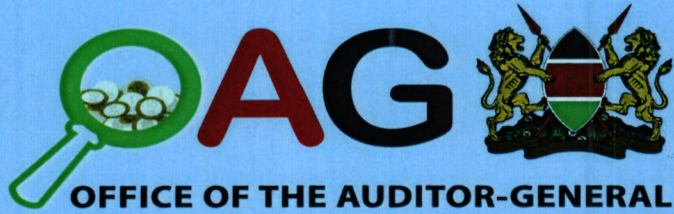


REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 28 FEB 2023

DAY

TUESDAY

TABLED
BY:

The leader of the
Majority Party (LOM)
Inzogu Mwale

OF

CLERK AT
THE TABLE:

THE AUDITOR-GENERAL

ON

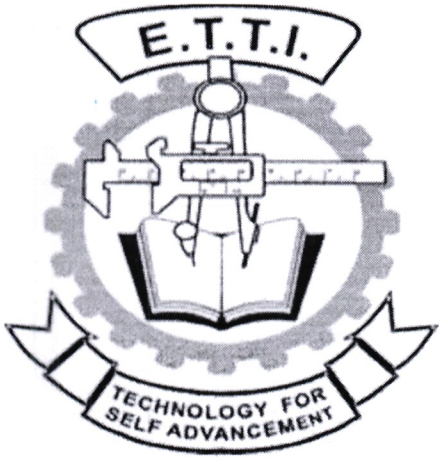
**EMINING TECHNICAL TRAINING
INSTITUTE**

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



OFFICE OF THE AUDITOR GENERAL
P.O. Box 30084 - 00100, NAIROBI
REGISTRY
20 JUL 2022
RECEIVED

OFFICE OF THE AUDITOR GENERAL
SOUTH RIFT HUB
04 JUL 2022
RECEIVED
P.O. Box 1050-20100, NAKURU



EMINING TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2021

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

**EMINING TECHNICAL TRAINING INSTITUTE
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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Emining Technical Training Institute was incorporated/ established under the TVET Act on **17th February, 2015** with Registration Certificate Number **TVETA/PUBLIC/ TVC/0002/2015**. The entity is domiciled in Kenya and has no branches. The institute is under the Ministry of Education.

It has the following departments

- i) Engineering department
- ii) Information Technology Department
- iii) Business Department
- iv) Agriculture Department

(b) Principal Activities

The principal activity of Emining Technical Training Institute is to offer quality Education to the trainees.

(i) Vision:

- To be a centre of excellence in Science, Technology and Innovation.

(ii) Mission:

-To produce skilled human capital suitable for the dynamic global economy.

(c) Key Management

Emining Technical Training Institute's *day-to-day* management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Management
- Head of Departments

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Jonah Kimengich
2.	Deputy principal	Samson Rutto
3.	Registrar	Stephen Kiprono
4.	Dean of students	KipkorirChangwony
5.	Finance Officer	JecintaChelelgo
6.	Internal Auditor	Nicodemus Toroitich,k
7.	Procurement officer	Alfred Kosgei

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(e) Fiduciary Oversight Arrangements

- Audit and risk committee activities

- Ensuring that financial statements are understandable and transparent and reliable
- Reviewing internal audit plans, reports and significant findings

- Finance and operations committee activities

- To receive reports from principal and finance officer
- Ensuring Proper financial evaluation and control of projects

- Academic committee activities

- Ensuring that the trainers do their part to achieve the institution's mission and vision and the students achieve their goals bypassing their exams.

- Other oversight activities

During Financial year, 2020/2021, the development committee members held their meeting with the contractor. They discussed about the project status in school and agreed with the Contractor, that he should finalize the construction.

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

f) Emining Technical Training Institute Bankers

1. Kenya Commercial Bank
Operation Account
A/c no: 1148626859
Nakuru Kenyatta Avenue
P.O Box 18
Nakuru - 20100
2. Kenya Commercial Bank
Development Account
A/c no: 1166509710
Flamingo Nakuru
P.O Box 17755
Nakuru – 20100
3. Kenya Commercial Bank
A/c no: 1281250708
Mogotio Branch
P.O Box
Mogotio -20105

g) Independent Auditor

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





h) Principal Legal Adviser

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





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II. THE BOARD OF GOVERNORS





 <p>1. DR. CYNTHIA KIPCHILAT- BOARD CHAIR Date of Birth 02/ 08/ 1964</p>	<p>Education Background</p> <ul style="list-style-type: none"> - PhD –International business Administration, Florida - MBA ,University of Wales,UK <p>Experience</p> <ul style="list-style-type: none"> - Director, (EPC)-Export promotion - Director CRWWDA - Director: Kenya Institute of Public Policy Research and Analysis (KIPPRA) -2008-January 2013: - Senior Lecturer at Egerton University
 <p>2. VIOLA CHEBII – BOARD MEMBER Date of Birth 24/6/1979</p>	<p>Bachelor of Commerce, Accounting option (Kenyatta University), CPA II Section III</p> <p>Experience: - Assistant finance Manager, Mogotio Sisal Plantations Limited, Auditor.</p>
 <p>3. KIPSANG KETER- BOARD MEMBER Date of Birth -26/09/1955</p>	<p>Bachelor of Science (Honors) in Materials Technology (Leather) British School of Leather Technology University of Northampton – UK</p> <ul style="list-style-type: none"> • Coordinating Leather Development activities in the Ministry • Implementation of Vision 2030 through revitalization of the leather industry in the country. • Writing of project proposal • Supervision of project implementation • Development of SMEs (Rural Mini-Tanneries)
 <p>4. DR. KIRORI MINDO –BOARD MEMBER Date of Birth – 21/03/1982</p>	<p>PhD in Information Technology</p> <p>Experience: - Trainer ICT Provider, Consultancy in ICT</p>

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 <p>5. MARY AKOTH- BOARD MEMBER Date of Birth 01/01/1978</p>	<p>. BSc in Electrical Engineering (Power Option) - Electrical engineer, Private Consultant</p>
 <p>6. MERCY KAHUKO- BOARD MEMBER Date of Birth- 28/05/1977</p>	<p>Education Background -Masters in Business Administration. (Strategic Management Part-time Lecturer in Daystar Leadership & Professional Development Institute (DLPDI) and School of Business & Economics,</p>
 <p>7. FRANCIS KENEI- BOARD MEMBER Date of Birth - 11/03/1966</p>	<p>Education Background BSc. Agricultural Economics Egerton University Njoro, Kenya KATC. Intermediate. KASNEB (RVIST Nakuru, Kenya Experience Senior Administrative Assistant Faculty of Engineering and Technology Egerton University.</p>
 <p>8. JONAH KIMENGICH SECRETARY Date of Birth – 29/05/1962</p> <p style="text-align: right;">- BOARD</p>	<p>-Bachelor’s Degree in Technology, Moi University -Diploma in Technical Education KTTC Nairobi. -KNEC Craft Certificate Part III in Plumbing, KTTC.</p>

