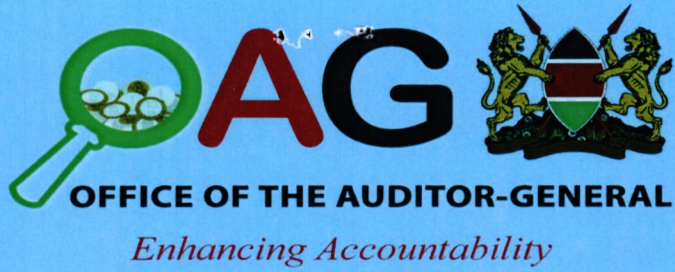


REPUBLIC OF KENYA



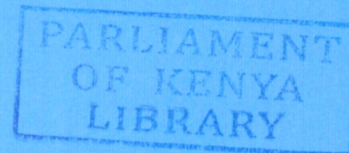
REPORT

THE NATIONAL ASSEMBLY	
DATE: 16 FEB 2022	
TABLED BY:	LOM
CLERK-AT THE-TABLE:	S. Kalawa

OF

THE AUDITOR-GENERAL

ON



**TSEIKURU TECHNICAL
TRAINING INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2019**





Template: June 2019

**International Public Sector Accounting Standards (IPSAS)
Annual Financial Reporting Template for
*Technical Vocational Education Training (TVET) Institutions, National Polytechnics and
Teacher Training Colleges***

**TSEIKURU TECHNICAL TRAINING INSTITUTE
AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30.06.2019**

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The *institution* was incorporated/ established under the TVET Act on January, 2016. The entity is domiciled in Kenya. The institute is under the Ministry of Education.

(b) Principal Activities

Mandate

Provide Technical, Vocational Education and Entrepreneurship Training geared towards Self-Reliance to meet the Labour Market needs.

Vision Statement

A Centre of Excellence in technological training and innovation.

Mission Statement

To offer world class quality and relevant technological training that develops talents, skills attitudes and nurtures creativity in partnership with industry

Core values

- Customer satisfaction
- Courtesy and confidentiality
- Quality Service Delivery
- Teamwork and collaboration
- Honesty and Integrity
- Professionalism
- Innovation and creativity

Institute Motto

Quality training for skills acquisition

Objectives

1. To enhance access and equity in Technical Vocational Education and Training (TVET)
2. To promote institutional corporate governance
3. To enhance skills and expertise in Technical Vocational Education and Training (TVET) courses
4. To Create collaborations and linkages with labour markets and partners
5. To promote optimistic attitude towards science, technical and research.

(c) Key Management

(d) The *Institute's* day-to-day management is under the following key organs:

(e)

(f) (1) The Principal/Accounting Officer

(g) (2) The Deputy Principal

(h) (3) Finance officer

(i) (4) Heads of departments

(j) Fiduciary Management

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

No.	Designation	Name
1.	Principal	MUUMBI DANIEL
2.	Head of Finance	RICHARD NZOU
3.	Head of Procurement	PHOEBE MUSYOKI
4.	D/Principal	MESHACK MUNYITHYA
5.	HOD Electrical	ABEDNEGO MUTINDA
6.	HOD ICT	JACOB KIMWELE
7.	HOD Automotive	MANASEH OWINO
8	HOD Business	BRENDA WAMBUA
9.	Registrar	JOHN WAMBUA
10	Dean	JOSIAH KASIMBA

(k) Fiduciary Oversight Arrangements
Fiduciary Oversight Arrangements

Finance committee of the BOG

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

Terms of Reference

The role of the Committee shall be to monitor the financial status of the Institute on behalf of Board of Governors. In addition to advising Board of Governors on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters.
- b) To receive reports from the Principal and the Finance Officer.
- c) To monitor implementation of the strategy for the Institute estate.
- d) To receive reports of the extent and condition of the Institute estate including the efficiency of space utilisation, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for Institute services and facilities.
- g) To supervise the financial administration of the Institute and make recommendations to Board of Governors where appropriate.
- h) To supervise the arrangements for safeguarding the Institute's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the Institute's intellectual property.
- l) To make recommendations to Board of Governors on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institute.
- n) To supervise the Institute's purchasing procedures and practices.

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- o) To submit an annual statement on its activities to Board of Governors.
- p) To keep under review the activities of the Institute's various department

Academic committee activities

The academic committee of the Board is entrusted with the following roles and functions:

- a. To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Board.
- b. To propose regulation for consideration by the Board regarding the eligibility of persons for admission to a course of study,
- c. To propose regulations for consideration by the Board regarding the standard of proficiency to be gained in each examination for a Diploma, certificate or other award.
- d. To approve programmes of study, regulate admission of persons to TSKTTI and determine their continuance or discontinuation in such programmes.
- e. To determine the Academic policy of TSKTTI and to advice the Board on the provision of facilities to carry out that policy,
- f. To direct and regulate the teaching and instruction within the Institute subject to the powers of the Board.

Management Committee Activities

The main purpose of the Senior Management Team is to:

- 1) Ensure that TSKTTI'S Board of Governors is able to take strategic decisions relating to TSKTTI's activities
- 2) Provide leadership in communicating TSKTTI's mission, values, plans and achievements effectively and consistently to Board of Governors Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- 3) Be accountable for the development and implementation of TSKTTI's strategic, corporate and business plans in line with the mission and values;
- 4) Take a strategic overview of performance in all areas of TSKTTI's activities.

Specifically, the Senior Management Team:

- 1) Makes recommendations to the Council on the implementation and achievement of the Board of Governors' Strategic Framework;
- 2) Agrees TSKTTI's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- 3) In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- 4) Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of TSKTTI, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- 5) Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organisation and regularly reviewing the corporate risk register;
- 6) Oversees and monitors TSKTTI's joint work with the other stakeholders

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- 7) Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Board of Governors and/or its relevant Committees.
- 8) Leads all senior managers in motivating and developing TSKTTI staff to deliver the highest standards of performance and customer service.

Audit Committee

The activities of the Audit Committee include:

- a. **Governance initiatives:**
Review and provide oversight on governance initiatives established by the BOG and maintained by the organization.
- b. **Risk management:**
Review and provide oversight on the establishment, implementation, maintenance, and effectiveness of risk assessment, risk management, and risk reporting practices.
- c. **Internal control framework:**
Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk, and control assurance providers.
- d. **Audit activity:**
Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments.
- e. **Follow up on management action plans:**
The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.
- f. **Financial statements and public accountability reporting:**
The audit committee shall review and provide advice to the BOG on the key financial management and performance reports and disclosures issued to the public.

Government oversight activities

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

The audit of the Instructional activities is undertaken by the Office of the Audit

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(l) Entity Headquarters

P.O. Box 753-90400
MWINGI
KENYA

(m) Entity Contacts

Telephone: (254) 713153024
E-mail: tseikurutti.tsk@gmail.com
Website: www.tseikurutti.ac.ke

(n) Entity Bankers

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

2. Kenya Commercial Bank
Kyuso branch

(o) Independent Auditors


Auditor General
Office of Auditor General
Anniversary Towers-Monrovia Street
P.O. Box 30084-00100
Nairobi, Kenya

(p) Principal Legal Adviser


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

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2. THE COUNCIL/BOARD OF GOVERNORS

<p>Insert each Council/Board of Governor's passport-size photo and name, and key profession/academic qualifications</p>	<p>Provide a concise description of each Member's date of birth, key qualifications and work experience. Indicate whether the director is independent or an executive director and which committee of the Member chairs where applicable.</p>
<p>1. MR WILFRED NYAMU MATI</p>  <p>COUNCIL/ BOG CHAIRMAN</p> <p>QUALIFICATIONS</p> <p>PROFESSIONAL TRAINING</p> <p>1).1990-97 :BABASAHEB AMBEDKAR MARATHWADA</p>	<p>D.O.B.....APRIL 1969</p> <p>EXECUTIVE DIRECTOR</p> <p><u>WORK EXPERIENCE</u></p> <p>1.NOVEMBER, 1998- Joined Labour, Insight Centre, a project of Centre for Law & Research, International (CLARION)</p> <p>POSITION HELD LEGAL /DISPUTES OFFICER.</p> <p>DUTIES :Provision of Legal Aid to Workers and Trade unions Across the Country.</p> <p>2.AUGUST 2000 : Employed with Labour Awareness and Resource Centre,A Non Governmental Organization Engaged in Legal Aid, Civic Education on Workers Rights and Trade Union Democracy.</p> <p>POSITION HELD : PROGRAMME OFFICER, LEGAL AND DEPUTY EXECUTIVE DIRECTOR</p> <p>DUTIES - Deputy to the Executive Director.</p> <p>- Overall Head of Programmes at the Organization</p> <p>- Head of the legal Department.</p> <p>- Training Workers and Trade union Officials and the members on both workers Rights and Trade Union democracy</p> <p>- Litigation on employee cases, on probono basis</p> <p>- Legal Aid to workers.</p> <p>- Fund raising for the organization</p> <p>- Assistance in drawing of draft collective bargaining agreement to guide trade unions during negotiations.</p> <p>3. JANUARY 2003:- PARTNER AT NYAMU & NYAMU CO. ADVOCATES, NAIROBI</p> <p><u>NATURE OF WORK</u></p> <p>- Litigation</p> <p>- Attending to Clients</p> <p>- Research and drawing conveyance documents and pleadings.</p> <p>- Management</p> <p><u>OTHER ENGAGEMENTS</u></p> <p>a).1999 - Joined Centre for Law and Research International (CLARION) as a member.</p> <p>b).2000- Appointed Member of the Board of Director at CENTRE FOR HUMAN RIGHTS AND CIVIC EDUCATION (CHRCE).</p> <p>POSITION HELD : CHAIR PERSON</p> <p>c).SEPTEMBER 2001- Appointed member of the core team of T.O.T at the CONSTITUTION & REFORM</p>

