

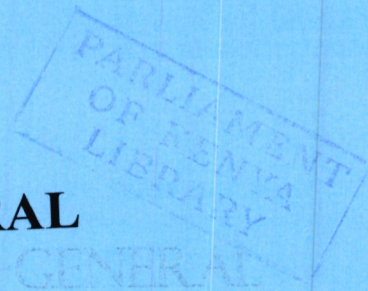
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



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| | | REPORT |
| THE NATIONAL ASSEMBLY PAPERS LAID | | |
| DATE: | 8 JULY 2019 | DAY: Thursday |
| TABLED BY: | Majority Whip treasury | OF |
| CLERK-AT THE-TABLE: | | THE AUDITOR-GENERAL |



ON

**THE FINANCIAL STATEMENTS OF
KEROKA TECHNICAL TRAINING
INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE 2018**





REGULATORY AND OTHER NON-COMMERCIAL ENTITIES

**KEROKA TECHNICAL TRAINING INSTITUTE
(KETTI)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2018**

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

**KEROKA TECHNICAL TRAINING INSTITUTE
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

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KEROKA TECHNICAL TRAINING INSTITUTE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

(a) Background information

Keroka Technical Training Institute (KETTI) was started in 1991 as a resource Centre offering short term courses to the Ministry of Labor officers serving as instructors in Youth Polytechnics. In 2008, KETTI was elevated to a Technical Training Institute under the Ministry of Education, Science and Technology offering Technical Education Programs (TEP) and other modular courses in business related courses. Since then, the curriculum has expanded to offer training in ten academic programs at Artisan, Craft and Diploma levels. Technical education activities have been recognized at KETTI since its inception as vital to the social and economic development of the nation. The institute, currently, sits on 5.6 acres of land. The first buildings to be put up were; a resource hall and one (1) hostel housing about 20 boarders. This infrastructure has since expanded to include; six workshops for each of the ten technical programs, a library block and additional lecture rooms and hostels. The Institute has a total of 87 teaching staff and 31 non-teaching staff. In the current financial year, the Institute's budget amounts to over KShs 86,750,000. The Government of Kenya, through the Ministry of Education and students' fees are the two main sources of funds for the Institute. Annual performance contracts entered into between the Government of Kenya through the Ministry of Education, KETTI's strategic plan and annual operational plans are the key drivers of the Institute's day-to-day activities.

(b) Principal Activities

KETTI is a government Institution with a Board of Governors (BOG) established and guided by the TVET Act 2013. The BOG consists of nine (9) members, drawn from diverse disciplines, sectors and regions of the Kenyan society. All nine (9) BOG members are appointed by the Cabinet Secretary, Ministry of Education. Annex 1 provides a brief profile of each of the 9 board members. The Institute's Principal serves as the Chief Accounting Officer for the Institute and Secretary to the Board of Governors. In the day to day management of the institute, the Principal is supported by two full time deputies, one in charge of Academic programs while the second one oversees Finance and Administration matters. The institute has qualified and dedicated teaching staff, mostly appointed by the Government of Kenya and others under the Board of Governors' terms.

KETTI's Strategic Statements and Core Mandate

The Institute has developed a five-year strategic plan, 2016 to 2021. The strategic plan was the collective effort of the Institute's stakeholders including, Management, teaching staff, non-teaching staff, and the representatives from the neighboring communities. The blue print strategically guides the Institute in its operations and realization of its set objectives. The following are the Institute's vision and mission statements.

Vision: To be the Centre of Excellence in offering quality TVET training.

Mission: To be a market leader in offering quality training in Research, Technology, Innovation and Entrepreneurship Skills necessary to realize the national development goals and enhance quality of life.

Core Values: The Institute strongly upholds four (4) core values. These are: Transparency and Accountability, Effectiveness and Efficiency, Equity and Excellence.

**KEROKA TECHNICAL TRAINING INSTITUTE
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

Strategic Objectives:

The specific strategic objectives of KETTI are to;

- Increase student enrollment,
- Increase the number of teaching and non-teaching staff,
- Upgrade the skills of teaching and non-teaching staff,
- Provide appropriate physical infrastructure of the Institute,
- Improve the Institute's civil works,
- Provide and upgrade training Equipment,
- Integrate ICT in management and training, and
- Establish adequate sources of funding for the Institute's projects.

Mandate and Core Functions

The Institute has outlined its mandate in line with the TVET Act, TVET strategy and reforms. The key mandate of the Institute is to;

- Offer competence Based Technical Training.
- Prepare and guide trainees, for evaluation and certification by appropriate examining bodies.
- Promote Science, Technology and Innovation in all training programs.

The core functions of the Institution include;

- Implementation of TVET curriculum and approved programs,
- Supervision, monitoring and evaluation of programs,
- Strengthening linkages between the Institute and Industry,
- Diversifying income generating activities and optimizing available resources, and
- Formulating, reviewing and coordinating institutional policies.

(c) Entity Headquarters

P.O Box 440 -40202
Keroka – Kilgoris Highway
Keroka ,KENYA.

(d) Entity Contacts

Telephone: 254726588558/254731358155/254208065130
Email: technicalkeroka@yahoo.com
Website: www.kerokatechnical.ac.ke

**KEROKA TECHNICAL TRAINING INSTITUTE
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

(e) Entity Bankers

1. Kenya Commercial Bank (KCB)
Keroka Branch
P.O. Box 394 – 40202
Keroka.
2. Co-operative Bank
Keroka Branch
P.O.Box 754 – 40202
Keroka.

(f) Independent Auditors

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

(g) Principal Legal Adviser

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

**KEROKA TECHNICAL TRAINING INSTITUTE
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

(h) BOG Members

Dr. Victor N. Keraro: Dr. Keraro is the Chairman of the Board of Governors.



He has a rich development sector management experience, having served various international development organizations at senior management levels. The Organizations include: The World Wide Fund for Nature (WWF), Oxfam Great Britain, The International Food Policy Research Institute (IFPRI), the forum for Agricultural research in Africa (FARA) in Ghana, PwC/CIDA in Kenya. Currently, Dr. Keraro works for The WorldWide Universities Service of Canada (WUSC) as Manager of the Field Support Services Project, based in Nairobi. This project provided both Technical and logistical service to the Global Affairs Canada programs in Kenya and South Africa. Dr. Keraro brings to KETTI a lot and useful strategic, financial and institutional development experience.

**KEROKA TECHNICAL TRAINING INSTITUTE
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Evans Bosire: Mr. Bosire, the current Principal has been with the Institute over the last 13 years.