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III. MANAGEMENT TEAM

 <p>1. JONAH KIMENGICH –PRINCIPAL Date of Birth – 29/05/1962 - Bachelor’s Degree in Technology, Moi University. - Diploma in Technical Education KTTC Nairobi. - KNEC Craft Certificate Part III in Plumbing, KTTC.</p>	<ul style="list-style-type: none"> - Teaching and administering teaching functions. - General Administration. - Human Resource Management. - Financial Management and Control. - Any other relevant Duties as may be assigned by the employer.
 <p>2. SAMSONRUTTO-DEPUTY PRINCIPAL Date of Birth - 5/08/1964 -Bachelor of Science in wood science and Technology -Postgraduate Diploma in Education -Higher Diploma in Human Resource Management</p>	<ul style="list-style-type: none"> -Maintaining Trainees Discipline -Supervision and Maintenance of proper inventories of Equipment and supplies in the Institution
 <p>3. STEPHEN KIPRONO –REGISTRAR Date of Birth -27/05/1981 -Bachelor of Science Agricultural Education and Extension.</p>	<ul style="list-style-type: none"> -Coordinate and plan utilization of available facilities such as class rooms workshops and laboratories -Deal with general matters regarding registration of trainees and admission. -Facilitate preparation and distribution of prospectus and organize graduation ceremonies and open days in the Institution.
 <p>4. KIPKORIR CHANGWONY -DEAN OF STUDENTS Date Of Birth -1968 -Bachelor of Education- Economics and</p>	<ul style="list-style-type: none"> -Overall in charge of trainees’ welfare in the institution. -Oversee the organization of trainees’ Clubs and societies, Games and seminars. -Prepare budget related to all co-curricular activities in the institution.

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<p>Business Studies</p>	
 <p>5. JECINTA CHELELGO – FINANCE OFFICER Date of Birth -23/09/1987 Bachelor of Commerce (Accounting option) CPA (K) Holder ICPAK Member-NO. 17014</p>	<ul style="list-style-type: none"> -Preparation of Financial Reports -Preparation of payroll and filing submitting statutory returns -Preparation of Budgets -Human Resource management
 <p>6. NICODEMUS TOROITICH- INTERNAL AUDITOR Date of Birth 09/09/1982 Bachelor of commerce (Accounting option) CPA (K) Holder ICPAK Member -NO 20039</p>	<ul style="list-style-type: none"> - Managing internal controls - Auditing the institution's records - Dealing with Forensic audit - Tax consultant expert
 <p>7. ALFRED KOSGEI – PROCUREMENT OFFICER Date of Birth – 11/05/1986 Diploma In Purchasing and Supplies Management KISM Member- 78496</p>	<ul style="list-style-type: none"> - Keep proper records of all the assets - Keep inventory records - Dealing with procurement duties

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IV. CHAIRMAN'S STATEMENT

I wish to present the 2020/2021 Annual Report to our stakeholders. We are immensely grateful to our staff, students, parents, donors, sponsors and collaborators for their continued commitment and support. Their support motivates and gives us the strength to drive the institution forward, to build on and consolidate the institute's strong profile, good reputation and positive impact.

Of particular mention is the increase in student's enrolment that registered big stride through the government initiative in TVET and rigorous marketing. In Kenya, policy and education experts have predicted that the success of economic growth will be hinged on an adequate supply of middle-level technical skills. In an attempt to address this concern, the government has moved to implement the Technical and Vocational Education and Training Act (2013). This has resulted in increased funding for the Technical and Vocational Education and Training institutions through Capitation, Development Grants, HELB loans and bursaries.

The government's initiative in improving TVET sector brought along several opportunities including increased enrolment, linkages and collaborations. Along these were also high levels of expectations from student, community, employees and other stakeholders. The strategic plan being implemented had envisaged to address the emerging challenges and to take advantage of existing opportunities. It provides a clear roadmap to the Board of Governors and management during the period 2020-2021 of the institute's development priorities in tandem with vision 2030. The Institute continues to make tremendous achievement in fulfilling its mandate by continuing to provide physical and training facilities, employing skilled manpower and automating its operations. It is expected that the government will continue to contribute to the realization of the institute's dreams as we look out to other partners and sources of revenue to fund the planned expansion.

Despite the difficulties that were experienced at the second half of the financial year due to Covid-19 pandemic, we managed to complete a number of priority projects earmarked during the financial year. We were more encouraged by very good results that the Institute attained in the performance contracting cycle of the previous year. The trainees also posted good results in the TVET fairs. We have put in place quite a number of measures following the directives of both the Ministry of Health and Ministry of Education in regard to Covid- 19.

Through a collaborative process of management working among staff and trainees, with the full support of the Board of Governors, we have continuously worked to ensure that the Institute meets its financial obligations for sustainability and for its infrastructural expansion. We continue to improve training facilities to gain competitive edge and meet the requirements of the extremely competitive environment since every constituency boasts of a public TVET institution as well as Private Colleges.

Our commitment as a Board is to continue setting the right tone at the top geared towards the realization of the Institute's vision and mission. We feel indebted to all the stakeholders who contributed to the success of the just concluded financial year and look forward to continued cordial relations.

Signed by... 

Dr. Cynthia Kipchillat.
The Board Chair

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V. REPORT OF THE PRINCIPAL

It gives me much pleasure in presenting the Annual Report and Accounts of the Emining Technical Training Institute for the year ended 30th June 2021.

Let me begin by appreciating the fact that this could not have been possible if all the pillars of corporate governance were not there and functioning effectively. I am glad to report that not only was the Board oversight role realized but also internal audit services were received on engagement of internal auditor this assisted a lot in financial management considering that the management environment was really favourable.

The institute navigated the financial year well despite challenges of brought about by COVID-19 pandemic which disrupted teaching and learning for the better part of the FY 2020/2021.

The Institute continued to review its strategy as detailed in the institutes strategic plan to deliver quality training and teaching in the FY 2020/2021. I am pleased to inform you that the institute will continue to strive and leverage on existing growth opportunities in programmes offered which are market driven to cope with the world's dynamic change. The valuable deliverables achieved cannot be appreciated without mentioning the Government of Kenya (GOK) which ensured the institute received capitation grants during that challenging year. Other development partners including CDF, HELB were also of great help as our trainees continued to receive loans and bursaries.

Initiatives aimed at enhancing trainers' experience in the institute's efficiency and value cannot be overlooked as the institute built and operated E-learning library which has greatly benefited our trainees during the pandemic, when physical learning was not possible. The trainees' total population is currently 516 which is a drop because we did not have May, September and November 2020 intakes.

During the year under review, the Institute reported a surplus of Kshs**14,610,932** million against a surplus of Kshs**10,181,007** million in 2019/2020. This is attributed to under absorption of the budget which was occasioned by the pandemic and hitherto not in our risk register. The cumulative surplus as at June 30, 2021 was Kshs **44,107,924** million. The financial performance in the current year was realized in an environment of increased costs in academic programmes, the pandemic and inflation due to disruption of supply chains.