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<p>UNIVERSITY, AURANGABAD MAHARASHTRA STATE , INDIA</p> <p>QUALIFICATIONS ATTAINED: (i) BACHELOR OF SOCIAL LEGISLATION (B.S.L) Political Science, Sociology, Micro Economics & Elementary Law</p> <p style="text-align: right;">(ii)</p> <p>BACHELOR OF LAWS (LL.B) (Hons)</p> <p>2).SEPTEMBER 1997- OCTOBER 1998- Attachment at MENYE & KIRIMA ADVOCATE, NAIROBI (Pupilage).</p> <p>3).OCTOBER, 1998- AUGUST 1999- Attended Kenya School of Law QUALIFICATION ATTAINED - DIPLOMA IN LAW</p> <p>4).26TH APRIL, 2001 - ADMITTED TO THE ROLL OF ADVOCATES</p>	<p>EDUCATION CONSORTIUM (CRECO) during the First National Civil Education Programme in Kenya.</p> <p>d).OCTOBER 2005 -UNDP Consultant during Training of Civic Education on Referendum</p> <p>e).DECEMBER 2006 - Appointed Board Member at Labour Awareness and Resource Centre (LARC) POSITION HELD - TREASURER</p> <p>f).JULY 2007 - Appointed Board Member at Women Research Centre and Development Institute (WRCDI) NAIROBI.</p> <p>g).JULY 2008 - Appointed by His Excellency former retired President Kibaki as counsel to the Commission of inquiry into the sale of the Grand Regency Hotel, headed by Hon. Justice (Rtd) MAJID COCKAR .</p> <p>MAY 2015 - Appointed member to the Task Force to review the Kenya Information and Communications Act (Broadcasting Regulations, 2010).</p>
<p>2. MR. JOB MWANGANGI</p> 	<p>Date of birth: 30th November 1969</p> <p>EXECUTIVE DIRECTOR</p> <p><u>EXPERIENCE IN PUBLIC INSTITUTIONS/SERVICE MANAGEMENT</u></p> <p>2014-2015: CHAIRMAN, Kitui County Lands Task Force (Team 2) The committee was appointed jointly by the National Lands Commission and the Government of Kitui County. Its Terms of Reference (TOR) being to inquire into public Land, Trust and community lands in identified towns, urban centres and other identified land parcels within Kitui County and come up with recommendations on the best land use for benefit of Kitui county people</p> <p>January, 2016 to date: Member, Board of Governors of Tseikuru Technical Training Institute and a member of the Executive committee at the board, under the Ministry of Education, Science and Technology, currently Technical and Vocational Training Department</p> <p>Nov, 2015 to date: Chairman, Board of Management Kyuso Boys' Secondary School.</p>

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COUNCIL/BOG MEMBER

EDUCATIONAL BACKGROUND

1. Jomo Kenyatta University of Agriculture & Technology, Kenya, 1990-95: BSc (Mechanical Engineering) Upper Second Class Honors degree.
2. Diploma in Business Management and Administration, K.I.M (Kenya Institute of Management).
3. Kyome Boys Secondary School, Kenya, 1986-89: Kenya Certificate of Secondary Education (KCSE).
4. Gai Primary School, Kenya, 1978-85: Kenya Certificate of Primary Education (KCPE)

PROFESSIONAL BACKGROUND

1. a registered Engineer with Engineer's Board of Kenya (EBK)

PROFESSIONAL COURSES

- Natural Resource Management Course under Arid Lands Resource Management Project II by The Ministry of State for the Development of Northern Kenya and other Arid Lands, June 2008.
- Truck and Bus Training by ChevronTexaco, July 2004.
- Brand Management Seminar by Miles Management Consultant, August 2002
- Selling Through and Managing a Distributor Sales Network by Frost and Sullivan at Bangkok, Thailand, February 2001.
- Successful Pricing Strategies by Frost and Sullivan at Bangkok, Thailand, February 2001.
- The Management Course by The Kenya Institute of Management, December 2000.
- Communication and Selling Skills Course by Caltex Lubricants, November 2000.
- Sugar Mill Lubrication Workshop by Caltex Oil (Kenya) Limited, April 2000.
- Internal Quality Auditing by SGS International Certification Services Ltd, February 2000.
- 13th Metrology Seminar, Introduction to Metrology (Science of Measurement) by Kenya Bureau of Standards, April 1998.
- 9th Integrated Standardisation Course, Standardization, Quality Control and Metrology, Jan-March 1997, at Kenya Bureau of Standards

As chairman I have upgraded the school intake from 3 to 4 streams, in order to optimise the utilisation of available resources in the school.

2008 – 2011:

Chairman, Constituency Development Fund Committee, Mwingi North Constituency where I was in charge of ensuring timely and comprehensive identification of projects, budget allocation and implementation across the entire constituency by mobilising and educating the community at the grass roots to identify projects based on their priorities. Achieved great performance

2003-2007:

Member, Board of Governors, Kalonzo Mixed Secondary School in Kyuso ward

1993-95,

Vice Chairman and later Chairman, Society of Engineering Students (SES)

.At Jomo Kenyatta University of Agriculture and Technology- Liaising with the university management and the faculty leadership to facilitate maximum industrial exposure and participation of fellow members/students in the faculty.

EMPLOYMENT RECORD

1). 2006-PRESENT: Self Employed: FEMGEL COMPANY LTD

DIRECTOR

- Consultant and contractor, mechanical designs and project implementation in water distribution networks, boreholes, and water structures.
- Plant maintenance and scheduling.
- In charge of day to day operations, personnel, and budgets.
- Business plans and budgeting.
- Project implementation scheduling.
- Overall customer satisfaction.

2).2004-2005: HASHI EMPEX

Regional Manager, Logistics(East Africa)

- In charge of distribution net work and supply logistics of petroleum products to the regional clients within the East African Region including – Kenya, Uganda, Tanzania(Musoma area), Eastern Democratic Republic of Congo, Rwanda, Burundi and Southern Sudan regions of Rubek.
- Market planning and scheduling.
- Management of the Logistics Personnel across the borders.
- Overseeing sectional budgets, and equipment.
- Cross border customer service.