He is a well-trained Electrical Engineer with skills that have enabled him to transform the Institute from a one block institute in 2006 to a Multi-Million Technical Training Institute that KETTI is today. The Institute runs a total of **10** programs with over 98 different courses, and all credit goes to the innovative and foresighted Principal, Mr. Bosire. The Principal serves as the Chief Accounting Officer for the Institute and Secretary to the Board of Governors. His vision is to effectively and efficiently manage the Institute, both in terms of Competence Based Education and Training (CBET) as defined by TVET Act 2013 as well as the KETTI Strategic plan.

He has effectively mentored seven institutions to its completion and operationalization namely; EkeruboGietai, Narok West TTI, Konoin TTI, Sotik TTI, Riragia TTI, Chepalungu TTI and Orogare TTI.




Mr. Bosire is also currently involved in sports administration in the discipline of athletics where he has coached and mentored very many international athletes of repute. He sits in athletics Kenya national body as the Public Relations Officer (PRO). He is also, the chairman of athletics Kenya Kisii County.

Philip MungeNdolo:



Mr.Ndolo, has a rich experience in the Construction and Business Development Sector, experience that is critically useful to the current infrastructural development phases of the Institute. He is a very well networked citizen, experience that is greatly valued at the Institute.

**KEROKA TECHNICAL TRAINING INSTITUTE
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

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| <p>Florence K. Obwocha:</p>  | <p>An active and practicing Lawyer by profession, Florence supports the institute in all forms of its legal matters. She is serving her second term in the Board and thus brings a lot of institutional memory to the current Board membership.</p> |
| <p>Brenda Eileen AkinyiOnyango</p>  | <p>Miss Onyango is a civil Engineer by profession, currently working for Kobil Kenya Ltd. The institute finds great use in her acute engineering skills, knowledge and experience that gives value to the many TVET engineering courses that the Institute is currently offering.</p> |
| <p>Hussein Shamji:</p> | <p>Mr. Shamji is a renowned Industrialist, construction and business development expert. He holds a Bsc Degree in Civil Engineering from the United Kingdom. He is one of the directors of A JiwaShamji Ltd, a company dealing with road, bridge and other civil constructions. The company is also engaged in housing construction and production of ballast, culverts and cabros. He brings to the board a vast experience in production and engineering management.</p> |
| <p>CarrenKeruboMirieri:</p>  | <p>Ms. Mirieri is a career academician, with a background in finance, human resources and institutional development; experience that the Board finds very useful for the effective management of KETTI. MsMirieri is currently a Lecturer at the Garissa Insitute, Garissa County as a part time lecturer.</p> |

**KEROKA TECHNICAL TRAINING INSTITUTE
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

Benard Oriango Moegi:



Moegi is an ICT expert with several years of experience. He is currently the Head of ICT at AMACO Insurance. Mr. Moegi has already helped the Institute to begin its journey into a full digital environment, starting with the ongoing library information and security management systems works in the modern library at the institute.

Olivia Odongo:



A representative of the Principal Secretary State Department of Vocational and Technical Training. She is currently serving as the County Director of TVET for Nyamira, Kisii and Migori Counties. She brings to the Board the latest policy information and directives from the state department in the ministry.

**KEROKA TECHNICAL TRAINING INSTITUTE
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

(i) Board Committees

| Name of the Committee | Members |
|---|---|
| i. Resource Mobilization and Finance(RMF) | 1. Mr. Philip Ndolo ___ Chair 2. Ms. Florence Obwocha ___ Member 3. Ms. Carren Kerubo Mireri ___ Member 4. Governors Minister for Education _ Member 5. County Director TVET _____ Member 6. Mr. Evans Bosire _____ Member |
| ii. Technical Committee (TC) | 1. Ms. Brenda E.A Onyango ___ Chair 2. Mr. Hussein Shemji ___ Member 3. Mr. Benard M. Moegi ___ Member 4. Mr. Evans Bosire _____ Member |
| iii. Audit Committee and Risk Management(ARM) | 1. Mr. Victor Keraro ___ Chair 2. Mr. Benard M. Moegi ___ Member 3. Mr. Philip Ndolo ___ Member 4. Mr. Evans Bosire ___ Member 5. Olivia Omondi ___ Member |
| iv. Administration and Human Resource(AHR) | 1. Ms. Carren Kerubo Mireri ___ Chair 2. Ms. Florence Obwocha ___ Member 3. Mr. Victor Keraro _____ Member 4. Mr. Evans Bosire ___ Member |

(j) KEY MANAGEMENT

| NAME OF THE STAFF | RESPONSIBILITY |
|---------------------|---------------------------------|
| MR. EVANS O BOSIRE | PRINCIPAL/B.O.G SECRETARY |
| MR. ROBINSON KAMBI | DEPUTY PRINCIPAL ADMINISTRATION |
| MR. EZEKIEL OMOLLO | DEPUTY PRINCIPAL ACADEMICS |
| MR. JOSEPH KAWALA | REGISTRAR |
| MR. RICHARD KERONGO | DEAN OF STUDENTS |

**KEROKA TECHNICAL TRAINING INSTITUTE
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

CHAIRMAN'S STATEMENT

I am pleased to present the financial report for the year ended 30 June 2018.

Keroka Technical Training Institute aspires to be the Institute of Choice in nurturing innovation and talent in science, technology and development. During the year, we embarked on the process of ensuring that we align our policies, processes and strategies in order to realise this vision and ensure that the Institute attains world class competitiveness.

In this regard, the Institute started a recovery strategy in order to reverse past negative trends. Over the past few years, we have had financial challenges owing to shortfalls in the funding for recurrent and capital development expenditure. These shortfalls have denied the Institute critical investments in teaching, research and learning facilities. I am therefore gratified to note that the recovery efforts have started showing positive improvements in the Institute that we can build on in the financial year 2017/2018.

We operate in an increasingly challenging and dynamic higher education sector. This calls for efficiency in our operations and ensuring that we deliver quality education and service to our students and other stakeholders at all times. In this regard, the Institute Board of Governors will work together to ensure that we improve our systems so that we stand a vantage point in ensuring that the Institute operates efficiently at all times so that we deliver on our mandate.

The Institute's operations and financial performance increased during the year positively due to the rise in the number of students sponsored by CDF and County Governments, hence have improved the institute recurrent revenue that led to a positive financial performance during the year.

The current Board of Governors was also constituted during the year. I would like to congratulate all of us on the onerous duties bestowed on our shoulders and pledge that together we shall strive to steer the Institute to greater heights.

I would like to thank all those who supported the Institute during the year, including our dear students, the Government, development and collaborating partners. My sincere and deep gratitude to my fellow Board Members as well as our dedicated staff and other stakeholders.



.....

Dr. Victor Keraro
CHAIRMAN – BOARD MEMBERS (BOG)

**KEROKA TECHNICAL TRAINING INSTITUTE
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

THE PRINCIPAL'S REPORT

The higher education sector has had significant and dynamic changes in the recent past. The number of public and private Technical Institutions has increased significantly. The expansion in the number of Government Technical Institutions has not only accelerated access to higher education but also increased competition amongst the Technical Institutions. The most significant event in terms of enrolment for Government Technical Institutes during the year was the massive increase in the number of students that qualified to join our Institutions. These increase had a positive impact in the Institute's revenue during this financial year.