Unfortunately, we wish to report to you that we did not receive development grants to fund our active project automotive garage/agricultural engineering workshop/electrical and electronics workshop. Consequently, the Tuition Block and ICT laboratory remained at the same completion rate. Through supplementary budget, we have planned to complete in phases to increase the teaching space in the near future and to accommodate the expected increased number of trainees.

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I would also like to pass a message of sincere appreciation to our Trainers, non-teaching staff and the students' governing council, who rendered their invaluable support during the extraordinary financial year, and not forgetting all trainees who learned and sat for their national examinations in one of the most difficult situations ever experienced.

Finally, I would like to express my special thanks to Emining community at large, suppliers, Government administrators, Church leaders and Baringo County government and not forgetting Emining Technical Training Institute senior staff management who worked tirelessly to ensure smooth operation of this institution.

Signed By..........

THE PRINCIPAL

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VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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.

Emining Technical Training Institute has 9 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2019 - FY 2023. These strategic pillars are as follows:

Pillar/ theme/issue 1: To improve on infrastructural facilities to meet training requirements

Pillar/ theme/ issue 2: To enhance information and communication technology systems for efficient operations and training.

Pillar/ theme/ issue 3: To ensure strict adherence to procurement and disposal procedures.

Emining Technical Training Institute develops its annual work plans based on the above strategic pillars in the strategic plan. 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 2020/21 period for its strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar / theme / issue 1	To improve on infrastructure facilities to meet training requirements	Construct new classrooms, library, administration block, laboratories and workshops	The Board approved construction of building and civil engineering workshop.	The workshop is expected to be complete by end of 2 nd Q FY 2021/2022
Pillar / theme / issue 2	To enhance information and communication technology systems for efficient operations and training	<ul style="list-style-type: none"> i. Acquire Management Information System(MIS) ii. Develop and maintain a database iii. Design an institution website and email services iv. Provision of LAN to administrative offices v. Develop an internet cyber 	<ul style="list-style-type: none"> - Purchase of MIS - Purchase of Computers for the Library. - The institute website has been revamped. - LAN has been done to library room. 	ALL the mentioned infrastructure has been achieved through the support of The Board

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		<ul style="list-style-type: none"> café within the library vi. Promote computer literacy for ICT integration in training vii. Develop an appropriate security system for MIS 		
Pillar / theme / issue 8	To ensure strict adherence to procurement and disposal procedures	<ul style="list-style-type: none"> i. Implement the Government guidelines on procurement and disposal of products and services ii. Computerized stores and supplies operations iii. Training of procurement and disposal committees iv. Identify disposable items 	<ul style="list-style-type: none"> - Training of procurement staff and HoDs as users and initiators of procurement 	<ul style="list-style-type: none"> - Training has of HoDs was done. - Training of Procurement and finance officers was done on procurement regulations.
	To enhance Emining TTI corporate image	<ul style="list-style-type: none"> i. Adherence to the provision of the services charter ii. Improve Institute landscaping and beautification iii. Participate in corporate social activities and humanitarian assistance iv. Marketing the institution through open days, 	<ul style="list-style-type: none"> - The institute has planned to fix cabro flooring from the gate to the entrance of the administration block. - In the process of acquiring institute driving School 	<ul style="list-style-type: none"> - ALL these are underway.

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		<p>graduation, sports and games</p> <p>v. Provision of academic scholarship to bright and needy students</p> <p>vi. Enhance health, safety and disaster preparedness</p> <p>vii. Create HIV/AIDS, drugs and substances abuse awareness</p> <p>viii. Promote gender equity</p> <p>ix. Address physical challenge concerns</p> <p>x. Eradicate corruption and corrupt practices</p>	<p>vehicle and Van for transportation. It is believed that these will market the college greatly.</p>	
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VII. CORPORATE GOVERNANCE STATEMENT

Emining Technical Training Institute is committed to upholding the tenets of good corporate governance which is a reflection of its core values that include integrity, confidentiality, commitment, creativity, innovation and team work.

It is our responsibility to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio - economic development of the institution. It is our undertaking to ensure that Emining Technical Training Institute has a credible Strategic Plan and Performance Contract that will deliver the desired goals. It is also our undertaking that we will perform our responsibilities diligently and to the best of our abilities to support the achievement of the agreed work plans and performance targets.

(a) The Board of Governors.

In the period ending 30th June 2021, the Board was made up to (7) appointed members comprising of Chairperson, Secretary to The Board, and members based on their knowledge and experience in the following areas:-(i) industry (ii) technology (iii) manufacturing iv) engineering (v) ICT (vi) leadership and Management (vii) Finance.

(b) The Board Committees in place

1. Audit and Risk Committee
2. Finance and Development Committee
3. Academic and Marketing committee.
4. Technical and Human Resource

The following are the number of Board meetings held in the period ending 30th June 2021

Meeting	No. of Meetings	Membership	Average Attendance (%)
Full Board	4	7	100
Audit and Risk Committee	2	3	100
Finance and Development Committee	3	3	100
Academic and Marketing	2	3	100
Technical and Human Resource	7	3	100

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VIII. MANAGEMENT DISCUSSION AND ANALYSIS

The Management team of Emining Technical Training Institute comprised of the following - -The Principal, Deputy Principal, Registrar, Dean of Students, Examination officer, Finance officer, Procurement officer and ALL Departmental Heads of Departments and Heads of section are responsible for the development and implementation of Emining Technical Training strategic plan and the overall day-to-day running of the institute.

This is done inconsistency with the institute's strategic objectives to enable the Board to perform its responsibilities. This facilitates effective participation of stakeholders in matters relating to the governance and promotion of training by the institution.

During the Financial Year ended 30th June 2021, the student population decreased from 752 to 516 this is majorly attributed to COVID 19 pandemic. The institution did not receive intake of students for May 2020 intake, September 2020 intake and November 2020 intake thus no enrolment of new students took place.

During the Financial Year 2020/2021 sort and skill based courses have continued to gain popularity an example of this is Hair Dressing and Beauty Therapy which got an improved population of 30 students in a single class. The institution has collaborated with Mogotio NG - CDF to sponsor 100 students on short skill based courses starting from September 2021 to March 2021 a duration of six months. Most competitive short courses have duration of less than one year therefore cannot be funded through Ministry Of Education Capitation while most students prefer Government sponsorship.

During the Financial Year 2020/2021 the number of PSC trainers increased from 36 to 45 this eased the budget of Board of Governors trainers as the number reduced, however, from the CBE, there is gaps that need to be filled by employment of new trainers. The increased PSC trainer population necessitated us to increase more rooms and furniture to accommodate them.

During the year, the institution introduced Diploma in Electrical Engineering, Diploma and Craft in Building and Construction and Artisan in Hair Dressing and Beauty Therapy. Business courses continued to register poor enrolment.