3).1998-2004:CALTEX OIL(K) LTD (CHEVRONTEXACO GLOBAL)

Segment Regional Business Consultant (ChevronTexaco Global Lubricants)


- Oversaw operations by departmental/segment staff to achieve set targets
- Was in charge of development of business plans, targets, and budgets for the region.
- Development of market penetration strategies, customer product training campaigns and technical support to major clients such as Toyota East Africa, Isuzu East Africa, CMC Motors group, among others.
- Customer care and service tracking

Was awarded CERTIFICATE OF RECOGNITION, ChevronTexaco Global Lubricants on 17th February 2004 for having successfully met and exceeded year 2003 Business Plan Objectives – a prestigious achievement

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	<p>4).1996-1998: KENYA BUREAU OF STANDARDS (KEBS)</p> <p>Standards officer (Mechanical department)</p> <ul style="list-style-type: none"> • Initiating research on Kenyan standards as required by the industry, preparation of drafts for discussion, review and adoption by the respective Industry Standards Committees. • Initiating lists of standards for adoption from other countries with similar industrial approach such as Indian Standards (IS) and British standards(BS) and International Standards Organisation (ISO). • Was the Secretary to the respective Mechanical standards committees • I provided liaison with the industry for technical visits by the committee members drawn from the industry in accordance with the guidelines by the relevant NATIONAL STANDARDS COUNCIL act. <p>- Achieved and exceeded set targets in 1997 review.</p> <p>5).February-August 1996: KALUWORKS LIMITED</p> <p>Shift Production Engineer</p> <ul style="list-style-type: none"> • Was in charge of production personnel in the shift (Approx. 60 people per shift) to achieve production targets and plans. • To ensure compliance to standards both quality and quantity. • Ensuring adherence to environmental/work Health and safety requirements for both workers and machinery. <p>- Always achieved and exceeded targets</p>										
<p>3. JOSHUA MUTHANGYA</p>  <p>COUNCIL/ BOG MEMBER</p> <p><u>PROFESSIONAL/ACADEMIC QUALIFICATIONS</u></p> <p>1). January 2015 – To Date PhD in Information Technology Jomo Kenyatta University of Agriculture and Technology</p> <p>2).April 2012 – June 2014 – Masters of Science in Information Technology (Systems Security and Audit) Strathmore University</p> <p>3).May 2007 – April 2009 BSc in Information Technology Jomo Kenyatta University of Agriculture and Technology</p> <p>4).January 2005 – August 2006 Diploma in Information Technology Jomo Kenyatta University of Agriculture and Technology</p>	<p>INDEPENDENT DIRECTOR</p> <p><u>WORK EXPERIENCE</u></p> <table border="1"> <thead> <tr> <th>Organisation</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>Teachers Service Commission</td> <td>Senior IC</td> </tr> <tr> <td>Teachers Service Commission</td> <td>ICT Office</td> </tr> <tr> <td>Teachers Service Commission</td> <td>Computer</td> </tr> <tr> <td>Teachers Service Commission</td> <td>Computer</td> </tr> </tbody> </table> <p><u>Key roles Held:</u></p> <ul style="list-style-type: none"> ◆ Analysis, design and development of online PHP-MySQL payslip system used by the teachers and members of staff to access their pay information. ◆ Evaluate the functionality of systems and designing maintenance procedures so as to reduce system downtime and maximize on out-put. ◆ Carry out payroll system audits and analysis using the IDEA tool ◆ Implement and manage system integrity and security alongside backup procedures. ◆ Liaising with the developers of the government payroll system on system updates required to improve its functionality based on the user requirements. ◆ Consult with users, developers and technicians to assess technology needs, system requirements and upgrades to maximize functionality of the same. ◆ Provide user training, support, advice and feedback. 	Organisation	Position	Teachers Service Commission	Senior IC	Teachers Service Commission	ICT Office	Teachers Service Commission	Computer	Teachers Service Commission	Computer
Organisation	Position										
Teachers Service Commission	Senior IC										
Teachers Service Commission	ICT Office										
Teachers Service Commission	Computer										
Teachers Service Commission	Computer										

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	<ul style="list-style-type: none">◆ Production of adhoc reports for decision making by the management using the payroll query facility.
<p>4. MR. DANIEL MUUMBI</p>  <p><u>SECRETARY TO THE COUNCIL/BOARD</u></p>	<p>Bachelor of education Technology</p> <p>Experience:29years as a trainer</p>

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5. MR. MBURUGU



COUNCIL/BOG MEMBER

Education

INSTITUTION	YEAR	DEGREE	MAJOR
University of Manchester, U.K	1986/7	M. Ed	Management & Administration of VOTEC and Higher Education ;Design, Management and Evaluation of Programs; Curriculum and Training Materials Development; Entrepreneurship & Training of Trainers
University of Nairobi, Kenya	1976/9	B. Ed	Accounting, Economics; Marketing; Business Administration & Management; Curriculum Development, Psychology; Sociology & Philosophy; Education Admin. & Planning/Economics of Education
Kenyatta College, Kenya	1970/3	Dip. Ed	Business Studies and Education

INDEPENDENT MEMBER

EXPERIENCE

- Managing Director of Entwise Associates Ltd (1995 to-date), a consultancy firm which deals with Project Management, Research and Evaluation, Entrepreneurship Development and Skills Development including value addition, Curriculum Design, Materials Development and Training of Trainers.
- Consultant responsible for development of strategic plan for Tseikuru Technical Training institute in October 2018.
- Lead Consultant responsible for undertaking mid-term review of the Economic empowerment Programme financed by UNDP and coordinated by the Ministry of Devolution and Planning with activities in the counties of Kwale, Taita Taveta, Turkana and Marsabit, 24 November 2016 to 24 February 2017.
- Council Member, National Council for Science and Technology (2011 to 2013) which links academia and industry, promotes public-private sector partnership and serves as a focal point for national, regional and international agencies responsible for science, technology and innovation.
- Lead Consultant responsible for Matching Grant Fund Project Documentation on Coffee, Cotton, Leather and Pyrethrum value chains pilot projects for World Bank/Deloitte/Ministry of Industrialization, April to May 2012.
- Lead Consultant responsible for undertaking mid-term review of the Kenya National Youth Development and Training programme for UNDP Kenya and Ministry of Youth Affairs and Sports, August/October 2011
- Consultant responsible for developing the Kenyan concept note on "Youth for Work (Y4W)" for the ILO Regional Office, East Africa in March 2011
- Lead Consultant for study on Skill Gap Analysis of graduates of youth polytechnics and vocational training centres in Kenya for UNDP/Ministry of Youth Affairs and Sports between April and September 2010;
- Facilitated development of competency based modular curriculum (including business, entrepreneurship and life skills) for training youth various vocational trade areas in Kenya in 2009 for implementation in vocational training institutions under the Ministry of Youth Affairs and Sports.
- Consultant, undertaking survey on national skills inventory, training needs and curriculum design to form a basis for national TIVET curricula structures and skills training framework, 2005
- Technical Advisor, Entrepreneurship Training project focusing on institutionalizing training for enterprise/income generation and funded by the Netherlands Government in the Ministry of Science and Technology, Lusaka Zambia from July 1999;
- Programme Advisor, Small Enterprise Development funded by UNDP, Kenya in Ministry of planning and National Development, Nairobi, Kenya between July 1996 and June 1999;
- Lead Consultant on Entrepreneurship financed by DANIDA, Lusaka, Zambia between September 1995 and March 1996;
- Lead Consultant for Entrepreneurship Education Project focusing on training national experts & VOTEC curriculum/materials development and financed by the World Bank and UNDP in the Ministry of Labour, Lilongwe, Malawi, between April and August 1995;
- Project Manager for ILO Entrepreneurship Education Project focusing on institutionalization of

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	<p>entrepreneurship education in all levels of education and training and financed by UNDP in the Ministry of Research, Technical Training and Technology, Kenya between 1990 and December 1994.</p> <p>Other Qualifications</p> <ol style="list-style-type: none"> 1. Certificate awarded by the Strathmore Business School for high level governance training "The Effective Director" course held in Kigali, Rwanda 16-18 July 2014. 2. Certificate awarded by the Centre for Corporate Governance on Training of Directors of state corporations held in Mombasa, October 08-12, 202012. 3. Certificate awarded by ILO Youth Employment Network (YEN) based in Geneva on Impact and Randomized Evaluation Clinic: Youth Entrepreneurship in Sub-Saharan Africa, Crown Plaza, Nairobi, Kenya, 22-24 November 2010 4. Certificate awarded by the Millennium Management Consultants for training on Quality Management System (ISO 9000:2000) in Nairobi, May 2007. 5. Certificate awarded by Institute of Personnel Management, Kenya for training on Managing Change in Nairobi, July 2005. 6. Certificate awarded by Eastern and Southern African Management Institute (ESAMI) on Project Planning, Monitoring & Evaluation held in Lusaka, Zambia, August 15-17, 2001.
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**TSEIKURU TECHNICAL TRAINING INSTITUTE
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6. EZEKIEL MULWA MUTHAMI



EDUCATION BACKGROUND

INSTITUTION	YEAR	COURSE
Strathmore University	2005- 2006	Certified Public Accountants Kenya (CPA-K)
Kenyatta University	2007-2009	Bachelor of Commerce (BCOM)- Finance
Mutonguni School	2001- 2004	K.C.S.E
Itivanzou primary school	1992- 2000	K.C.P.E

DATE OF BIRTH 20TH SEPTEMBER 1986

INDEPENDENT DIRECTOR

JOB EXPERIENCE

INSTITUTION	DATE
Ministry of Transport- Roads	2007- 2008
Excia corporation- Japan	2009- 2011
Skyfly East Africa Investments	2012- to date
Vivax Engineering & Construction Services	2014- to date