The Government's Education Sector Report for the period 2017/18 – 2019/20 recognizes inadequate funding as one of the challenges facing the higher education sector. The need to scale up expenditure in order to ensure better access, quality, equity and relevance of education and training is a key emerging issue that needs to be addressed in the light of increase in the number of students qualifying to join Technical Institutions. However, the Government's resource envelope for education still remains constrained when measured against the overall budget making it imperative that we as an Institute seriously look for alternative sources of income to supplement our budget.

Other Projects

The Institute's Board of Governors are grateful that the Government agreed to help the Institute in funding the construction and completion of Library phase 11 and further funding phase 111. The Board also funded the construction of carpentry and joinery workshop, staff units and expansion of food and beverage workshop using surplus / savings from operations account. These projects will go a long way in improving our teaching, learning and living environment for students.

In order create a conducive learning environment and to ensure provision of quality educational services to our students, the Institute embarked on equipping workshops, the library and also increased the number of lecture chairs in our classrooms.

Academic Programmes

I am proud of the high calibre of our administrative, academic and non academic staff who ensure that our services continue to be of highest standards. This has contributed to the Institute improving its ranking and made Keroka Technical Training Institute to be among the top ranked Institutions in Kenya.

Financial Performance

The increase in the number of students qualifying to join the Institute through various sponsorships such as the National Youth Service (NYS), The National Governments' Constituency Development Fund (CDF) and County Governments , has improved the institute's recurrent revenue that led to a positive financial

**KEROKA TECHNICAL TRAINING INSTITUTE
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

performance during the year. However, there's need for capital development funding to enable the institute increase its infrastructure to cater for the increasing number of students.

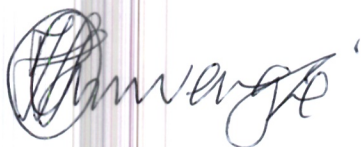
Growth prospects

The institute envisages that we still have opportunities for growth in various academic programmes. The Government's projections are for all Institutes to enroll at least 5,000 students per year in order to meet the high demand of our TVET education. Accordingly, we will leverage on the strengths of our programmes in order to increase a number of new courses that are relevant and appealing to the learners. This financial year we were able to roll out two new courses in Applied Sciences and also Catering & Accommodation.

Appreciation

On behalf of the KETTI Management, I would like to express my sincere gratitude and appreciation to the National Government and the County Government for the support and advice that we have unwaveringly received during the year.

I also want to thank the Entire Board of Governors, our staff and students, development partners, collaborating institutions and other partners and stakeholders for the help and support that we continue to receive.



Evans Bosire
PRINCIPAL/ SECRETARY B.O.G

KEROKA TECHNICAL TRAINING INSTITUTE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

CORPORATE GOVERNANCE STATEMENT

Corporate governance comprises rules, procedures, regulations and processes through which the Institute is directed. It involves balancing the interests of the Institute in order to achieve long term strategic objectives of the institute.

The roles and functions of the Board members are clearly defined and include giving the overall oversight of management and giving the strategic direction of the Institute. The Board members defines the Institute's strategies, objectives, values and ensures that procedures and practices are put in place to ensure effective control over strategic, financial, operational and compliance issues. The Board members develops short and long term goals of the Institute, develops strategies to achieve those goals and monitors the performance of the Institute against the set goals. The Board members also spearheads the preparation of financial statements and reports of the Institute, approves and reviews annual budgets and ensures that the Institute has adequate systems of internal controls together with appropriate monitoring of compliance activities to ensure business continuity.

The Board members provides oversight to the Institute's top management and has unrestricted access to timely and relevant information as well as advice and services of the Corporation Secretary to discharge its duties effectively.

Keroka Technical Training Institute Board members operates in compliance with the Mwongozo code that offers corporate governance framework for all state corporations. The members of Board have duly undergone training under this code.

The Board members prepares an annual aimanc showing the schedule of meetings planned for each year. During the year, the Institute Board members held regular quarterly meetings, while special meetings were called when necessary.

The Board is headed by the Chairman and is composed of **nine** members inclusive of the Principal who is the only executive member. The constitution of the Board members takes into consideration requirements of the sector, diversity of skills, academic qualifications, gender, age and experience necessary to add value to the operations of the Institute. The Board members are appointed to various Board members Committees mandated to carry out specified functions. The Board members therefore bring their diverse experiences in deliberations during Board meetings.

The Board members committees have well defined terms of reference. The committees are intended to facilitate efficient decision making by the Board members in discharging its duties and responsibilities.

The Board members committees are as follows:

- resource mobilization and finance
- Technical Committee

KEROKA TECHNICAL TRAINING INSTITUTE

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

- Audit Committee
- Administration and Human Resource

The Board members' operations are guided by a board charter. The board has a conflict of interest register and at every meeting, members are required to declare any conflict of interest with regard to the matters under discussion.

While the Board members sets the direction and general guidance on policy, the day to day running of the Institute has been delegated to the Principal/ Secretary B.O.G. However, the Board members is responsible for the stewardship of the Institute and assumes responsibility for the effective control of the Institute.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Keroka Technical Training Institute, as a responsible corporate institution established to achieve public good, recognises the link between sustainable growth and development of the institution and the need to invest in society, the local community and protection of the environment. This is important to ensure that social, economic and environmental benefits accrue to the society and other stakeholders as the Institute conducts its business. During the year the Institute contributed to various community initiatives and noble projects, despite the prevailing resource constraints.

Key Institute staff attended career days and workshops for head teachers in order to motivate and mentorship to students in high schools. These motivational talks are a permanent feature in our calendar of events every year and they ensure that the Institute maintains a strong link with students who are aspiring to join Institutes.

Environmental degradation has severe negative effects in the world. It is therefore important for constant efforts to be made to conserve the environment around us. During the year, the Institute started a project to grow 5,000 trees in the Institute. This project will be continued in subsequent years in order to improve the total tree cover in the Institute.

The Institute has built and promoted the culture of reading and has opened doors to national examination sitting students to use the library during their school holidays support their efforts of attaining Institute education. During the year, the Institute organised a Youth Workshop to sensitise the youth on opportunities available for their empowerment.

**KEROKA TECHNICAL TRAINING INSTITUTE
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

STATEMENT OF BOARD OF GOVERNORS MEMBERS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, requires the Institute to prepare financial statements in respect of the Institute, which give a true and fair view of the state of affairs of the Institute at the end of the financial year and the operating results of the Institute for that year. The Board Members are also required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. The Members are also responsible for safeguarding the assets of the Institute.