During the year, the Tuition Block and ICT Lab structure was still at 70% completion and this is where most learning took place. The construction of the new workshops was still going on while the institution utilised the ground floor as a workshop for plumbing due to strain in our current workshops which could not accommodate an increased population especially in the engineering department. The institution also shifted the library to increase the sitting capacity and introduced more computers to the facility to facilitate e-library and therefore increased books available in the library. During the financial year, the institution procured more teaching and learning resources due to increased population especially in technical departments

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IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Emining Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

Sustainability strategy and profile

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

Environmental performance

During the FY 2020/2021 Emining Technical Training Institute revived the biogas digester within the dairy unit. This project is ongoing on its full operational capacity will be used for cooking in the institute kitchen.

We have formed a Club in the institute called Technology club. This club whose mandate among others is to convert waste materials to useful forms. The club comprise trainers and trainees across all academic departments. Some of the products of this club include: -

- Conversion of waste paper and carbon to charcoal.
- Planting of trees within the institute to conserve the environment.

Challenges experienced include lack of policy in environmental conservation. This is now being addressed by our staff. We have continued to emphasis to our staff to ensure that when they print, they should use both sides of the paper to minimise paper and also to send notes to students electronically.

Employee welfare

During the FY 2020/2021, the Board of Governors came up with the Technical and Human Resource committee whose mandate among others is to look into the welfare of Emining Technical Training Institute employees. As at now, policies to effect this action are ready for approval and implementation. There are plans to insure all employees as required.

Market place practices-

1. RESPONSIBLE COMPETITION PRACTICE

Emining Technical Training Institute ensures responsible competitive practices with her customers.

Issues like anti-corruption, responsible political involvement, fair competition and Respect for competitors by ensuring that the following are met:

- a.) Ensuring there is a proper Open Tendering system in place.

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- b.) Ensuring goods are clearly specified and that the Inspection and acceptance committee inspects against the specifications before the goods are received in the store.
- c.) Always attempts to ensure that suppliers are paid within or earlier than thirty (30) days from the form delivery of goods and services and issuance of delivery notes and invoices
- d.) Ensuring involvement of various committees to evaluate and award tenders.
- e.) Engineer's estimates are entrusted to one person before the opening of the tender to avoid leakage of information.
- f.) Bidders' representatives attend opening of tenders to witness the opening.
- j.) Use of the price list provided by the Public Procurement Oversight Authority.
- k.) Suggestion box has been availed to receive feedback from suppliers.
- l.) Practice the open door policy where suppliers can express their views.

2.) RESPONSIBLE SUPPLY CHAIN AND SUPPLIER RELATIONS

Emining Technical Training Institute's administration always ensures that Supply Chain Officers/Procurement Staff and other employees remain in good standing by maintaining high personal integrity, moral standards and sound reputation by Subscribing to the following: -

- a) Ensure that suppliers fully understand the procurement process, including Procedures, requirements and selection and evaluation criteria.
- b) Misleading information is not given to suppliers.
- c) Clarifications are circulated to all suppliers.
- d) Unsuccessful suppliers are debriefed on their weaknesses.
- e) Proprietary supplier information is not disclosed to third parties.
- f) Unless suppliers are aware of all the circumstances, they are not required to incur costs when there is little chance of them obtaining business within a reasonable time.
- g) Declaration of interest - Any personal interest which may affect or be seen by others to affect a members Impartiality in any matter relevant to his or her duties are declared before opening of tenders or during awards.

3) RESPONSIBLE MARKETING AND ADVERTISEMENT

Emining Technical Training Institute upholds ethical marketing practices especially in procurement of goods, works and services for the institution by ensuring that It abides by Article 96(2) of the Public Procurement and Asset Disposal Act 2015 by advertising its tendering opportunities and marketing of the Institution in the dedicated Government

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portal and institute's website., or a notice in at least two daily newspapers of nationwide circulation and post advertisements at any conspicuous place reserved for this purpose in the Emining TTI premises.

4) PRODUCT STEWARDSHIP

Emining Technical Training Institute endeavours to efficiently safeguard consumer rights and interests by fulfilling these five procurement objectives:

- a.) Ensuring that the goods, works and services procured are of the Right Quality;
- b.) goods, works and services procured are made available at the Right Time;
- c.) goods, works and services procured are issued to the Right Place of consumption when supplied;
- d.) goods, works and services procured are in the Right Quantity subject to the availability of funds; and
- e.) procured at the Right price that is within the prevailing market rates.

5) PRODUCTION AND SERVICE UNITS

Servicing and fabrication of community equipment and machines

- i. Procurement and Disposal units
- ii. Institute 's corporate image

Attending community functions to promote community/institution relationship at all times.

Corporate Social Responsibility / Community Engagements

During the FY 2020/2021 Emining Technical Training Institute engage in a number of CSR activities that were also tied to the performance contract. These activities include: -

- i. Fabrication of hand washing machines: The institute supplied 200 litres hand washing machines to the following institutions:
- ii. Emining Primary School.
- iii. Emining Special Needs Primary School.
- iv. Chief's office Emining Location.
- v. Other planned activities that did not material due to Covid 19 include tree planting at the trading centre and garbage collection and general cleaning of Emining Trading Centre.

The hand washing facilities went in a long way in providing awareness on prevention of the corona virus pandemic.

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X. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the Eming technical Training Institute's affairs.

Principal activities

The principal activities of the Eming Technical Training Institute are (continue to be) training and assessment of trainees.

Results

The results of the Eming Technical Training Institute for the year ended June 30 are set out on page 1

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page v and vi. During the year no Board member was appointed.

Auditors

The Auditor General is responsible for the statutory audit of the Eming Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2021.

By Order of the Board



Jonah Kimengich
BOG Secretary
Eming TTI

Date....4/7/2022.

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XI. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of that Emining Technical Training Institute which give a true and fair view of the state of affairs of the Emining Technical Training Institute at the end of the financial year/period and the operating results of the Emining Technical Training Institute for the year 2020/2021. The Board Members are also required to ensure that the Emining Technical Training Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Emining Technical Training Institute. The Board members are also responsible for safeguarding the assets of the Emining Technical Training Institute.

The Board members are responsible for the preparation and presentation of the Emining Technical Training Institute financial statements, which give a true and fair view of the state of affairs of the Emining Technical Training Institute for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Emining Technical Training 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 Emining Technical Training 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 State Corporations Act, and the TVET Act) The Board members are of the opinion that the Emining Technical Training Institute's financial statements give a true and fair view of the state of Emining Technical Training Institute's transactions during the financial year ended June 30, 2021, and of the Emining Technical Training Institute's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Emining Technical Training Institute which have been relied upon in the preparation of the Emining Technical Training 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 Emining Technical Training Institute will not remain a going concern for at least the next twelve months from the date of this statement

Approval of the financial statements

The Emining Technical Training Institute financial statements were approved by the Board on **01/07/2022** and signed on its behalf by:

Name CYNTHIA KIPCHILLAI

Signature 

Chairperson of the Board

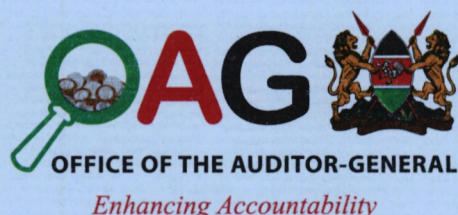
Name JONAH KIMENGICH

Signature 

Accounting Officer/Principal

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON EMINING TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Emining Technical Training Institute set out on pages 1 to 27, which comprise the statement of financial position as at 30 June, 2021, statement of financial performance, statement of changes in net assets,

statement of cash flows and the 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.

