loan from organization	0	0
Sterling Pound denominated loan from organization	0	0
Euro denominated loan from organization	0	0
Domestic Borrowings	0	0
Kenya Shilling loan from KCB	0	0
Kenya Shilling loan from Barclays Bank	0	0
Kenya Shilling loan from Consolidated Bank	0	0
Total balance at end of the year	0	0

b) BREAKDOWN OF LONG- AND SHORT-TERM BORROWINGS

Description	2019-2020 KShs	2018-2019 KShs
Short term borrowings(current portion)	0	0
Long term borrowings	0	0
Total	0	0

38 SERVICE CONCESSION ARRANGEMENTS

Description	2019-2020 KShs	2018-2019 KShs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	0	0
Net carrying amount	0	0
Serviceconcessionliabilityat beginning of the year	0	0
Serviceconcessionrevenue recognized	0	0
Serviceconcessionliabilityat end of the year	0	0

39 CASH GENERATED FROM OPERATIONS

	2019-2020 KShs	2018-2019 KShs
Surplus for the year before tax		
Adjusted for:		
Depreciation	3,593,200	4,050,695
Non-cash grants received	0	0
Contributed assets	0	0
Impairment	0	0
Gains and losses on disposal of assets	0	0
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Finance income	0	0
Finance cost	0	0
Working Capital adjustments		
Increase in inventory	(202,127)	0
Increase in receivables	(4,687,193)	(2,668,419)
Increase in deferred income	0	0
Increase in payables	(671,061)	1,105,352
Increase in payments received in advance	0	0
Net cash flow from operating activities	-1,967,181	2,487,628

40 FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2019				
Receivables from exchange transactions	3,254,830	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	6,833,752	6,833,752	0	0
Total	10,088,582	6,833,752	0	0
At 30 June 2020				
Receivables from exchange transactions	6,359,523	0	0	0
Receivables from non-exchange transactions	1,582,500	0	0	0
Bank balances	6,273,348	6,273,348	0	0
Total	14,215,371	6,273,348	0	0

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 suppliers.

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

(ii) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2019				
Trade payables	0	400,963	1,076,000	1,476,963
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	400,963	1,076,000	1,476,963
At 30 June 2020				
Trade payables	0	0	512,882	512,882
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	512,882	512,882

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2020			
Financial assets(investments, cash ,debtors)	0	0	0
Liabilities	0	0	0
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

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.

a) Foreign currency risk (Continued)

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2020			
Financial assets(investments, cash ,debtors)	0	0	0
Liabilities	0	0	0
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2019			
Euro	10%	0	0
USD	10%	0	0
2020			
Euro	10%	0	0
USD	10%	0	0

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.

IV) 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:

	2019-2020	2018-2019
	Kshs	Kshs
Revaluation reserve	8,126,768	2,348,088
Retained earnings	2,185,480	-11,233,666
Capital reserve	4,877,702	6,942,552
Total funds	15,189,950	-1,943,026
Total borrowings	0	0
Less: cash and bank balances	(6,273,348)	(6,833,751)
Net debt/(excess cash and cash equivalents)	8,916,602	-8,776,777
Gearing	0%	0%

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

	2019-2020	2018-2019
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of goods	0	0
Sales of services	0	0
Total	0	0
b) Grants from the Government		
Grants from National Govt	8,228,350	7,458,350
Grants from County Government	0	0
Donations in kind	0	0
Total	8,228,350	7,458,350
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	612,000	865,500
Payments for goods and services	0	0
Total	612,000	865,500
d) Key management compensation		
Directors' emoluments	957,300	966,500
Compensation to the CEO	0	0
Compensation to key management	0	0
Total	957,300	966,500

41 SEGMENT INFORMATION

The entity does not have branches

42 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities	2019-2020	2018-2019
	Kshs	Kshs
Court case against the company	0	0
Bank guarantees in favour of subsidiary	0	0
Total	0	0

43 CAPITAL COMMITMENTS

Capital commitments	2019-2020	2018-2019
	Kshs	Kshs
Authorised for	0	0
Authorised and contracted for	0	0
Total	0	0

44 EVENTS AFTER THE REPORTING PERIOD

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

45 ULTIMATE AND HOLDING ENTITY

The entity is a State Corporation under the Ministry of Education. Its ultimate parent is the Government of Kenya.

46 Currency

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

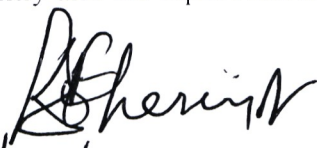
19. APPENDICES

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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)

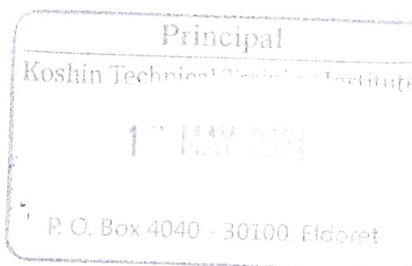
Note: This is the second year of audit and the two years 2018/2019 and 2019/2020 where audited concurrently and the report has not been issued.

Principal



Date.....

17/5/2021



APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

Projects implemented by KOSHIN TTI by development partners

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	2NO electrical workshop extension and offices	n/a	1 year	n/a	No	No
2	Staff and student's ablution block	n/a	1 year	n/a	No	No
3	Septic tank	n/a	1 year	n/a	No	No

Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds	
1	2NO electrical workshop extension and offices	5,137,040	5,137,040	100%	5,140,000	5,137,040	GoK
2	Staff and student's ablution block	2,940,835	-	20%	2,940,835	2,940,835	GoK
3	Septic tank	2,146,117	-	30%	2,146,117	2,146,117	GoK

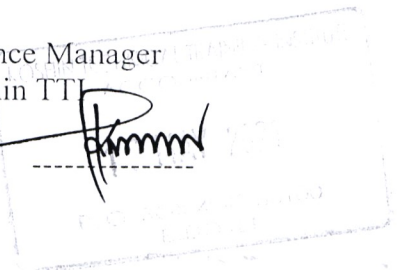
APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the State Department of Technical and Vocational Training				
FY 2019/2020				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		12/07/2019	2,430,000	2019/2020
		12/07/2019	1,000,000	2019/2020
		28/10/2019	1,687,500	2019/2020
		15/05/2020	1,582,500	2019/2020
		Total	6,700,000	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		17/07/2019	1,528,350	2019/2020
		Total	1,528,350	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	0	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
		Total	0	

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

Finance Manager
Koshin TT

Sign 



Head of Accounting Unit
Education Ministry

Sign-----

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized					Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific		
Ministry of Education	12/07/2019	Recurrent	2,430,000	2,430,000	0	0	0	0	0	2,430,000
Ministry of Education	12/07/2019	Recurrent	1,000,000	1,000,000	0	0	0	0	0	1,000,000
Ministry of Education	28/10/2019	Recurrent	1,687,500	1,687,500	0	0	0	0	0	1,687,500
Ministry of Education	15/05/2020	Recurrent	1,582,500	1,582,500	0	0	0	0	0	1,582,500
Ministry of Education	17/07/2019	Development	1,528,350	0	1,528,350	0	0	0	0	1,528,350
USAID	n/a	Donor Fund	0	0	0	0	0	0	0	0
Ministry of Education	n/a	Direct Payment	0	0	0	0	0	0	0	0
Total			8,228,350	6,700,000	1,528,350	0	0	0	0	8,228,350