TRAINING ATTENDED

DATE	EVENT
11 th – 18 th May, 2015	Business Expo China
September 2006- November 2006	COMPUTER PACKAGES

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7. JOYCE MAWIA MUSYOKA



PROFESSIONAL QUALIFICATION

EXAMINER : KENYA ACCOUNTANTS AND SECRETARIAL EXAMINATION BOARD

College attended : Visions institute of professionals

Qualifications : Certified Public Accountant finalist December 2005

ACADEMIC QUALIFICATIONS

PERIOD TAKEN : Institution attended/Grade attained

2014-2015 : Moi University

Degree awarded : Business Management (finance and banking option)

Honours attained : Second class upper

EXAMINER : KENYA NATIONAL EXAMINATION COUNCIL (KNEC)
1992 -1995 Mulango Girls High School

Average grade attained : C +

DATE OF BIRTH: June 1975

INDEPENDENT DIRECTOR

ACHIEVEMENTS

- Successfully meeting all the clients and statutory deadlines at the branch level.
- Successfully headed the regional finance office from Kenya head office for the eastern and central Africa region for;
 - Petroleum & Industrial services Ltd- Kenya as head office
 - Petroleum & Industrial services Uganda ltd,
 - Petroleum & industrial Services (S.A.R.L) Rwanda,
 - Petroleum & Industrial Services Tanzania Ltd
- Successfully geared the company towards growth through accurate reporting on the turnover versus overheads.
- Successfully prepared, reviewed and presented groups finance management reports in the monthly managements meetings.
- Successfully reviewed internal controls of the group bringing soundness to minimize occurrence of errors and fraud which could lead to loss in the group.
- Successfully prepared and reconciled group payroll monthly enabling timely payment of salaries and filing of the statutory returns.
- Successfully computed, reconciled VAT, NHIF, NSSF, PAYE and submitted timely to the relevant authorities.
- Successfully coordinating the stock reconciliation in the books separating the obsolete, slow moving and active for accurate reflection of the financial statements.
- Team work creation through open discussion, building confidence among the staff hence enabling collective responsibility.

COMPANY WORKED POSITION AND DUTIES PERFORMED

1). September 2011 to date: Nitin Pandya & Company: Certified Public Accountant Position and duties

Branch Manager (Nairobi office)

- Reviewing the audit files to ensure all relevant details are incorporated.
- Drafting books of accounts to final sets of accounts.
- Representing the Partners at clients Annual general meetings.
- Managing all the administrative duties in the branch.

2). May 2, 2007 August 2011: Petroleum & Industrial Services limited(PIS) Position and duties

3). April 1, 2008 to August 2011: Group financial Controller (PIS-Kenya, PIS Uganda, PIS Rwanda, PIS Tanzania) reporting to the board of management.




- Doing cash flow projection for the group with help of the group's heads and ensuring the budget allocations are followed keenly.
- Advising the board on costing while negotiating contracts both new and old as they fall due for renewal.
- Reviewing/Reporting all the monthly finance management reports in the boards meeting with the view of enhancing revenues and surplus.
- Negotiating the credit facilities with the bank as when and if necessary.
- Preparing the final finance reports in readiness of the year external audit.
- Doing debt collection for all due.
- Requisitioning and processing cheques for operation for the region both cash and supplier's payments.
- Reconciling the payroll for the region before payment.
- Raising all sales invoice for the region.
- Doing imports orders and tracking the consignment up to the point of delivery.
- Ensuring that all statutory deductions are paid on time for the region.
- Computing the final dues for employees leaving the company.

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	<p>4). May 2, 2007 to April 1, 2008: Group Internal Auditor reporting to the Chairman</p> <ul style="list-style-type: none"> - Reviewed all the finance management report with the aim of establishing the true finance position of the company. - Vouched all the finance documents with the aim of correcting all errors and strengthening internal controls to eliminate fraud. - Worked hand in hand with external auditors to produce the audited financial reports for the region filed with the authority. - Keeping inventories: maintaining fixed asset register. - Ensured that all the external audit recommendation were implemented. <p>5). 2003 to April 30, 2007: Nitin Pandya & Company : Certified Public Accountant</p> <p><u>Audit Senior/ Assistant Manager</u></p> <ul style="list-style-type: none"> - Assigning staffs external/in house audit assignment - Training /Supervising Junior and audit team(around ten in number) - Advising clients, Computing and filling the statutory returns: VAT, NSSF, NHIF, PAYE, catering levy, withholding tax, installment tax, and filling the income tax returns. - Auditing: Vouching and collecting data leading to formation and expression of an audit opinion. - Secretarial service: maintaining secretarial, audit and tax files for company clients by ensuring timely filling of the annual returns. - Reporting to management on subordinate staff matters - Reviewing audit working paper file and finalizing Audited accounts <p>6). Nov. 2002 to January 2003: Nairobi Hospital (Internship)</p> <ul style="list-style-type: none"> - Worked in the credit control - External audit Stock taking in the year end 2002. <p><u>WORKSHOP ATTENDED AND ITS ORGANISERS</u></p> <ul style="list-style-type: none"> - Institute of Certified Public Accountants of Kenya(ICPAK) - Kenya Revenue tax payers training <p><u>LEADERSHIP, MEMBERSHIP AND AWARDS</u></p> <p>CURRENTLY</p> <ul style="list-style-type: none"> - Member of Institute of Certified Public Accounts of Kenya(ICPAK) Membership number : 19403 - Board Member : Tseikuru Secondary School <ul style="list-style-type: none"> - Certification of commendation from Visions Institute of professionals for ranking number three country wide in the KASNEB examination in the taxation two paper section 5. - Certificate of participation in science congress up to National level in Biology exhibition
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TSEIKURU TECHNICAL TRAINING INSTITUTE
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3. MANAGEMENT TEAM

PASSPORT, NAME & KEY QUALIFICATION	DESIGNATION
<p>1. MR. DANIEL MUUMBI</p>  <p>Qualifications Bachelor of education Technology</p>	<p>PRINCIPAL</p>
<p>2. MESHACK MUNYITHY</p>  <p>Qualifications Bachelor of Education-Technology (electrical & electronics)</p>	<p>DEPUTY PRINCIPAL</p>
<p>3. JOEL K ZAKAYO</p>  <p>Qualifications</p>	<p>Head of Finance</p>

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CPA(K) Bachelor of Commerce (in progress)	
4. Mr. Jacob Kimwele-  Bachelor of Science-Information Sciences	Head of ICT

**TSEIKURU TECHNICAL TRAINING INSTITUTE
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4. CHAIRMAN'S STATEMENT

TSK Technical Training Institute was established as a TVET Institution in 2016. The aim was to offer technical courses to Form Four leavers. The institute offers business and technical courses. It is managed by a Board of Governors and the government provides lecturers in the various fields of study.

It has been noted that the expected growth in students' enrolment at TSK TTI, and with regard to the national/global trends in education, research and technology the founders' vision has not been realized.

This Board is inaugural being the 1st after the Institute was opened. I appreciate the financial support given by the Government in the form of recurrent and development grants that has seen us achieve some notable development.

In 2017/18 the Board was able to increase student enrolment from 300 to 500. In the area of infrastructure, we managed to do a 160 male students Hostel and a Dining Hall.

However, the government financial support is declined thus making the operations difficult. The Institute is in a semi-arid zone making the provisions of services quite difficult. We are struggling with the challenges of water and accommodation.

The current population is straining the available training space. Nevertheless, a mechanical engineering structure is upcoming that will greatly alleviate this challenge.

As per our Strategic Plan Tseikuru TTI is determined to become a centre of excellence in TVET training in the Lower Eastern and beyond.



WILFRED NYAMU MATI
BOG CHAIRMAN

5. REPORT OF THE PRINCIPAL

Tseikuru Technical Training Institute began operating in January 2016.

We have tried our best to objectively align our core functions and objectives so that we become an integral part of the whole nation in realization of Vision 2030.

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Our vision 'to be a centre for excellence in technology and Research in Kenya and beyond' is our driving force to spur skills into economic competitiveness and as one of our pillars in the vision 2030.

In recognition of the important role that TSK TTI plays in the Lower Eastern Region and beyond, we have set out our strategic plan aimed at providing competent craftsmen and technicians for the industry and self-employment. It's our obligation to have an impact in solving our social-economic and environmental challenges by applying science and technology.

The accounts department prepares monthly trial balances and bank reconciliations. At the end of each financial year, a final account is prepared and a report filled with the Ministry of Education.