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 Emining Technical Training Institute as at 30 June, 2021 and of its financial performance and its cash flows for the year ended in accordance International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical Training Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Inaccuracies in the Financial Statements

The statement of financial performance reflects transfer from National Government balance of Kshs.23,597,500 which is at variance with the supporting ledger balance of Kshs.22,597,500 resulting to an unexplained difference of Kshs.1,000,000. Similarly, employee cost balance of Kshs.7,041,369 is at variance with the supporting ledger balance of Kshs.7,028,360 resulting to unreconciled difference of Kshs.13,009.

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

2.0 Misstatement of Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 14(b) to the financial statements reflects cash and cash equivalents balance of Kshs.25,764,562. However, Note 14(b) showed that the Kenya Commercial Bank Account- Student fees collection account was dormant in the year under review and no explanation was provided as to where the fees was deposited. Further, Note 14(b) reflected an account with Kenya Commercial Bank with a balance of Kshs.1,000,000 whose purpose and account number has not been disclosed.

In addition, Bank reconciliation statements for all bank accounts analyzed in Note 14(b) to the financial statements were not provided for audit verification.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.25,764,562 could not be confirmed.

3.0 Property, Plant and Equipment

The statement of financial position and as disclosed in Note 17 to the financial statements reflects property, plant and equipment balance of Kshs.97,457,565. However, the balance includes land valued at Kshs.15,000,000 whose ownership documents were not provided for audit verification. In addition, the balance excludes donations of undetermined value comprising of equipment, furniture and computers. Further, the balance includes biological assets balance of Kshs.1,490,000 that was not supported by a valuation report. The biological assets were also not categorized by their broad group contrary to the

provisions of the International Accounting Standards (IAS) Number 41 on Agriculture which requires that an entity shall provide a description the group of biological assets.

In the circumstances, the accuracy of property, plant and equipment balance of Kshs.97,457,565 could not be confirmed.

4.0 Unsupported Refundable Deposits - Caution Money

The statement of financial position and as disclosed in Note 20 to the financial statements reflects a balance of Kshs.804,700 being refundable deposits from students. However, the bank certificate in support of this balance was not provided for audit review as previously reported.

In the circumstances, the accuracy and completeness of refundable deposit balance of Kshs.804,700 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual amount on comparable basis of Kshs.71,004,285 and Kshs.43,915,386 respectively resulting to an under-funding of Kshs.27,088,899 or 38% of the budget. Similarly, the Institute expended Kshs.30,046,278 against an approved budget of Kshs.71,004,285 resulting to an under-expenditure of Kshs.40,958,007 or 58% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2.0 Unresolved Prior Year Matters

In the audit report of the previous year, a number of paragraphs were raised. However, Management has not resolved the issues nor disclosed all the prior year matter as provided by the Public Sector Accounting Standards Board templates.

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 matter 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

Unsupported Travelling and Accommodation Expenses

The statement of financial performance reflects use of goods and services expenditure of Kshs.19,727,452. Included in this amount is Kshs.1,217,800 in respect of travelling and accommodation expenses that was not supported by bus tickets or work tickets as evidence of travel to the mentioned destination. In addition, the back to office reports were not attached as evidence that the trainings were actually attended. It was therefore not possible to ascertain whether the journeys and seminars attended were actual.

In the circumstances, it was not possible to ascertain whether the Institute got value for Kshs.1,217,800 incurred.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1.0 Lack of Risk Management and Fraud Policies

The Institute does not have a risk management and fraud policies in place. This is contrary to the provisions of Section 165(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that

the National Government entity develops risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

In the circumstances, the existence of an effective risk management system could not be confirmed.

2.0 Weak Human Resource Management System

Examination of personnel records for the year ended 30 June, 2021 disclosed that Emining Technical Training Institute does not have in place: Human resource policy, an approved salary structure, an approved scheme of service for its staff to define job categories by profession, qualifications and experience, career progression and conditions of progression.

In the absence of the scheme of service, it was not possible to ascertain how recruitments, promotion and rewards of staff were determined. This has the effect of creating unfair human resource practices affecting employee's morale negatively.

3.0 Weak Internal Control System-Purchases System

A walkthrough of the purchases system revealed that the Institution has not put in place a system for accounting for the purchases made by way of inspection and acceptance reports, Counter Receipts Note, S3 cards and S11.

In the circumstances, it was not possible to confirm whether the items purchased were delivered and whether goods were used for the intended purposes.

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

Responsibilities of Management and those Charged with Governance

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

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

The 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, the 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 money is applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 time 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 policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue 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 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 of the entities or 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 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

02 September, 2022

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

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government–Capitation grants and from CDF	6	23,597,500.00	16,365,000.00
		23,597,500.00	16,365,000.00
Revenue from exchange transactions			
Rendering of services- Fees from students	7	20,273,886.00	23,265,963.00
Sale of goods	8	40,000.00	37,234.00
Other income	9	4,000.00	-
Revenue from exchange transactions		20,317,886.00	23,303,197.00
Total revenue		43,915,386.00	39,668,197.00
Expenses			
Use of goods and services	10	19,727,452.00	19,191,661.00
Employee costs	11	7,041,369.00	7,520,240.00
Depreciation and amortization expense	12	2,065,614.00	2,267,926.00
Repairs and maintenance	13	470,019.00	427,363.00
Total expenses		29,304,454.00	29,407,190.00
Other gains/(losses)			
Loss on sale of assets		-	(80,000.00)
Total other gains/(losses)			(80,000.00)
Net Surplus for the year		14,610,932.00	10,181,007.00

The notes set out on pages 6 to 26 form an integral part of the Annual Financial Statements.

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

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14	25,764,562.00	28,748,735.00
Current position of receivables from exchange transactions	15	29,705,483.00	20,220,058.00
		55,470,045.00	48,968,793.00
Non-current assets			
Property, plant and equipment	17	97,457,565.00	96,473,864.00
Intangible assets	18	137,500.00	309,375.00
Long term receivables from exchange transactions	16	1,146,500.00	1,043,050.00
		98,741,565.00	97,826,289.00
Total assets		154,211,610.00	146,795,082.00
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	19	8,059,704.00	15,254,108.00
Refundable deposits from customers	20	804,700.00	804,700.00
		8,864,404.00	16,058,808.00
Non-current liabilities			
Non-current employee benefit obligation			-
Total liabilities			-
Net assets			
Reserves			-
Accumulated surplus		44,107,924.00	29,496,992.00
Capital Fund		101,239,282.00	101,239,282.00
Total net assets and liabilities		145,347,206.00	146,795,082.00

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Institute Board of Governors by:







Chairperson of Board of Governors

Finance Officer

Principal

ICPAK No 17014

Date... 4/7/2022

Date 4/7/2022

Date... 4/7/2022

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

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2019	-	-	19,315,985.00	97,986,487.00	117,302,472.00
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	10,181,007.00	-	10,181,007.00
Capital/Development grants received during the year	-	-	-	3,252,795.00	3,252,795.00
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2020	-	-	29,496,992.00	101,239,282.00	130,736,274.00
At July 1, 2020	-	-	-	-	-
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	14,610,932.00	-	11,319,912.00
Capital/Development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2021	-	0	44,107,924.00	101,239,282.00	142,049,186.00

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

	Note	2020-2021 Kshs	2019-2020 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants		23,597,500.00	16,365,000.00
Public contributions and donations		0.00	3,252,795.00
Transfers on behalf of other institutions		21,042,500.00	4,545,000.00
Sale of goods		44,000.00	57,234.00
Rendering Service-Students Fees		4,507,064.00	31,097,192.00
Total Receipts		49,191,064.00	55,317,221.00
Payments			
Employee Costs		7,041,369.00	7,520,240.00
Use of goods and services		19,727,452.00	19,191,661.00
Repairs and maintenance		470,019.00	427,363.00
Transfers to other institutions- Ravine, Chepsirei, Kipsoen		20,063,660.00	0
Depreciation Expense		2,065,614.00	-
Other Payments-Suppliers (0.00	-
Total Payments		49,368,114.00	27,139,264.00
Net cash flows from operating activities	21	(177,050.00)	28,177,957.00
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(2,807,123.00)	(3,329,297.00)
Net cash flows used in investing activities		(2,807,123.00)	3,329,297.00
Cash flows from financing activities			
Increase in deposits		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease)in cash and cash equivalents		(2,984,173.00)	24,848,660.00
Cashandcashequivalentsat1JULY	14	28,748,735.00	3,900,075.00
Cashandcashequivalentsat30 JUNE	14	25,764,562.00	28,748,735.00

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XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilisation Difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other Govt entities Govt grants	25,500,000.00	-	25,500,000.00	23,597,500.00	1,902,500.00	88.6%
Development grants	12,313,285.00	-	12,313,285.00	0.00	12,313,285.00	0%
Rendering of services- Fees from students	32,807,000.00	-	32,807,000.00	20,273,886.00	12,533,114.00	61.8%
Sale of goods	384,000.00	-	384,000.00	44,000.00	340,000.00	11.4%
Total income	71,004,285.00	-	71,004,285.00	43,915,386.00	27,088,899.00	61.8%
Expenses						
Employee Cost	9,800,000.00	-	9,800,000.00	7,041,369.00	2,758,631.00	71.8%
Use of Goods and services	49,891,285.00	(2,430,000.00)	47,961,285.00	19,727,452.00	28,233,833.00	41.1%
Repairs and Maintenance	1,008,000.00	-	1,008,000.00	470,019.00	537,981.00	46.6%
Capital Expenditure	12,735,000.00	-	12,735,000.00	2,807,438.00	9,927,562.00	22.0%
Total expenditure	73,434,285.00	(2,430,000.00)	71,004,285.00	30,046,278.00	41,458,007.00	42.3%
Surplus for the period	(2,430,000.00)	(2,430,000.00)	-	(13,869,108.00)	(14,369,108.00)	

Budget notes

1. There was more than 10% difference due to low population of the students compared to the budgeted figure and capitation had a small difference.

3. The total expenses are not equal to the performance figure because depreciation is included but not included in budget figures. Statement of performance expense figure is ksh 29,304,454 while actual figures in budget is ksh 30,046,278 which includes capital expenditure of 2,807,438 and does not include depreciation of 2,065,414 the difference is ksh 741,824.

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XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Emining Technical Training Institute is established by and derives its authority and accountability from PFM Act, the State Corporations Act and the TVET Act.

The Emining Technical Training Institute's principal activity is to provide quality training in technical, industrial, vocational and entrepreneurship.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their 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 Emining Technical Training Institutes 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 5

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

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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <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. Emining TTI did not adopt this standard
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: <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. Emining TTI did not adopt this standard.
Amendments	Applicable: 1st January 2023:

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Standard	Effective date and impact:
to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>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.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>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.</p>

ii. Early adoption of standards

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is

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probable that the economic benefits or service potential associated with the transaction will flow to the entity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget information

The original budget for FY 2020/2021 was approved by the Board on 29/06/2020. 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. Accordingly, the entity recorded additional appropriations on the FY 2020/2021 budget following the Board's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section *13 of financial provisions of TVET Act no .29 of 2013* of these financial statements.

c) Taxes

Current income tax

Emining Technical Training Institute is exempt from paying taxes as per 1st schedule subsection (a) and (b) of the *income tax Act 2010*.

The institution however deducts and submit the same to KRA.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation on all other assets is calculated on the reducing balance basis method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

	<u>Rate %</u>
Buildings	2.5
Plant and machinery	12.5
Library books	25
Furniture and fittings	12.5
Computer equipment	30

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings in the statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Intangible assets

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

Computer software

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be 4 years.

f) Research and development costs

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

Impairment of financial assets (Continued)

- The debtors or a entity of 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)

i) 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Nature and purpose of reserves

a. Accumulated surpluses

This relates to surpluses brought forward and the one for the current year.

b. Capital reserves

This relates to fixed assets granted by the government or any other donor **Employee benefits**

k) 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 obligations.

l) Related parties

Emining TTI 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 Institution, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Principal, Head of Finance and Head of Procurement.

The government of Kenya through the ministry of education is also related party to the Emining TTI.

m) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

n) Comparative figures

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

o) Subsequent events

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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, 2021.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

p) Biological Assets

The biological assets have been stated at their fair values less estimated point-of-sale costs. The fair value is determined based on market prices.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Emining TTI'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.

The board of Governance made only one significant judgement in preparing these financial statements.

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021	2019-2020
	KShs	KShs
Unconditional grants		
Capitation grants	22,597,500.00	16,365,000.00
Other grants	1,000,000.00	-
Total	23,597,500.00	16,365,000.00
Total government grants	23,597,500.00	16,365,000.00

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	2019-2020 KShs
Education Ministry/State Department	22,597,500.00			22,597,500.00	19,617,795.00
CDF Mogotio	1,000,000.00			1,000,000.00	
Total	23,597,500.00			23,597,500.00	19,617,795.00

The details of the reconciliation have been included under appendix 1

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. RENDERING OF SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Tuition fees	11,926,986.00	15,021,623.00
Examination fees	4,288,900.00	2,133,090.00
Boarding Fees	4,058,000.00	5,546,000.00
Admission Fees	-	565,250.00
Total revenue from the rendering of services	20,273,886.00	23,265,963.00

Boarding Fees is ksh 15,500 per student per term

Examination Fees depends on the courses as per KNEC guidelines

Tuition Fees is ksh 8,807 per student per term

8. SALE OF GOODS

Description	2020-2021	2019-2020
	KShs	KShs
Sale of goods		
Sale of farm produce	40,000.00	37,234.00
Total revenue from the sale of goods	40,000.00	37,234.00