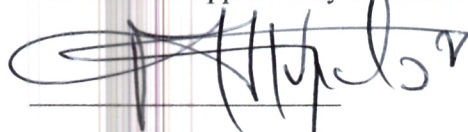
The Members are responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial year ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Institute; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board Members accept responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Members are of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2017, and of the Institute's financial position as at that date. The Board Members further confirm the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the annual financial statements

The entity's annual financial statements have been prepared in accordance with section 83 of the PFM Act and were approved by the Board on 18/4/19 2019 and signed on its behalf by:



BOG CHAIRMAN



PRINCIPAL/SECRETARY BOG

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED 30 JUNE 2018

SECTION A

The entity's operational/ and financial performance.

The entity's financial statement indicates that, the entity's performance is in a better operations in concernment with the entity's going concern.

Cash and cash equivalent obtained from the cash flow statement, explains that, cash available in liquid form is mostly generated from operating activities.

The Board of Governors are in the opinion that, the financial statements give a true and fair view state of financial affairs of an entity.

SECTION B

Entity's compliance with statutory requirements.

The entity is fully compliance with statutory requirements, in accordance with section 83[5] of Public Finance Management, and the IPSAS applicable for the preparation of the financial statements.

The Board members further accepts, responsibility for maintenance of accounting records that may be relied upon, in preparation of the financial statements as well as adequate systems of internal financial controls.

SECTION C

Key projects and investment decisions the entity is planning /implementing.

According to entity's strategic plan, it entails to;

- Build 40 classrooms for tuition block.
- Mechanical engineering workshops, which are in progress.
- To purchase more mechanical equipment's that will support the smooth running of the institution.
- Integration of the ICT, to facilitate management, teaching and networking within the institution
- All project within the institution are mostly financed by the government.

SECTION D

Major risks facing the entity.

Operational risk; the entity faces the break in or theft of key equipments. This highly influences the operational performance of the entity, this tends to trigger the entity's going concern.

Capital risk; some of the entity's projects are incomplete due to insufficient funding; hence the entity's strategic plans are not accomplished as per the entity's objectives.

Liquidity risk; the institute faces challenges in securing adequate cash needed to meet short term financial obligations.

Market risk; the entity enrolls a few number of students, due to inadequate facilities for accommodation and high cost of marketing. This hinders the enrollment capacity, of the students within the institution.

SECTION E

Material arrears in statutory and financial obligations.

The institution does not face any material default in statutory and financial obligation.

SECTION F

The entity's financial probity serious governance issues.

In accordance to audit findings; the entity did not report any major financial improbity, in relevance to accounting records kept and key areas that influences the operational and performance of an entity in its going concern.



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KEROKA TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Keroka Technical Training Institute set out on pages 18 to 36, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Keroka Technical Training Institute as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Unconfirmed Opening Balances and Comparatives Figures

The management did not submit financial statements for 2015/2016 and 2016/2017 financial years to the Auditor General for audit. Consequently, the validity, completeness and accuracy of the opening balances of assets, liabilities, reserves and accumulated surplus in 2017/2018 financial year and the comparative figures reflected under year 2016/2017 in the financial statements for the year ended 30 June 2018 could not be ascertained.

2. Property, Plant and Equipment

A review of records relating to property, plant and equipment balance of Kshs.897,337,475 as at 30 June 2018 reflected in the financial statements revealed the following anomalies:

- i. No independent valuation report for the property plant and equipment to confirm the accuracy of the reported costs;

- ii. Non-current assets register was not maintained by the Institute during the year under review to show computations for depreciation, additions, disposals and the details of location of each class of assets; and
- iii. No document of title to confirm ownership of the land where the Institute is situated. Information available indicates that the institute is located on a ten acres' piece of land that was donated by ten community members. According to minutes of the meeting of the Board of Governors (BOG) held on Thursday 29 June 2017 there was a claim for compensation by these ten members of the community that was rejected by the County Land Management Board.

In the circumstances, the accuracy and completeness of the property, plant and equipment of balance Kshs.897,337,475 could not be ascertained.

3. Students Fees Collection

Keroka Technical Training Institute collected fees totalling Kshs.45,021,560 from the students during the year. The number of students as at 30 June 2018 was 2,628 out of which 368 students were from the National Youth Service doing artisan, certificate and diploma courses. Examination of the students' fees collection documents revealed the following anomalies:

- i. No periodic reconciliation of fees collections as per receipts issued against bankings. Therefore, confirmation of the actual bankings against the bank pay-in slips which the students presented to the institution was not done during the year under review;
- ii. Monthly income summaries were not prepared and reviewed by different level of authorities to confirm consistency and accuracy; and
- iii. Debtors control account was not prepared to monitor student fees arrears to enable timely and prompt follow up for collections.

Consequently, the accuracy and completeness of the students' fees totalling Kshs.45,021,560 collected during the year ended 30 June 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Keroka Technical Training Institute in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters discussed in the Basis for Adverse Opinion and Basis for Conclusions on Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of

Internal Controls, Risk Management and Governance sections, I have determined that there are no other key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusions on Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Government Grants

During the financial year under review, Keroka Technical Training Institute was allocated Kshs.69,885,079 under government grants out of which an amount of Kshs.62, 860,210 was in respect of construction of the following institutions and a library:

| | Institution | Amount Kshs. |
|---|---|-------------------------|
| 1 | Chepalungu Technical Training Institute | 20,576,965 |
| 2 | Orogare Technical Training Institute | 13,732,102 |
| 3 | Riragia Technical Training Institute | 19,756,845 |
| 4 | Library Construction | 4,722,728 |
| 5 | Konoin Technical Training Institute | 2,576,020 |
| 6 | Narok West Technical Training Institute | 1,495,550 |
| | Total | 62,860,210 |

The following anomalies have been noted:

- i. The grants were not contained in the Institute`s approved budget for 2017/2018;
- ii. Construction of Chepalungu Technical Training Institute, Orogare Technical Training Institute and the library were incomplete yet the contracts period had expired by 30 June 2018;
- iii. Title deed for the land on which Narok West Technical Training Institute is being constructed had not been acquired as of 30 June 2018. In addition, the institution is located in a deserted area and cannot operate effectively without hostels for students which have not been constructed; and

- iv. Construction of Chepalungu Technical Training Institute was far behind schedule with only 70% of the work done while mechanical, electrical, finishes and construction of septic tank had not commenced.

In the circumstances, value for money and regularity of the expenditure on government grant of Kshs.69,885,079 could not be confirmed.

2. Harmonization of Staff Salaries

During the year under review, Keroka Technical Training Institute spent a total of Kshs.8,441,826 on employee costs. An analysis of the payroll revealed that there is a disparity in basic salary with corresponding house allowances paid to employees.