For a long time TVET institutions have had their books of accounts audited by the Kenya schools audit department until June 2019 when a circular from the Ministry instructed that the work would be taken over by the Kenya National Audit Office.

It is our vision that through maximum utilization of school fees, production units, Government grants and other funds from development partners, we shall greatly improve the institute's infrastructure and human capacity. This will facilitate tremendous expansion for more programs. It is our vision that TSK TTI is going to become a Technical University in the future.



KARIUKI G KIARIE

PRINCIPAL
TSEIKURU T T I.

PRINCIPAL/ BOG SECRETARY

CORPORATE GOVERNANCE STATEMENT

i. Appointment of BOG Members

The Cabinet Secretary, MOE appoints members of the Board following proposals from the principal of the institute. The board consists of nine members. The Boards of Governors for **TSEIKURU TECHNICAL TRAINING INSTITUTE** serves for three years. The Board may set up such committees and assign such responsibilities as it may deem fit.

ii. Role and Functions of Board of Governors

The functions of the organs set out under section 28 (1) shall include —

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- (c) Administering and managing the property of the institution;
- (d) Developing and implementing the institutions' strategic plan;

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- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (1) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 855 2013 Technical and Vocational Education and Training No. 29
- (h) Mobilizing resources for the institutions;
- (i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya
- (1) Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;
- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- (n) Making regulations governing organization, conduct and discipline of the staff and students;
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- (p) Providing for the welfare of the students and staff of the institutions;
- (q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions;
- and (r) discharging all other functions conferred upon it by this Act or any other written law.

iii. Board of Governors Allowances

The institute gives sitting allowances to board members to cater for their transport.

iv. Meetings

- a. Full board meetings - are held once every term and
- b. board committee meetings- once every term

MANAGEMENT DISCUSSION AND ANALYSIS

i. Operational Performance;

Management has worked hard to make living of the students in the institute easy by working so hard to see if they can get more hostels for both ladies and men.

Financial Performance

The entity is fairly stable financially. It operates on fees received from students, G.O.K capitation, NYS and H.E.L.B Funds.

Institute's compliance with statutory requirements

The institute complies with making statutory payments before the relevant deadlines. the institute workers *pay* P.A.Y.E Tax as generated on the I-tax portal.

Major risks facing the entity

Land encroachment – the institutes land has been encroached by some people surrounding the institute.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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Tseikuru Technical Training Institutes exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on three pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

Economic sustainability embraces general aspects of an organisation that have to be respected. The use of such generic aspects seems meaningful, as good results in these aspects are likely to lead to good financial and sustainability results of the institute. The management of the college has developed the following sustainability strategies:

- *Innovation and Technology*
- *Collaboration-good cooperation and collaboration with other institutions, county government and other stakeholders.*
- *Sustainability reporting. -the institute reports sustainability issues within the institute's report separately or incorporated in the integrated institutes report*

2. Environmental performance

The environmental impact of an organization is an important factor in evaluation of a given corporate's level of social responsibility. Deficiency in public awareness of the importance of the environment is the main causes of the low social responsibility among the institution.

The environmental performance of food firm exerts influence on the corporate social responsibility.

3. Employee welfare

Tseikuru Technical Training Institutes Seeks to improve the welfare of its employees through:

- *Increased organisational citizenship behaviours and improved employee relationships*
- *Enhanced employee identification with the organization*
- *Improved retention and organizational commitment*
- *More attractive institution culture to prospective employees*
- *Better employee engagement and performance*
- *Increased creativity*

Tseikuru Technical Training Institutes is an equal employer were all the applicants have equal chances of been employed irrespective of their gender, tribe or religion. The institutes ensure gender ratio any time recruitment is taking place. There is a standardised appraisal and rewarding system which applies to all employees within the institute. Tseikuru Technical Training Institutes discloses its safety policy and compliance with occupational safety and healthy Acts of 2007, (OSHA)

4. Market place practices-

Tseikuru Technical Training Institutes maintains corporate social responsibility in the market place practices through: -

The institute and the suppliers take responsibility to do no harm to the environment, to reduce waste and pollution as well as complying with the government regulations. In order to stay away in the competition, the institute determines its strategies and plan their relevant activities

5. Community Engagements-

Tseikuru Technical Training Institutes seeks and maintain important links with the community. The institute combine with the public, business and civil constituencies who engage in voluntary, mutual beneficial, innovative relationships to address common societal aims through combining their resources and competencies.

Tseikuru Technical Training Institutes engage in community developments as follows;

- *Training of community professionals in computer support and maintenance*

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- *Students performs voluntary projects during vacations to the community where they share experiences, knowledge and sustainable practices within the community.*
- *Students support vulnerable communities in the development and improvement of their housing spaces*
- 1. *Implementation of a community engagement programme to empower jobless youth*

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REPORT OF THE COUNCIL/BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2019 which shows the state of the *institute's* affairs.

Principal activities

The core mandate of the Institute is providing knowledge and skills to the people of the larger KITUI County and beyond.

The Mandate of **TSEIKURU TECHNICAL TRAINING INSTITUTE** is to train, impart skills, knowledge and institutionalize effective research and development geared towards production of competent graduates who will contribute to high and sustainable social-economic development.

Results

The results of the entity for the year ended June 30 are set out on Page

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COUNCIL/BOARD OF GOVERNORS

The members of the Board /Council who served during the year are shown on pages (viii) to (viii). During the year that ended 30 June 2019, none of members retired/ resigned.

Auditors

The Auditor General is responsible for the statutory audit of **Tseikuru Technical Training Institute** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

6. STATEMENT OF BOARD OF GOVERNORS/COUNCIL MEMBERS' RESPONSIBILITIES

The BOG members are responsible for the preparation and presentation of **TSEIKURU TECHNICAL TRAINING INSTITUTES** 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 (period) ended on June 30, 2019. The BOG responsibility includes:

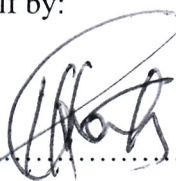
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute;
- (iii) designing, 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) Safe guarding the assets of the *Institute*;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The BOG members accept responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *the TVET Act 2013*). The BOG members are of the opinion that the *institute's* financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2019, 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.

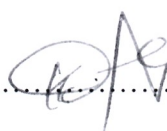
Approval of the financial statements

The *institute's* financial statements were approved by the Board on 28TH AUGUST 2019 and signed on its behalf by:



.....

Chairperson of the Board/Council



.....

accounting officer/Principal

PRINCIPAL
TSEIKURU T T I.

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON TSEIKURU TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Tseikuru Technical Training Institute set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June, 2019, 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. 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 Tseikuru Technical Training Institute as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1.0 Inaccuracies in the Financial Statements

The financial statements for the year ended 30 June, 2019 provided for audit review reflects the following inaccuracies:

- I. The statement of financial position reflects reserves and accumulated surplus of Kshs.175,047,211 and Kshs.(9,896,926) while the statement of changes in net assets reflects recalculated revaluation reserve and accumulated retained earnings totalling of Kshs.280,378,147 and Kshs.(20,903,984) respectively resulting to a total of Kshs.259,474,163 which differs with the amount of Kshs.165,150,286 reflected in the statement of financial position. Further, the basis of the revaluation gain was not established.

- II. The statement of cash flows for the year under review reflects cash and cash equivalents balance as at 30 June, 2019 of Kshs.1,672,205 while the recalculated balance totals to Kshs.1,291,081 resulting to a variance of Kshs.381,124 which has not been explained or supported. Further, the statement does not reflect the net decrease in cash and cash equivalents balance of Kshs.9,515,803 in the year under review.
- III. The statement of comparison of budget and actual amounts reflects a total actual expenditure of Kshs.41,340,703 while a recasting of the balances gives a total of Kshs.41,721,825 resulting to a variance of Kshs.381,122.

Consequently, the accuracy of the financial statements for the year under review could not be ascertained.

2.0 Unaudited Opening Balances

The statement of financial position reflects total assets and total liabilities balances of Kshs.102,420,457 and Kshs.102,323,877 respectively as at 30 June, 2018. However, Management did not prepare and submit the financial statements for the year ended 30 June, 2018 to the Auditor-General for audit. This is in contravention of Section 149(k) which requires accounting officers to prepare annual financial statements not later than three months after the end of each financial year and submit them to the Auditor-General for audit.

Consequently, it was not possible to confirm the accuracy of opening balances for the 2018/2019 financial statements.