Sale of Milk from July 2020 to June 2021

9. OTHER INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Income from sale of tender	4,000.00	-
Total other income	4,000.00	4,000.00

Income from Sale of tenders for FY 2020/2021

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Teaching and learning materials	3,240,160.00	3,580,664.00
Board Sitting Allowances	1,128,500.00	739,500.00
Electricity Water and Conservation	401,613.00	413,454.00
Admin Fees	849,587.00	2,794,752.00
Student union Expenses	295,400.00	109,845.00
Cleaning and Maintenance	475,425.00	837,445.00
Subscriptions	33,600.00	11,200.00
Advertising and Marketing	318,580.00	434,520.00
Examination fees	4,520,780.00	2,228,590.00
Performance Contract	85,840.00	110,000.00
Catering, Conferences, and delegations	478,850.00	150,611.00
Travelling and accommodation	1,217,800.00	1,191,070.00
Fuel and oil	0.00	92,780.00
Insurance	14,760.00	114,251.00
Medical Expenses	173,580.00	86,020.00
Activity Expenses	60,450.00	241,900.00
Printing and stationery	490,850.00	337,010.00
Internet Services	538,116.00	366,936.00
Boarding expenses	5,105,108.00	5,173,230.00
Telephone expenses	285,100.00	150,000.00
Research and Development	0.00	15,000.00
Bank Charges	13,353.00	12,883.00
Total good and services	19,727,452.00	19,191,661.00

11. EMPLOYEE COSTS

	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	6,956,369.00	7,433,040.00
Social contributions	85,000.00	87,200.00
Employee costs	7,041,369.00	7,520,240.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	1,893,739.00	2,164,801.00
Intangible Assets-Amortization	171,875.00	103,125.00
Total depreciation and amortization	2,065,614.00	2,267,926.00

13. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	KShs	KShs
Property	470,019.00	427,363.00
Other		
Total repairs and maintenance	470,019.00	427,363.00

14.

a) CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
Current account	25,764,562.00	28,748,735.00
Others(specify)		
Total cash and cash equivalents	25,764,562.00	28,748,735.00

(b). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2020-2021	2019-2020
		KShs	KShs
a) Current account			
Kenya Commercial Bank-Operations	1148626859	24,747,023.00	26,393,828.00
Kenya Commercial Bank-Development	1166509710	17,427.00	1,244,153.00
Skyline Sacco	5651-005-01721	112.00	1,095,450.00
Kenya Commercial Bank-Fee Collection	1175316431	0	15,304.00
Kenya Commercial Bank -		1,000,000.00	0
Sub- total		25,764,562.00	28,748,735.00
Grand total		25,764,562.00	28,748,745.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Current Receivables from Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Student debtors	29,705,483.00	20,220,058.00
Total current receivables	29,705,483.00	20,220,058.00

16. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Advance Payments to Contractor-ETTI	1,000,000.00	1,000,000.00
Money Paid on behalf of Chepsirei	-	43,050.00
Imprest to Staff and supplier	146,500.00	-
Total current receivables	1,146,500.00	1,043,050.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. PROPERTY, PLANT AND EQUIPMENT

Cost	Buildings		Land		Furniture and fittings		Computers		Biological assets		Text books		Plant and equipment		Capital		Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	
At 1 July 2019	34,964,259.53	15,000,000.00	2,289,277.50	1,116,311.70	1,050,000.00	597,527.25	1,450,410.50	38,471,582.00	94,939,368.40								
Additions	-	-	-	175,992.00	470,000.00	-	-	3,153,305.00	3,799,297.00								
Disposals	-	-	-	-	(100,000.00)	-	-	-	(100,000.00)								
Transfers/adjustments	-	-	-	-	-	-	-	-	-								
At 30 th June 2020	34,964,259.53	15,000,000.00	2,289,277.50	1,292,303.70	1,420,000.00	597,527.25	1,450,410.50	41,624,887.00	98,638,665.40								
Additions	2,807,438.00	-	-	-	120,000.00	-	-	-	2,807,438.00								
Disposals	-	-	-	-	-	-	-	-	-								
Transfer/adjustments	-	-	-	-	-	-	-	-	-								
At 30 th June 2020	37,771,697.00	15,000,000.00	2,289,277.50	1,292,303.70	1,540,000.00	597,527.25	1,450,410.50	41,627,887.00	101,446,103.4								
Depreciation and impairment																	
At 1 July 2019	(874,106.53)	-	(572,319.50)	(387,691.70)	-	(149,382.25)	(181,301.50)	-	(2,164,408.5)								
Depreciation	-	-	-	-	-	-	-	-	-								
Impairment	-	-	-	-	-	-	-	-	-								
At 30 th June 2020	(874,106.53)	-	(572,319.5)	(387,691.7)	-	(149,382.25)	(181,301.5)	-	(2,164,408.5)								
Depreciation	(922,440.00)	-	(429,240)	(271,384)	-	(112,036)	(158,639)	-	(1,823,553.00)								
Disposals	-	-	-	-	-	-	-	-	-								
Impairment	-	-	-	-	-	-	-	-	-								
Transfer/adjustment	-	-	-	-	-	-	-	-	-								
At 30 th June 2021	(1,796,546.53)	-	(1,001,559.5)	(659,075.7)	-	(261,418.25)	(339,940.5)	-	(3,988,354.30)								
Net book values																	
At 30 th June 2021	35,975,152.00	15,000,000.00	1,287,718.00	633,229.00	1,490,000.00	336,109.00	1,110,470.00	41,624,887.00	97,457,565.00								
At 30 th June 2020	34,090,153.00	15,000,000.00	1,716,958.00	904,612.00	1,420,000.00	448,145.00	1,269,109.00	41,624,887.00	96,573,864.00								

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Valuation

Land and buildings have not been valued.

18. INTANGIBLE ASSETS-SOFTWARE

Description	2020-2021	2019-2020
	KShs	KShs
Cost		
At beginning of the year	309,375.00	412,500.00
Additions	-	
At end of the year	309,375.00	412,500.00
Additions–internal development		
At end of the year		
Amortization and impairment	171,875.00	103,125.00
At beginning of the year		
Amortization		
At end of the year		
Impairment loss		
At end of the year	171,875.00	103,125.00
NBV	137,500.00	309,375.00

19. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	300,682.00	959,732.00
Fees paid in advance	1,696,789.00	9458,297.00
Third-party payments	6,019,910.00	4,836,079.00
Other payables	42,323.00	-
Total trade and other payables	8,059,704.00	15,254,108.00

20. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2020-2021	2019-2021
	KShs	KShs
Consumer deposits		
Caution money	804,700.00	804,700.00
Other refundable deposits		
Total deposits	804,700.00	804,700.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. CASH GENERATED FROM OPERATIONS

	2020-2021	2019-2020
Surplus for the year before tax	KShs	KShs
Adjusted for:	14,610,932.00	10,181,007.00
Depreciation	2,065,614.00	2,267,926.00
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	(80,000.00)
Working Capital adjustments	12,545,318.00	7,833,081.00
Increase in inventory	-	-
Decrease in payables	(7,194,404.00)	(4,663,448.00)
Increase in deferred income	-	-
Increase in Receivables	(9,485,425.00)	2076582.00
Increase in payments received in advance	3,957,461.00	8,908,994.00
Net cash flow from operating activities	(177,050.00)	28,177,957.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. FINANCIAL RISK MANAGEMENT

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

Emining TTI financial risk management objectives and policies are detailed below:

(i) Credit risk

Emining TTI 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.