Further, most employees are not clearly graded in their respective job groups/salary bands and there is no clear staff establishment for various departments leading to some key areas like human resource and internal audit being without respective personnel.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusions on Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of the Internal Audit Function

The Institute does not have an internal audit function to monitor the effectiveness of the internal control systems, risk management and governance systems on routine basis and make recommendations for improvements to the Principal and Audit Committee.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standard requires that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the

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

Responsibilities of Management and Those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

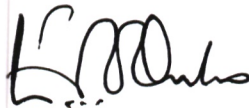
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting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

conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease sustaining its services.

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

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

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



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

Nairobi

09 July 2019

**KEROKA TECHNICAL TRAINING INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

| STATEMENT OF FINANCIAL PERFORMANCE | | | |
|---|-------------|--------------------|-------------|
| | | 2018 | 2017 |
| | Note | | |
| Revenue from non exchange transactions | | Kshs | Kshs |
| Government grants | 1 | 69,885,079 | |
| | | 69,885,079 | - |
| Revenue from exchange transactions | | | |
| Rendering of services (student fees) | 2 | 45,021,560 | |
| Sale of goods (production unit) | 3 | 135,565 | |
| | | 45,157,125 | - |
| Total revenue | | 115,042,204 | - |
| Expenses | | | |
| Goods and Services | 4 | 49,907,306 | |
| Employee costs | 5 | 8,441,826 | |
| Grants and subsidies | 6 | 63,858,214 | |
| General expenses | 7 | 43,090 | |
| Total expenses | | 122,250,436 | - |
| Other gains/(losses) | | | |
| Gain on sale of assets | | - | |
| Gain on foreign exchange transactions | | - | |
| Unrealized gain on fair value of investments | | - | |
| Impairment loss | | - | |
| Total other gains/(losses) | | - | - |
| Deficit before Tax | | (7,208,232) | - |
| Taxation | | - | |
| Deficit for the year | | (7,208,232) | - |

**KEROKA TECHNICAL TRAINING INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

| STATEMENT OF FINANCIAL POSITION | | | |
|---|-------------|--------------------|-------------|
| | | 2018 | 2017 |
| | Note | | |
| Assets | | Kshs | Kshs |
| Current assets | | | |
| Cash and cash equivalents | 8 | 36,581,174 | |
| Receivables from exchange transactions | 9 | 8,264,900 | |
| Inventory | 12 | 876,610 | |
| Total Current Assets | | 45,722,684 | - |
| Non-current assets | | | |
| Property ,plant and equipment | 10 | 897,337,475 | |
| Total non - current assets | | 897,337,475 | - |
| Total assets | | 943,060,159 | - |
| Liabilities | | | |
| Current liabilities | | | |
| Payables from exchange transactions | 11 | 1,473,646 | |
| Accruals | 11 | 90,019 | |
| Total current liabilities | | 1,563,665 | - |
| Non-current liabilities | | | |
| Non-current employee benefit obligation | | - | |
| Non-current provisions | | - | |
| Borrowings | | | |
| Service concession liability | | - | |
| Deferred tax liabilities | | - | |
| Total non-current liabilities | | - | - |
| Total liabilities | | 1,563,665 | - |
| Net assets | | | |
| Reserves | | - | |
| Accumulated surplus | | 941,496,494 | |
| Minority interest | | - | |
| Other reserves | | - | |
| Total net assets | | 943,060,159 | - |
| Total net assets | | 943,060,159 | - |

**KEROKA TECHNICAL TRAINING INSTITUTE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2018**

| | Capital Reserves | Revenue Reserves | Total |
|---|--------------------|-------------------|--------------------|
| | Kshs | Kshs | Kshs |
| Balanceas at 1 July 2017 | - | 50,490,641 | 50,490,641 |
| Deficit forthe year | - | (7,208,232) | (7,208,232) |
| Transfer of non-current assets from initial books | 897,337,475 | - | 897,337,475 |
| Balanceasat30 June 2018 | 897,337,475 | 43,282,409 | 940,619,884 |



NAME: Evans Bosire



18/4/19

PRINCIPAL



NAME: TOBEST ONDICHO

DATE: 18/4/19

FINANCE OFFICER

**KEROKA TECHNICAL TRAINING INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30.06.2018**

| STATEMENT OF CASHFLOWS | Note | | |
|--|-------------|--------------------|-------------|
| | | 2018 | 2017 |
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Government grants and subsidies | | 69,885,079 | |
| Rendering of services | | 36,756,660 | |
| Sale of goods and services | | 135,565 | |
| | | 106,777,304 | - |
| Payments | | | |
| Employees Costs | | 8,378,326 | |
| Goods and services | | 48,497,160 | |
| General Expenses | | 43,090 | |
| Grants and Subsidies | | 63,858,214 | |
| Net cash flows from operating activities | | 120,776,790 | - |
| | | | |
| Net (decrease) in cash and cash equivalents | | (13,999,486) | |
| Cash and cash equivalents at end of the start of the year | | 50,490,641 | |
| Cash and cash equivalents at end of the end of the year | | 36,491,155 | |
| | | | |

**KEROKA TECHNICAL TRAINING INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30.06.2018**

| STATEMENT OF BUDGET AND ACTUAL COMPARISON | | | | | | | |
|---|------------------------|-------------------|---------------------|-----------------------------------|--------------------|------------|--|
| | Original Budget | Adjustment | Final Budget | Actual on Comparable basis | Variance | % | Explanation of material variances |
| | Shs | Shs | Shs | Shs | Shs | | |
| Receipts | | | | | | | |
| Rendering of services | 22,925,000 | - | 22,925,000 | 45,021,560 | 22,096,560 | 49% | u |
| Government grants and subsidies (Recurrent and Development) | 29,000,000 | - | 29,000,000 | 27,500,000 | - 1,500,000 | -5% | f |
| Catering services | 1,550,000 | - | 1,550,000 | 135,565 | - 1,414,435 | -1043% | u |
| Government grants and subsidies (Mentorship) | - | - | - | 42,385,079 | 42,385,079 | 100% | u |
| Total income | 53,475,000 | - | 53,475,000 | 115,042,204 | 61,567,204 | 54% | u |
| Payments | | | | | | | |
| Goods and services | 44,857,166 | - | 44,857,166 | 49,907,306 | 5,050,140 | 10% | f |
| Employee compensation | 8,617,834 | - | 8,617,834 | 8,441,826 | - 176,008 | -2% | f |
| Grants and subsidies paid(Mentorship) | - | - | - | 59,135,486 | 59,135,486 | 100% | u |
| Grants and subsidies paid(Development) | | | | 4,722,728 | 4,722,728 | 100% | u |
| Other payments | - | - | - | 43,090 | 43,090 | 100% | u |
| Total expenditure | 53,475,000 | - | 53,475,000 | 122,250,436 | 68,775,436 | 56% | u |
| Deficity for the year | - | - | - | (7,208,232) | - 7,208,232 | | |