3.0 Unsupported Expenditure

3.1 Revenue from Exchange Transactions

The statement of financial performance reflects Kshs.22,854,814 in respect of revenue from exchange transactions, rendering of services – fees from students as disclosed under Note 10 to the financial statements. However, adequate relevant supporting documents which include invoices, receipts, vouchers and detailed analysis of transactions were not provided for audit.

In the circumstances, the accuracy and completeness of revenue from exchange transactions balance of Kshs.22,854,814 could not confirmed.

3.2 Remuneration of Directors Expenses

The statement of financial performance reflects Kshs.1,297,000 in respect of remuneration of directors as disclosed under Note 17 to the financial statements. However, no board meeting minutes, attendance registers, schedules and supporting account ledgers were provided for audit.

In the circumstances, it was not possible to ascertain the accuracy, completeness and validity of the expenditure of Kshs.1,297,000 incurred on remuneration of Directors.

3.3 Receivables from Exchange Transactions

The statement of financial position reflects a balance of Kshs.59,736,723 in respect of receivables from exchange transactions trade and other receivables as disclosed under Note 26 to the financial statements. However, the balance was not supported with ageing analysis of individual debtors as well as the debtors' ledger.

In the absence of the supporting documents, it was not possible to confirm the accuracy, existence and collectability of trade and other receivables balance of Kshs.59,736,723 as at 30 June, 2019.

4.0 Cash and Cash Equivalents

The statement of financial position and Note 25 to the financial statements reflects Kshs.1,672,204 as cash and cash equivalents balance. However, the cashbooks provided in support of the balance reflected a total of Kshs.1,475,411 which was not reconciled to the bank statements. Further, the cashbook for operations bank account was incomplete as transactions for the month of June, 2019 were not posted.

In the circumstances, it was not possible to confirm the accuracy and completeness of the cash and bank balance of Kshs. of Kshs.1,672,204 reflected in the financial statements as at 30 June, 2019.

5.0 Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.109,591,101 as at 30 June, 2019. However, the analysis and schedule in support of the balance was not provided for audit by way of notes to the financial statements. Further, the asset register presented in support of non-current assets did not indicate the values of the assets.

In the circumstances, it was not possible to ascertain, the accuracy, completeness, ownership and existence of property, plant and equipment valued at Kshs.109,591,101.

6.0 Encroachment on the Institution's Land

Examination of available records revealed that land parcel No. Tseikukuru/Tseikukuru 'A'/367 of approximate area of 19.61 hectares and owned by the Institute had been encroached on by squatters. Although a legal dispute had been filed through SUIT No.7 of 2018 dated 31 January, 2018, no determination had been made by the time of the audit and the said squatters were still occupying the land.

In view of the foregoing, the Institute risks losing its land to the illegal occupants if the dispute is not resolved.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Tseikuru 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 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. There are no key audit matters to report in the year under review.

Other Matter

Budget Control and Performance

Statement of comparison of budget and actual amounts reflects budgeted income and actual on comparable basis of Kshs.42,360,000 and Kshs.31,824,899 respectively, resulting to a shortfall of Kshs.10,535,101 or 25% of the approved budget. Failure to realize the budgeted income implies that some of the planned activities and the programmes for the year were not executed and is indicative of inability by the Management to put in place mechanisms necessary to collect all revenues due to the Institute. Further, explanations on variances exceeding 10% were not provided for under the statement as required.

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 Conclusion on Lawfulness and Effectiveness in Use of Public Resources section 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

1.0 Presentation and Disclosures in the Financial Statements

Review of the financial statements presented for audit revealed errors as detailed below:

- i. Table of Contents did not reflect the page number for the statement of financial performance.
- ii. Report of Council/Board of Governors had not indicated the page numbers where the results for the year were found and it was not signed by the Chairman.
- iii. The relevant disclosure notes for the amounts included in the statement of cash flows were not indicated.
- iv. Numbering of notes to the financial statements from Note 14 onwards were different from the actual numbers of disclosure notes.

- v. Statement of Budget information and taxes at Page 9 refers to 'xxx' instead of specific information as required.

In the circumstances, the Institute's financial statements as presented did not fully comply with the reporting format and the disclosures prescribed by the Public Sector Accounting Standards Board and the International Public Sector Accounting Standards.

1.2 Lack of Ethnic Diversity of Employees

Review of the Institute's staff data as at 30 June, 2019 revealed that out of the thirty-two (32) employees, twenty-eight (28) or 88% were from the local dominant ethnic community. This is contrary to the provisions of Section 7(1)(2) of the National Cohesion and Integration Act, 2008 which requires that not more than a third (33.33%) of the staff composition should be from the same ethnic community.

Consequently, the Institute is in breach of the Law.

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 OVERALL 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 Conclusion on Effectiveness of Internal Controls, Risk Management and Overall Governance section of my report, based on the audit procedures performed, I confirm that, internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1.0 Lack of Risk Management Policy and Disaster Recovery and Business Continuity Plan

The audit revealed that the Institute did not have an approved Risk Management Policy and a Disaster Recovery and Business Continuity Plan. This is contrary to the provisions of Section 165(a) and (b) of the Public Finance Management (National Government) Regulations 2015, which requires the Accounting Officer to ensure that the National Government entity develops risk management strategies which include fraud prevention mechanisms and develop a system of risk management and internal control that builds robust business operations.

Consequently, the Institute lacks a blue print for identifying, and mitigating against risks and is exposed to loss and interruption of operations in case of a disaster.

2.0 Weak Procurement Function

Audit revealed that the Institute had only one Officer who is in charge of the procurement section and also doubled up as the stores officer thus lack of segregation of duties. Further, it was noted that the Institute lacked the necessary documents for receipt and issue of stores items such as counter receipts vouchers and store requisitions.

With a weak procurement function, the Institute is exposed to loss through irregularities in the procurement process and stores management due to lack of checks and balances occasioned by inadequate staffing.

3.0 Lack of Internal Audit Function

Audit revealed that the Institute did not have an Internal Audit function and an Audit Committee contrary to the requirements of Section 73 of the Public Finance Management Act, 2012. This section requires every National Government entity to have arrangement in place for internal audit function for the purpose of carrying out in depth reviews of management operations and internal controls.

To this extent, the Institute is in breach of the Law.

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 processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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


Because of its inherent limitations, internal 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 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 Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 December, 2021

TSEIKURU TECHNICAL TRAINING INSTITUTE
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8. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2018-2019	2017-2018
		Ksh	Ksh
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	8,970,085	16,150,000
Grants from donors and development partners	7		
Transfers from other levels of government	8		
Public contributions and donations	9		
		8,970,085	16,150,000
Revenue from exchange transactions			
Rendering of services- Fees from students	10	22,854,814	9,086,495
Sale of goods	11		
Rental revenue from facilities and equipment	12		
Finance income - external investments	13		
Consultancy fees	14		
Other income	15		
Revenue from exchange transactions			
Total revenue		31,824,899	25,236,495
Expenses			
Use of goods and services	16	33,907,925	31,538,253
Employee costs	17	6,516,900	3,099,900
Remuneration of directors	18	1,297,000	1,605,400
Depreciation and amortization expense	19		
Repairs and maintenance	20		
Contracted services	21		
Grants and subsidies	22		
General expenses	23		
Finance costs	24		
Total expenses		41,721,825	36,243,553
Other gains/(losses)			
Gain on sale of assets	25		
Gain on foreign exchange transactions	26		
Unrealized gain on fair value of investments			
Impairment loss			
Total other gains/(losses)			
Net Surplus for the year		(9,896,926)	(11,007,058)
Attributable to:			
Surplus/(deficit) attributable to minority interest			
Surplus attributable to owners of the controlling entity			
		(9,896,926)	(11,007,058)

The notes set out on pages 6 to 45 form an integral part of the Annual Financial Statements.