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 2020				
Receivables from exchange transactions	20,220,058.00	20,220,058.00		
Receivables from non-exchange transactions	0	0		
Bank balances	28,748,735.00	28,748,735.00		
Total	48,968,793.00	48,968,793.00		
At 30 June 2021				
Receivables from exchange transactions	29,705,483.00	29,705,483.00		
Receivables from non-exchange transactions	0	0		
Bank balances	25,764,562.00	24,764,562.00		
Total	55,470,045.00	53,053,049.00		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT (Continued)

(i) Credit risk (continued)

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

Emining TTI has significant concentration of credit risk on amounts due from students

The board of Governors sets the institute'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. Emining TTI manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the institution 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 2020				
Trade payables	0.00	13,559,711.00	0	13,559,711.00
Total	0.00	13,559,711.00	0	13,559,711.00
At 30 June 2021				
Trade payables	0.00	6,362,915.00	1,696,789.00	8,059,704.00
Total	000	6,362,915.00	1,696,789.00	8,059,704.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Emining TTI, holding 100% of the Emining TTI'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

	2020-2021	2019-2020
	Kshs	Kshs
Transactions with related parties		
b) Purchases from related parties		
Purchases of electricity from KPLC	401,613.00	
Total	401,613.00	
a) Grants /Transfers from the Government		
Grants from National Govt	22,597,500.00	16,365,000.00
Grants from National Government- CDF Mogotio	1,000,000.00	-
Donations in kind	101,239,282.00	101,239,282.00
Total	124,836,782.00	117,604,282.00
b) Key management compensation		
Directors' emoluments	1,128,500.00	670,000.00
Total	1,128,500.00	670,000.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. EVENTS AFTER THE REPORTING PERIOD

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

25. ULTIMATE AND HOLDING ENTITY

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

26. CURRENCY

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

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APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		NOT YET		

Accounting Officer

Name **JONAH KIMENGICH**

Principal.

Signature **JKA**

Date. **4/7/2022**

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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitm ent	Separate donor reporting required as per the donor agreement (Yes/No)	Consoli dated in these financia l stateme nts (Yes/No)
1.TUITION BLOCK & ICT LAB	ETTI/CTBIL/T/01 /2014-2015	GOK	1 year		yes	yes
2.AUTOMOTI VE GARAGE WORKSHOP	ETTI/0PNT/01/20 17-2018	GOK	1 year		yes	yes

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completi on % to date	Budget	Actual	Sour ces of funds
1	TUITION BLOCK & ICT LAB	32,000,000.00	25,289,598.00	80%	32,000,000.00	25,289,598.00	GOK
2	AUTOMO TIVE GARAGE WORKSH OP	23,933,651.00	14,314,079.00	67%	23,933,651.00	14,314,079.00	GOK
3							

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APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		EMINING TECHNICAL TRAINING INSTITUTE		
Break down of Transfers from the State Department to Emining Technical Training Institute				
FY 2020/2021				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		03/07/2020	3,885,000.00	2019/2020
		06/11/2020	6,000,000.00	2020/2021
		22/02/2021	5,400,000	2020/2021
		31/03/2021	2,310,000.00	2020/2021
		30/06/2021	5,002,500 .00	2020/2021
		Total	22,597,500.00	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	CDF Mogotio	07/12/2020	1,000,000.00	2020/2021
		Total		

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

Accounting Officer

Head of Accounting Unit

Emining Technical

Education Ministry

Sign -----

Sign-----

**EMINING TECHNICAL TRAINING INSTITUTE
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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized				Total Transfers during the Year
				Statement of Financial Performance	Capital Funded	Deferred Income	Received on behalf of institutions	
Ministry of Education	03/07/2020	Capitation	3,885,000.00	3,885,000.00				3,885,000.00
	06/11/2020	Capitation	6,000,000.00	6,000,000.00				6,000,000.00
	22/02/2021	Capitation	5,400,000.00	5,400,000.00				5,400,000.00
	31/03/2021	Capitation	2,310,000.00	2,310,000.00				2,310,000.00
	30/06/2021	Capitation	5,002,500.00	5,002,500.00				5,002,500.00
Sub total			22,597,500.00	22,597,500.00				22,597,500.00
Mogotio CDF Office	07/12/2020		1,000,000.00	1,000,000.00				1,000,000.00
Ministry of Education		Capitation						
	03/07/2020	Kipsoen TVC	772,500.00				772,500.00	772,500.00
	09/11/2020	Kipsoen TVC	810,000.00				810,000.00	810,000.00
	02/12/2020	Eldama Ravine TVC	727,500.00				727,500.00	727,500.00
	02/12/2020	Chepsirei TVC	2,167,500.00				2,167,500.00	2,167,500.00
	12/02/2021	Chepsirei TVC	2,167,500.00				2,167,500.00	2,167,500.00
	12/02/2021	Eldama Ravine TVC	727,500.00				727,500.00	727,500.00
	22/02/2021	Kipsoen TVC	780,000.00				780,000.00	727,500.00

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	31/03/2021	Chepsirei TVC	1,507,500.00						1,507,500.00	1,507,500.00
	30/04/2021	Kipsoen TVC	1,302,500.00						1,302,500.00	1,302,500.00
	24/05/2021	Eldama Ravine TVC	1,130,000.00						1,130,000.00	1,130,000.00
			0							
	30/06/2021	Chepsirei TVC	2,250,000.00						2,250,000.00	2,250,000.00
	30/06/2021	Eldama Ravine TVC	1,042,500.00						1,042,500.00	1,042,500.00
	30/06/2021	Kipsoen TVC	2,527,500.00						2,527,500.00	2,527,500.00
Sub total			17,912,500.00						17,912,500.00	17,912,500.00
Ministry of Education		Operation								
	09/11/2020	Kipsoen TVC	500,000.00						500,000.00	500,000.00
	10/11/2020	Chepsirei TVC	500,000.00						500,000.00	500,000.00
	10/11/2020	Eldama Ravine TVC	500,000.00						500,000.00	500,000.00
	22/02/2021	Eldama Ravine TVC	500,000.00						500,000.00	500,000.00
	22/02/2021	Chepsirei TVC	500,000.00						500,000.00	500,000.00
	22/02/2021	Kipsoen TVC	500,000.00						500,000.00	500,000.00
Sub total			3,000,000.00						3,000,000.00	3,000,000.00
Total			43,510,000.00						43,510,000.00	43,510,000.00