**KEROKA TECHNICAL TRAINING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1. GENERAL INFORMATION

Keroka Technical Training Institute (KETTI) was started in 1991 as a resource Centre offering short term courses to the Ministry of Labour officers serving as instructors in Youth Polytechnics. In 2008, KETTI was elevated to a Technical Training Institute under the Ministry of Education, Science and Technology offering Technical Education Programs (TEP) and other modular courses in business related courses. Since then, the curriculum has expanded to offer training in ten academic programs at Artisan, Craft and Diploma levels. Technical education activities have been recognized at KETTI since its inception as vital to the social and economic development of the nation.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

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

| Standard | Impact |
|----------|--------|
|----------|--------|

| | |
|--|--|
| <p>IPSAS 33: First time adoption of Accrual Basis IPSAS</p> | <p>(Effective for annual periods beginning on or January 1, 2017)</p> <p>In January 2015, the IPSASB published IPSAS 33, First-time Adoption of Accrual Basis IPSASs. IPSAS 33 grants transitional exemptions to entities adopting accrual basis IPSASs for the first time, providing a major tool to help entities along their journey to implement IPSASs. It allows first-time adopters three years to recognize specified assets and liabilities. This provision allows sufficient time to develop reliable models for recognizing and measuring assets and liabilities during the transition period.</p> <p>The Institute has adopted IPSAS in the year ended 30 June 2018 and therefore provisions of first time adoption of accrual basis apply to the Institute.</p> |
| <p>IPSAS 34: Separate Financial Statements</p> | <p>(Effective for annual periods beginning on or January 1, 2017)</p> <p>In January 2015, the IPSASB published IPSAS 34, Separate Financial Statements. IPSAS 34 prescribes the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.</p> <p>The Institute is not a parent entity and is not required to prepare consolidated financial statements and therefore the standard does not apply.</p> |
| <p>IPSAS 35: Consolidated Financial Statements</p> | <p>Effective for annual periods beginning on or January 1, 2017)</p> <p>In January 2015, the IPSASB published IPSAS 35, Consolidated Financial Statements. IPSAS 35 establishes principles for the preparation and disclosure of consolidated financial statements when an entity controls one or more entities. It requires an entity that controls one or more other entities to assess control over those entities based on the following:</p> <ul style="list-style-type: none"> - Its power over the other entity - Its exposure or rights to variable benefits from involvement with the other entity - Its ability to control the nature, timing and amount of benefits from the other entity. <p>Once control is assessed the controlling entity is supposed to prepare consolidated financial statements unless it meets all the criteria under section 5 of IPSAS 35.</p> <p>The Institute has is not required to prepare consolidated financial statements as there is no entity it controls.</p> |

| | |
|--|--|
| <p>IPSAS 36: Investments in Associates and Joint Ventures</p> | <p>(Effective for annual periods beginning on or January 1, 2017)</p> <p>In January 2015, the IPSASB published IPSAS 36, Investments in Associates and Joint Ventures. The Standard prescribes for the accounting for investments in associates and joint ventures and to set out requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard shall be applied by all entities with significant influence over, or joint control of, an investee where the investment leads to the holding of a quantifiable ownership interest.</p> <p>The Institute does not have investments in associates or joint ventures.</p> |
| <p>IPSAS 37: Joint Arrangements</p> | <p>(Effective for annual periods beginning on or January 1, 2017)</p> <p>In January 2015, the IPSASB published IPSAS 37, Joint Arrangements. IPSAS 37 establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly.</p> <p>The Institute does not have an interest in a joint arrangement and therefore the standard does not apply.</p> |
| <p>IPSAS 38: Disclosure of Interests in Other Entities</p> | <p>(Effective for annual periods beginning on or January 1, 2017)</p> <p>In January 2015, the IPSASB published IPSAS 38, Disclosure of Interests in Other Entities. IPSAS 38 requires an entity to disclose information that enables users of its financial statements to evaluate the nature of and risks associated with, its interests in controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and the effects of those interests on its financial position, financial performance and cash flows.</p> <p>The entity has an interest in other entities that are consolidated in these financial statements and the following is the impact of application of the new standard IPSAS 38:</p> |

ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2018**

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

iii. **Early adoption of standards**

The Institute did not early – adopt any new or amended standards in year 2018.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) **Revenue recognition**

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

Fees

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

**KEROKA TECHNICAL TRAINING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2018**

ii) Revenue from exchange transactions

Rendering of services

The Institute 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.

Interest income

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

b) Budget information

The original budget for FY 2017-2018 was approved by the Institute Board of Governors 18th June 2017. 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 Institute upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of Kshs 6,000,000 on the 2017-2018 budget following the Institute Board of Governor's approval.

The 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 on page 17 of these financial statements.

**KEROKA TECHNICAL TRAINING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS.....(Continued)
FOR THE YEAR ENDED 30 JUNE 2018**

b) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except where revaluation has been done as indicated. 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.

**KEROKA TECHNICAL TRAINING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS.....(Continued)
FOR THE YEAR ENDED 30 JUNE 2018**

d) Financial instruments

Financial assets

Initial recognition and measurement

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

Receivables

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

Held-to-maturity

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

Impairment of financial assets

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

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments

**KEROKA TECHNICAL TRAINING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS.....(Continued)
FOR THE YEAR ENDED 30 JUNE 2018**

d) Financial instruments (Continued)

- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

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

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

e) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

The Institute does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Institute in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the

**KEROKA TECHNICAL TRAINING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS(Continued)
FOR THE YEAR ENDED 30 JUNE 2018**

Asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

f) Nature and purpose of reserves

The Institute creates and maintains reserves in terms of specific requirements. The Institute's reserves are disclosed in the statement of changes in net assets.

g) Changes in accounting policies and estimates

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

h) Employee benefits

Retirement benefit plans

The Institute provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which the Institute 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.

i)Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

j)Comparative figures

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

**KEROKA TECHNICAL TRAINING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS.....(Continued)
FOR THE YEAR ENDED 30 JUNE 2018**

**5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION
UNCERTAINTY**

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute 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

**KEROKA TECHNICAL TRAINING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS.....(Continued)
FOR THE YEAR ENDED 30 JUNE 2018**

k) Provisions

Provisions were raised and management determined an estimate based on the information available.

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

l) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2018.