TSEIKURU TECHNICAL TRAINING INSTITUTE
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9. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2019

	Notes	2018-2019 KShs	2017-2018 KShs
Assets			
Current assets			
Cash and cash equivalents	27	1,672,204	11,188,007
Receivables from exchange transactions	28	59,736,723	11,232,450
Receivables from non-exchange transactions	29		
Current portion of long-term receivables from exchange transactions	30		
Inventories	31		
Investments	32		
Non-current assets			
Property, plant and equipment	33	109,591,101	80,000,000
Investments	32		
Intangible assets	34		
Investment property	35		
Long term receivables from exchange transactions	30		
Total assets		171,000,031	102,420,457
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	36	5,849,742	96,580
Refundable deposits from customers	37		
Provisions	38		
Finance lease obligation	39		
Current portion of borrowings	43		
Deferred income	40		
Employee benefit obligation	41		
Payments received in advance			
Non-current liabilities			
Non-current employee benefit obligation	41		
Non-current provisions	42		
Borrowings	43		
Service concession liability,	44		
Deferred tax liabilities	53		
Total liabilities		5,849,742	96,580
Net assets		165,150,286	102,323,877
Reserves		175,047,211	113,330,936
Accumulated surplus		(9,896,926)	(11,007,058)
Capital Fund			
Total net assets and liabilities		165,150,286	102,323,877


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


 Chairman of Council/Board of Governors

Date...21/04/2021


 Finance Officer
 ICPAK No.26036

Date...21/04/2021


 Principal

Date.21/04/2021

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10. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30TH JUNE 2019

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2017					
Revaluation gain	113,330,936				113,330,936
Fair value adjustment on quoted investments	-	-	-	-	
Total comprehensive income	-	-	(11,007,058)	-	(11,007,058)
Capital/Development grants received during the year	-	-	-	-	
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	
At June 30, 2018	113,330,936	-	(11,007,058)	-	102,323,878
At July 1, 2018					
Revaluation gain	175,047,211	-	-	-	175,047,211
Fair value adjustment on quoted investments	-	-	-	-	
Total comprehensive income	-	-	(9,896,926)	-	(9,896,926)
Capital/Development grants received during the year	-	-	-	-	
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	
At June 30, 2019	175,047,211	-	(9,896,926)		165,150,286

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.

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3. 11. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2019

		2018-2019	2017-2018
	Note	KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants		8,970,085	16,150,000
Public contributions and donations			
Rendering of services- Fees from students		22,854,814	9,086,495
Sale of goods			
Rental revenue from facilities and equipment			
Finance income			
Consultancy income			
Other income, rentals and agency fees			
Total Receipts		31,824,899	25,236,495
Payments			
Compensation of employees		6,516,900	3,099,900
Use of goods and services		33,907,925	31,538,253
Finance cost			
Rent paid			
Taxation paid			
Remuneration of directors		1,297,000	1,605,400
Grants and subsidies paid			
Total Payments		41,721,825	36,243,553
Net cash flows from operating activities	45	(9,896,926)	(11,007,058)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets			
Proceeds from sale of property, plant and Equipment			
Decrease in non-current receivables			
Increase in investments			
Net cash flows used in investing activities			
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of borrowings			
Increase in deposits			
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 JULY	27	11,188,007	19,902,087
Cash and cash equivalents at 30 JUNE	27	1,672,205	11,188,007

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation).

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12. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2019

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019
	KShs	KShs	KShs	KShs	KShs
Revenue					
Transfers from other Govt entities Govt grants	16,000,000	0	16,000,000	8,970,085	7,029,915
Public contributions and donations			0		0
Rendering of services- Fees from students	25,389,000	0	25,389,000	22,854,814	2,534,186
Sale of goods	971,000	0	971,000		971,000
Finance Income			0		0
Consultancy Income			0		0
Gains on disposal, rental income and agency fees			0		0
Total income	42,360,000	0	42,360,000	31,824,899	10,535,101
Expenses					
Compensation of employees	6,000,000		6,000,000	6,516,900	-135,778
Use of Goods and services	34,360,000		34,360,000	33,907,924.5	452,075.5
Finance costs			0		0
Rent paid			0		0
Remuneration of directors	2,000,000		2,000,000	1,297,000	703,000
General expenses			0		0
Grants and subsidies paid			0		0
Total expenditure	42,360,000	0	42,360,000	41,340,703	1,019,298
Surplus for the period	0	0	0	(9,896,926)	(9,896,926)

Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

13. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

xxx entity is established by and derives its authority and accountability from xxx Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is xxx.

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 *entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Impact
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 are covered purely under Public Sector combinations as amalgamations. <i>(State the impact of the standard to the entity if relevant)</i>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019

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

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Standard	Effective date and impact:

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2019.

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

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 applies this yield to the principal outstanding to determine interest income each period.

Dividends

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2018/2019 was approved by the Council or Board on .xxxx. 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 of .xxxx on the FY 2018/2019 budget following the Council/ Board's approval.

The entity'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 .xxx of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule .xxx of the .xxx Act.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

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

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

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

e) 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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

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

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

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

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

g) 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

h) 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

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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

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

Financial assets (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)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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

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

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

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

n) Foreign currency transactions

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

o) Borrowing costs

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

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when

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construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

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

q) Service concession arrangements

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

r) Cash and cash equivalents

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

s) Comparative figures

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

t) 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, 2019.

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5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

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.

(include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2018-2019	2017-2018
	KShs	KShs
Unconditional grants		
Operational grant	4,500,000	13,500,000
Capitation	1,770,000	
Conditional grants		
Library grant		
Hostels grant		
Administration block grant		
Laboratory grant		
Food and Beverage Hotel	2,700,085	2,650,000
Other organizational grants		
Total government grants and subsidies	8,970,085	16,150,000

6b) 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	2018-2019 KShs
Xxx Ministry/State Department					
Xxx Ministry					
Total					

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry. The details of the reconciliation have been included under appendix xxx)

7 GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

Description	2018-2019	2017-2018
	KShs	KShs
JICA- Research grant	0	0
World Bank grants	0	0
Other grants	0	0
Total grants from development partners	0	0

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Reconciliations of grants from donors and development partners

Description	2018-2019	2017-2018
	KShs	KShs
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Conditions met - transferred to revenue	0	0
Conditions to be met - remain liabilities	0	0

(Provide brief explanation for this revenue)

8 TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2018-2019	2017-2018
	KShs	KShs
Transfer from County xxx		
Transfer from xxx University		
Transfer from xxx institute		
Total Transfers	0	0

9 PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2018-2019	2017-2018
	KShs	KShs
Public donations	0	0
Donations from local leadership	0	0
Donations from religious institutions	0	0
Donations from alumni	0	0
Other donations	0	0
Total donations and sponsorships	0	0

(Provide brief explanation for this revenue)

10 RENDERING OF SERVICES

Description	2018-2019	2017-2018
	KShs	KShs
Tuition fees	2,838,302	9,086,495
Nys	19,035,402	
Helb	899,500	
Student Meals	81,610	
Total revenue from the rendering of services	22,854,814	9,086,495

(Provide brief explanation for this revenue)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 SALE OF GOODS

Description	2018-2019	2017-2018
	KShs	KShs
Sale of goods	0	0
Sale of books	0	0
Sale of publications	0	0
Sale of farm produce	0	0
Other(include in line with your organisation)	0	0
Total revenue from the sale of goods	0	0

(Provide brief explanation for this revenue)

12 RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	2018-2019	2017-2018
	KShs	KShs
Straight-lined operating lease receipts	0	0
Contingent rentals	0	0
Total rentals	0	0

(Provide brief explanation for this revenue)

13 FINANCE INCOME

Description	2018-2019	2017-2018
	KShs	KShs
Cash investments and fixed deposits	0	0
Interest income from Treasury Bills	0	0
Interest income from Treasury Bonds	0	0
Interest from outstanding debtors	0	0
Total finance income	0	0

(Provide brief explanation for this revenue)

14 OTHER INCOME

Description	2018-2019	2017-2018
	KShs	KShs
Insurance recoveries	0	0
Income from sale of tender	0	0
Services concession income	0	0
Skills development levy	0	0
Income from disposal of assets	0	0
Total other income	0	0

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(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 USE OF GOODS AND SERVICES

Description	2018-2019	2017-2018
	KShs	KShs
Consumables	33,907,925	31,538,253
Security	-	-
Professional services	-	-
Subscriptions	-	-
Total good and services	33,907,925	31,538,253

16 EMPLOYEE COSTS

	2018-2019	2017-2018
	KShs	KShs
Salaries and wages	6,516,900	3,099,900
Employee related costs - contributions to pensions and medical aids		
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances		
Overtime payments		
Performance and other bonuses		
Social contributions		
Employee costs	6,516,900	3,099,900

17 REMUNERATION OF DIRECTORS

Description	2018-2019	2017-2018
	KShs	KShs
Chairman's Honoraria	-	-
Directors emoluments	1,297,000	1,605,400
Other allowances	-	-
Total director emoluments	1,297,000	1,605,400

18 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2018-2019	2017-2018
	KShs	KShs
Property, plant and equipment	0	0

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Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	0	0

19 CONTRACTED SERVICES

Description	2018-2019	2017-2018
	KShs	KShs
Actuarial valuations	0	0
Investment valuations	0	0
Property valuations	0	0
Total contracted services	0	0

20 GRANTS AND SUBSIDIES

Description	2018-2019	2017-2018
	KShs	KShs
Community development	0	0
Education initiatives and programs	0	0
Social development	0	0
Community trust	0	0
Sporting bodies	0	0
Total grants and subsidies	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

21 FINANCE COSTS

Description	2018-2019	2017-2018
	KShs	KShs
Borrowings (amortized cost)*	0	0
Finance leases (amortized cost)	0	0
Unwinding of discount	0	0
Interest on Bank overdrafts	0	0
Interest on loans from commercial banks	0	0
Total finance costs	0	0

*Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22 GAIN ON SALE OF ASSETS

Description	2018-2019	2017-2018
	KShs	KShs
	0	0
Property, plant and equipment	0	0
Intangible assets	0	0
Other assets not capitalised	0	0
Total gain on sale of assets	0	0

23 UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description	2018-2019	2017-2018
	KShs	KShs
Investments at fair value	0	0
Total gain	0	0

24 IMPAIRMENT LOSS

Description	2018-2019	2017-2018
	KShs	KShs
Property, plant and equipment	0	0
Intangible assets	0	0
Total impairment loss	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

25 CASH AND CASH EQUIVALENTS

Description	2018-2019	2017-2018
	KShs	KShs
Current account	1,672,204	11,188,007
On - call deposits	0	0
Fixed deposits account	0	0
Staff car loan/ mortgage	0	0
Others(specify)	0	0
Total cash and cash equivalents	1,672,204	11,188,007

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

Financial institution	Account number	2018-2019	2017-2018
		KShs	KShs
a) Current account			
Kenya Commercial bank	1177500035/1178879798	1,648,359	11,163,174
Equity Bank, etc			
Sub- total		1,648,359	11,163,174
b) On - call deposits			
Kenya Commercial bank			
Equity Bank - etc			
Sub- total			
c) Fixed deposits account			
Kenya Commercial bank			
Bank B			
Sub- total			
d) Staff car loan/ mortgage			
Kenya Commercial bank			
Bank B			
Sub- total			
e) Others(specify)			
Cash in transit			
cash in hand		23,845	24,833
M pesa			
Sub- total		23,845	24,833
Grand total		1,672,204	11,188,007

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

26 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Current receivables		
Student debtors	59,736,723	11,232,450
Rent debtors	0	0
Consultancy debtors	0	0
Other exchange debtors	0	0
Less: impairment allowance	(0)	(0)
Total current receivables	59,736,723	11,232,450
Non-current receivables		
Refundable deposits	0	0
Advance payments	0	0
Public organizations	0	0
Less: impairment allowance	(0)	(0)
Total	0	0
Current portion transferred to current receivables	(0)	(0)
Total non-current receivables	0	0
Total receivables	59,736,723	11,232,450

27 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Current receivables		
Transfers from other govt. entities	0	0
Undisbursed donor funds	0	0
Other debtors (non-exchange transactions)	0	0
Less: impairment allowance	(0)	(0)
Total current receivables	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28 INVESTMENTS

Description	2018-2019	2017-2018
	KShs	KShs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK	0	0

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CBK	0	0
Sub- total	0	0
b) Investment with Financial Institutions/ Banks		
Bank x	0	0
Bank y	0	0
Sub- total	0	0
c) Equity investments (specify)		
Equity/ shares in company xxx	0	0
Sub- total	0	0
Grand total	0	0

d) Shareholding in other entities

For investments in equity share listed under note 31 (c) above, list down the equity investments under the following categories:

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

29 INTANGIBLE ASSETS-SOFTWARE

Description	2018-2019	2017-2018
	KShs	KShs
Cost		
At beginning of the year	0	0
Additions	0	0
At end of the year	0	0
Additions—internal development	0	0
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

30 INVESTMENT PROPERTY

Description	2018-2019	2017-2018
	KShs	KShs
At beginning of the year	0	0
Additions	0	0
Fair value gain	0	0
Depreciation (where investment property is at cost)	(0)	(0)
At end of the year	0	0

31 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Trade payables	5,849,742	96,580
Fees paid in advance	0	0
Employee advances	0	0
Third-party payments	0	0
Other payables	0	0
Total trade and other payables	5,849,742	96,580

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32 CURRENT PROVISIONS

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

33 FINANCE LEASE OBLIGATION

Description	Minimum lease payments	Future finance charges	Present value of minimum lease payments	2018-2019
	KShs	KShs	KShs	KShs
Within current year	0	0	0	0
Long term portion of lease payments	0	0	0	0
Total provisions	0	0	0	0

34 DEFERRED INCOME

Description	2018-2019	2017-2018
	KShs	KShs
National government	0	0
International funders	0	0
Public contributions and donations	0	0
Total deferred income	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

35 EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2018-2019	2017-2018
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-	-
Non-current benefit obligation	-	-	-	-	-
Total employee benefits obligation	-	-	-	-	-

The entity operates a defined benefit scheme for all full-time employees from July 1, 2019. The scheme is based on xxx percentage of salary of an employee at the time of retirement. During the year, 2019 actuarial valuers were engaged to value the scheme. The liability at the end of the year is as follows:

	2018-2019	2017-2018
	KShs	KShs
Valuation at the beginning of the year	0	0
Changes in valuation during the year	0	0
Valuation at end of the year	0	0

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

36 NON-CURRENT PROVISIONS

Description	Long service leave	Gratuity	Other Provisions	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	0	0	0	0

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Additional Provisions	0	0	0	0
Provision utilised	(0)	(0)	(0)	(0)
Change due to discount and time value for money	0	0	0	0
Less: Current portion	(0)	(0)	(0)	(0)
Total deferred income	0	0	0	0

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 37)

37 BORROWINGS

Description	2018-2019	2017-2018
	KShs	KShs
Balance at beginning of the period	0	0
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the year	(0)	(0)
Repayments of domestic borrowings during the year	(0)	(0)
Balance at end of the period	0	0

42 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS

Description	2018-2019	2017-2018
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'xxx organisation'	0	0
Sterling Pound denominated loan from 'yyy organisation'	0	0
Euro denominated loan from zzz organisation'	0	0
Domestic Borrowings		
Kenya Shilling loan from KCB	0	0
Kenya Shilling loan from Barclays Bank	0	0
Kenya Shilling loan from Consolidated Bank	0	0
Total balance at end of the year	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

42 b) BREAKDOWN OF LONG AND SHORT TERM BORROWINGS

Description	2018-2019	2017-2018
	KShs	KShs
Short term borrowings(current portion)	0	0

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Long term borrowings	0	0
Total	0	0

(NB: the total of this statement should tie to note 42 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

38 SERVICE CONCESSION ARRANGEMENTS

Description	2018-2019	2017-2018
	KShs	KShs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	(0)	0
Net carrying amount	<u>0</u>	<u>0</u>
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	(0)	(0)
Service concession liability at end of the year	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

39 FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

45. 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.

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

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

(ii) Liquidity risk management

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

45. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

45. FINANCIAL RISK MANAGEMENT (Continued)

- (iii) Market risk (Continued)
a) Foreign currency risk (Continued)

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 201xx			
Financial assets(investments, cash ,debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%	-	-
USD	10%	-	-
20xx			
Euro	10%	-	-
USD	10%	-	-

- b) Interest rate risk

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

Management of interest rate risk

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

45 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

b) Interest rate risk(continued)

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (2016: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (2012 – KShs xxx)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

40 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.

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41 SEGMENT INFORMATION

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

42 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities	2018-2019	2017-2018
	Kshs	Kshs
Court case xxx against the company	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

(Give details)

43 CAPITAL COMMITMENTS

Capital commitments	2018-2019	2017-2018
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

44 EVENTS AFTER THE REPORTING PERIOD

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

45 ULTIMATE AND HOLDING ENTITY

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

46 Currency

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

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14. APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Director General/C.E.O/M.D (enter title of head of entity)
Chairman of the Board

Date..... 21/9/2021

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**APPENDIX II: PROJECTS IMPLEMENTED BY THE TSEIKURU TECHNICAL
TRAINING INSTITUTE**

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

The project completion at the end of each quarter was as follows;

<u>Quarter</u>	<u>% of completion</u>
(i)	52
(ii)	84
(iii)	90

	Project	Total project Cost(ksh)	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Food & Beverage Restaurant	14,903,494.40		90	14,903,494.40	14,158,321	G.O.K
2							
3							

Sign  PRINCIPAL/ACCOUNTING OFFICER

**PRINCIPAL
TSEIKURU T T I.**

Sign  CHAIRMAN B.O.G

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