**KEROKA TECHNICAL TRAINING INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

| NOTES TO THE FINANCIAL STATEMENTS | | | |
|--|---|-------------------|-------------|
| | 2018 | | 2017 |
| | Kshs | | Kshs |
| 1 | Government grants | | |
| | Mentorship development funds | 40,585,079 | |
| | Mentorship administration funds | 1,800,000 | |
| | Operations grants | 24,000,000 | |
| | Library development grants | 3,500,000 | |
| | Total government grants | 69,885,079 | - |
| 2 | Rendering of services (Student fees) | | |
| | Tuition fees | 10,362,940 | |
| | Boarding fees | 10,068,320 | |
| | Administration fees | 1,965,150 | |
| | Repairs & maintenance | 1,836,500 | |
| | Activity | 1,817,850 | |
| | Electricity & water | 1,932,500 | |
| | Local transport | 1,919,700 | |
| | Personal emoluments | 3,850,080 | |
| | House keeping/Accommodation | 625,500 | |
| | Fees arrears | 4,615,920 | |
| | Development levy | 1,134,300 | |
| | Student union | 323,100 | |
| | Exams | 47,400 | |
| | Attachment | 228,500 | |
| | Practicals/Training | 2,623,000 | |
| | Helb | 68,600 | |
| | Insurance | 421,200 | |
| | Gratuity | 812,000 | |
| | ICT fees | 369,000 | |
| | Total revenue from rendering of services | 45,021,560 | - |

KEROKA TECHNICAL TRAINING INSTITUTE**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018****NOTES TO THE FINANCIAL STATEMENTS**

| | | 2018 | 2017 |
|----------|---|-------------------|------|
| | | Shs | Shs |
| 3 | Sale of goods | | |
| | Production unit | 135,565 | |
| | Total sales | 135,565 | - |
| 4 | Goods and services | | |
| | Tuition expenses | 4,725,799 | |
| | Boarding expenses | 7,635,659 | |
| | Administration costs | 16,812,881 | |
| | Repairs & maintenance | 7,779,618 | |
| | Activity | 2,037,201 | |
| | Electricity & water | 1,053,558 | |
| | Local transport | 2,319,546 | |
| | House keeping/Accommodation | 1,628,098 | |
| | Library/Textbooks | 3,520,882 | |
| | Student union | 154,130 | |
| | Attachment | 139,899 | |
| | Practicals/Training | 52,575 | |
| | Creditors paid | 1,951,160 | |
| | Refunds | 96,300 | |
| | | 49,907,306 | - |
| 5 | Employee costs | | |
| | Personal emoluments | 8,440,326 | |
| | Salary advances | 1,500 | |
| | Total | 8,441,826 | - |
| 6 | Grants and subsidies | | |
| | Mentorship administration funds | 998,000 | |
| | Chepalungu T.T.I | 20,576,965 | |
| | Riragia T.T.I | 19,756,845 | |
| | Library construction | 4,722,728 | |
| | Konoin T.T.I | 2,576,020 | |
| | Narok west T.T.I | 1,495,550 | |
| | Orogare T.T.I | 13,732,107 | |
| | Total expenditure for grants and subsidies | 63,858,214 | - |

| KEROKA TECHNICAL TRAINING INSTITUTE | | | |
|---|---|--------------------|-------------|
| FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 | | | |
| NOTES TO THE FINANCIAL STATEMENTS | | | |
| | | 2018 | 2017 |
| | | Shs | Shs |
| 7 | General expenses | | |
| | Production unit | 43,090 | |
| | Total expenses | 43,090 | - |
| 8 | Cash and cash equivalents | | |
| | Cash in hand | 155,314 | |
| | Operations account - current | 21,600,605 | |
| | Operations account - savings | 940,765 | |
| | Chepalungu T.T.I | 4,504,909 | |
| | Riragia T.T.I | 12 | |
| | Library construction | 5,729,888 | |
| | Narok west T.T.I | 423 | |
| | Orogare T.T.I | 3,201,968 | |
| | Bus account | 11,490 | |
| | Gratuity account | 435,800 | |
| | Total rentals | 36,581,174 | - |
| 9 | Receivables from exchange transactions | | |
| | Fees arrears 2017/2018 (see appendix 02) | 8,264,900 | |
| | Total arrears | 8,264,900 | - |
| 10 | Property, plant and equipment | | |
| | Estimated cost (See appendix 03) | 897,337,475 | |
| | Estimated total cost | 897,337,475 | - |
| 11 | Payables from exchange transactions | | |
| | Creditors 2017/2018 (See appendix 04) | 1,563,665 | |
| | | 1,563,665 | |
| 12 | Inventory | | |
| | Closing Stock Balances (see annex 15) | 876,610 | |

**KEROKA TECHNICAL TRAINING INSTITUTE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

APPENDIX 1

BANK ACCOUNTS

| | | | | | |
|----|----------------------|--|------------|--|---------------|
| 1 | KETTI OPERATIONS 1 | | KCB | | 1106814134 |
| 2 | KETTI LIBRARY | | KCB | | 1130738140 |
| 3 | KETTI BUS FUND A/C | | KCB | | 1114190209 |
| 4 | KETTI OPERATIONS 11 | | CO-OP BANK | | 1139363277200 |
| 5 | RIRAGIA TECHNICAL | | KCB | | 1179017099 |
| 6 | OROGARE TECHNICAL | | KCB | | 11801147944 |
| 7 | CHEPALUNGU TECHNICAL | | KCB | | 1176511963 |
| 8 | KONOIN TECHNICAL | | KCB | | 1160626324 |
| 9 | NAROK WEST TECHNICAL | | KCB | | 1160626472 |
| 10 | SOTIK TECHNICAL | | KCB | | 1160625697 |
| 11 | KETTI GRATUITY A/C | | KCB | | 1114190462 |

**KEROKA TECHNICAL TRAINING INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**APPENDIX 4
LIST OF CREDITORS**

| S/N | NAME | | VOTEHEAD | | AMOUNT |
|------------|-----------------------|--|-----------------|--|------------------|
| 1 | AERONET SOLUTIONS LTD | | ADM.COSTS | | 37,400 |
| 2 | KISII JUMBO | | R.M.I | | 262,590 |
| 3 | TECKMALINE | | B.E.S | | 148,894 |
| 4 | UNES BOOKSTORE | | LIBRARY | | 879,282 |
| 5 | VIKERIAN ENTERPRISES | | B.E.S | | 65,660 |
| 6 | MASENO UNIVERSITY | | LIBRARY | | 16,320 |
| 7 | SALARY | | P.E | | 63,500 |
| 8 | ACCRUED EXPENSES | | P.E | | 90,019 |
| | TOTAL | | | | 1,563,665 |

**KEROKA TECHNICAL TRAINING INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

ANNEX 15

CLOSING STOCK BALANCES

| ELECTRICAL ITEMS BALANCES AS 30TH JUNE, 2018 | | | | |
|--|--|----------|-----------|------------|
| s/n | Item description | Quantity | Unit cost | Total cost |
| 1 | TRANSISTOR BC 108 | 20 | 100 | 2000 |
| 2 | ZENNER DIODE ZPY 1.5 | 100 | 20 | 2000 |
| 3 | ELECTROLYTIC CAPACITOR | 100 | 100 | 10,000 |
| 4 | RESISTOR ¼ WATT 82% | 100 | 10 | 1,000 |
| 5 | DIODES INFED EQUIVALENT | 200 | 50 | 10,000 |
| 6 | Transformer 240v A.C | 10 | 960 | 9,600 |
| 7 | 3 PIN PLUG FUSED 220 V | 250 | 20 | 5,000 |
| 8 | RECTIFIER DIODE IN 407 SEIRES ¼ WATT | 20 | 100 | 2,000 |
| 9 | PUSH BUTTON ONE BELL SWITCH | 2 DOZ | 1,920 | 3,840 |
| 10 | 20MM PVC SPACER SADDLES | 100 | 50 | 5,000 |
| 11 | 1.5MM ² PVC SINGLE CORE CABLES | 4 ROLLS | 2400 | 10,000 |
| 12 | 2.5MM ² PVC SINGLE CORE CABLES | 12 rolls | 3,600 | 43,200 |
| 13 | 1.5MM ² PVC sheated cable TWE | 4 ROLLS | 6,500 | 26,000 |
| 14 | 2.5MM ² PVC sheated cable TWE | 3 ROLLS | 12,500 | 37,500 |
| 15 | 20MM PVC MALE AND FEMALE | 50PCS | 100 | 5,000 |
| 16 | Resistor 1k 0.5w | 40 pcs | 10 | 400 |
| 17 | Resistors + 1.5% 0.5 watts | 20 pcs | 10 | 2,000 |
| 18 | Digital voltmeter multimeter | 3 | 6500 | 19,500 |
| 19 | Solder wire 60/40 | 2rolls | 700 | 1,400 |
| 20 | Jumper wire | 2 rolls | 750 | 1,500 |
| 21 | Soldering gun 60/80 watts | 3 pcs | 1,500 | 4,500 |
| 22 | 3 pin plug 13A fused | 40 pcs | 250 | 10,000 |
| 23 | 1.5MM ² flexible cable with earth | 1 roll | 7,500 | 7,500 |
| 24 | 3 phase cut out | 6pcs | 2,200 | 13,200 |
| 25 | Twin cut out | 5pcs | 2,800 | 14,000 |
| 26 | Tpn switch | 4pcs | 2,500 | 10,000 |
| 27 | 3 phase industrial socket | 4 pcs | 2,500 | 10,000 |
| 28 | Star delta starter complete | 1pc | 35,000 | 35,000 |
| 29 | 3 phase energy meter | 2pcs | 3,500 | 7,000 |
| 30 | 0.5mm ² bell wire | 3 doz | 4,800 | 14,400 |
| 31 | Plastic intermediate switch | 10 pcs | 850 | 8,500 |

ANEX 15

| | | | | |
|----|--|----------|-------|----------------|
| 32 | COOKER CONTROL UNIT | 10 PCS | 800 | 8,000 |
| 33 | COOKER BOX | 50PCS | 50 | 2,500 |
| 34 | SHALLOW PATTRESS BOXES | 50PCS | 60 | 3,000 |
| 35 | DEEP PATTRESS | 50PCS | 30 | 1,500 |
| 36 | 20mm pvs switch boxes | 50pcs | 50 | 2,500 |
| 37 | 20mm pvc switcg boxeses twin | 100pcs | 30 | 3,000 |
| 38 | 20mm pvc conduit | 100pcs | 110 | 11,000 |
| 39 | Assoerted tack nails | 10pkts | 400 | 4,000 |
| 40 | Buckle clips assorted | 20pkts | 600 | 12,000 |
| 41 | Wood screws 1-7mm | 30 pkts | 200 | 6,000 |
| 42 | 20mmpvc mini trunking | 100 pkts | 120 | 12,000 |
| 43 | Remote stop buttons | 2pcs | 1,200 | 2,400 |
| 44 | 20mm heavy gauge steel conduits | 20pcs | 600 | 12,000 |
| 45 | 20mm heavy gauge steel spacer saddles | 20pcs | 200 | 4,000 |
| 46 | 20mm lock nut | 4pcs | 150 | 600 |
| 47 | Stock and die | 4pcs | 2500 | 10,000 |
| 49 | 600mm fluorescent fittings complete | 2pcs | 1,200 | 2,400 |
| 50 | 13A plastic socket outlet | 10 pcs | 250 | 2,500 |
| 51 | 240V/12BV BELL TRANSFORMER | 12PCS | 1,200 | 14,400 |
| 52 | 12V BELL RELAY | 4PCS | 1,200 | 4,800 |
| 53 | BREAD BOARD | 5PCS | 500 | 2,500 |
| 54 | FILAMENT LAMP 60W/220V A.C | 10pcs | 90 | 900 |
| 55 | Light emitting diodes | 20pcs | 100 | 2,000 |
| 56 | 20mm flexible conduits | 75m | 150 | 11,250 |
| | TOTAL | | | 440,290 |
| | BUILDING MATERIALS AS AT 30TH JUNE,2018 | | | |
| | Ordinary nails 4'' | 35kg | 110 | 3,850 |
| | Ordinary 5'' nails | 20 kg | 110 | 2,200 |
| | Ordinary NAILS 3'' | 20KG | 110 | 2,200 |
| | Roofing nails | 25 kg | 156 | 3,900 |
| | Sharpening stone | 1pc | 150 | 150 |
| | Hydrated lime | 12 bag | 650 | 7,800 |
| | Grinding disk | 6pcs | 200 | 1,200 |
| | Jembe | 2pcs | 300 | 600 |
| | Pangas with wooden handle | 5 pcs | 300 | 1,500 |
| | Fork jembe 3.5 LB | 2 | 650 | 1,300 |
| | pick axe | 1 | 650 | 650 |
| | TOTAL | | | 25,350 |



ANNEX 15

| DRY FOOD STUFFS AS AT 30TH JUNE, 2018 | | | | |
|--|----------|-------|----------------|--|
| FALCON RICE | 25 BAGS | 4,200 | 105,000 | |
| BAKING FLOUR | 21 BALES | 1820 | 38,220 | |
| TEA LEAVES | 23 | 150 | 3,450 | |
| DENGU | 1 BAG | 8,300 | 8,300 | |
| AMINI BEANS | 10 BAGS | 5,800 | 58,000 | |
| DRY MAIZE | 48 BAGS | 2,850 | 136,800 | |
| TABLE SALT | 2 BALES | 700 | 1,400 | |
| MUMIAS SUGAR | 13 BAGS | 4,600 | 59,800 | |
| TOTALS | | | 410,970 | |
| CUMMULATIVE TOTALS | | | 876,610 | |