

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**  
THE NATIONAL ASSEMBLY

PARLIAMENT OF KENYA LIBRARY

DATE: 09 AUG 2023 DAY: WED

TABLED BY: Hon Owen Bayo, MP  
Deputy Leader, Majority party

CLERK AT THE TABLE: Ahmed Kadhi

**THE AUDITOR-GENERAL**

**ON**

**NAIROBI TECHNICAL  
TRAINING INSTITUTE**

**FOR THE YEAR ENDED  
30 JUNE, 2022**





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# **NAIROBI TECHNICAL TRAINING INSTITUTE**

*Excel in Business, Science and Technology*

**ISO 9001 : 2015 CERTIFIED INSTITUTION**

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## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

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

**NAIROBI TECHNICAL TRAINING INSTITUTE  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDING 30 JUNE, 2022**

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## **I. Key Entity Information and Management**

### **(a) Background Information**

**Nairobi Technical Training Institute (NTTI)** is under the Ministry of Education, State Department for Vocational and Technical Training. In line with Technical and Vocational Education Training (TVET) Act of 2013, whose mandate is to offer knowledge for social economic development in business, science and technology. The Institute receives full support from the Government through grants, training equipment and personnel.

It was started as a technical school in 1952, and in 1989, was converted to a Technical Training Institution after the country adopted changes to the 8.4.4 system of education. It offers courses at three levels i.e. Artisan; Certificate and Diploma both in Technical and Business related disciplines.

The Institute continues to play a significant role in provision of skilled manpower to various sectors of the economy.

The Institute comprises the following Departments:

1. Institutional Management
2. Health and Applied Sciences Department
3. Automotive Department
4. Electrical Department
5. Mechanical Department
6. Liberal Department
7. Business Department
8. Entrepreneurship Department
9. ICT Department

### **(b) Principal Activities**

Training competent human resource for Social Economic Development in Business, Science and Technology.

### **(c) Vision**

A global leader in technical training.

### **(d) Mission**

To provide Quality and Relevant Technical Vocational Education and Training.

### **(e) Core Values**

- i) Excellence
- ii) Integrity
- iii) Professionalism
- iv) Innovation
- v) Inclusion
- vi) Empowerment

## **Key Entity Information and Management (Continued)**

### **(f) Key Management**

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

- Chief Principal
- Deputy Principal-Administration affairs
- Deputy Principal-Academic affairs
- Registrar
- Dean of Students
- Senior Finance Officer
- Heads of Departments

### **(g) Fiduciary Management**

The key management personnel who held office during the financial year ended 30 June 2022 and who had direct fiduciary responsibility were:

| <b>No.</b> | <b>Designation</b>              | <b>Name</b>      |
|------------|---------------------------------|------------------|
| 1.         | Chief Principal                 | Glory K. Mutungi |
| 2.         | Senior Finance Officer          | Clement Amukhuma |
| 3.         | Deputy Principal-Administration | Simon Nyaga      |
| 4.         | Deputy Principal-Academics      | Purity K. Mutea  |
| 5.         | Registrar                       | Elias O. Obure   |
| 6.         | Dean of Students                | Roselyda Oundo   |

### **(h) Fiduciary Oversight Arrangements**

#### **Finance & General Purposes Committee's Activities**

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

#### **Terms of Reference.**

The role of the Committee shall be to monitor the financial status of the Institute on behalf of BOG. In addition to advising BOG 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 Chief Principal and the Finance Officer.
- c) To monitor implementation of the strategy for the Institute.
- d) To receive reports of the extent and condition of the Institute estate including the efficiency of space utilization, 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.

## **Key Entity Information and Management (Continued)**

- g) To supervise the financial administration of the Institute and make recommendations to BOG 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 BOG 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.

### **Audit Committee Activities**

Some detailed audit committee responsibilities include:

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

### **Academic Committee Activities**

The committee activities include the following:

- a) Provide academic leadership to Nairobi Technical Training Institute, through promotion of excellence in teaching and learning, and ensuring that Nairobi Technical Training Institute embraces a philosophy of quality enhancement and innovation.
- b) Facilitate academic freedom and freedom of speech and ensure academic integrity within Nairobi Technical Training Institute.
- c) Ensure a culture of scholarship is developed, nurtured and embedded within NTTI.
- d) Formulate, coordinate and review academic policy, procedures and guidelines within Nairobi Technical Training Institute.
- e) Monitor and regularly report on compliance with academic policy within Nairobi Technical Training Institute.

- f) Oversee the quality assurance of the academic activities of Nairobi Technical Training Institute, within the Nairobi Technical Training Institute Risk Management Framework.
- g) Partner with the Audit and Risk Management Committee to identify, assess and monitor academic risks within the Nairobi Technical Training Institute Risk Management Framework.
- h) Consider and make decisions on all aspects of the development and accreditation or re-accreditation of higher education courses, the admission of students, teaching, assessment and requirements for graduation, prizes, awards and scholarships.
- i) Ensure that Nairobi Technical Training Institute engages in regular benchmarking exercises with other higher education providers, and monitor the outcomes of such benchmarking exercises against targets in Nairobi Technical Training Institute's plans.
- j) Refer certain matters to such standing committees or working groups as it may from time to time establish to advise on such matters.
- k) Receive reports from standing committees or working groups and ensure that their referred responsibilities are discharged.
- l) Consider and recommend on any matter referred to it by the Board of Governors.
- m) In addition to such matters as are specifically referred to the Academic Board, the Academic Board may generate reports and recommendations to the Board of Directors, including recommending new courses for development.

Undertake regular self-reviews of performance, and oversee reviews of performance of the Teaching and Learning committees, and any other sub committees of Academic Board.

#### **Senior Management Committee's Activities**

The main purpose of the Senior Management Team is to:

- (a) Ensure that NTTI's BOG is able to take strategic decisions relating to NTTI's activities.
- (b) Provide leadership in communicating NTTI's mission, values, plans and achievements effectively and consistently to BOG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- (c) Be accountable for the development and implementation of NTTI's strategic, corporate and business plans in line with the mission and values.
- (d) Take a strategic overview of performance in all areas of NTTI's activities.

Specifically, the Senior Management Team:

- i. Makes recommendations to the BOG on the implementation and achievement of the BOG's Strategic Framework;
- ii. Agrees NTTI's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- iii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;

## Key Entity Information and Management (Continued)

- iv. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of NTTI, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- v. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- vi. Oversees and monitors NTTI's joint work with the other stakeholders
- vii. 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 BOG and/or its relevant Committees.
- viii. Leads all senior managers in motivating and developing NTTI staff to deliver the highest standards of performance and customer service.

### Government Oversight Activities

The Government of Kenya's Oversight role includes provision of grants for both capitation and Development as well as provision of the regulatory framework. The audit of the Institutional activities is undertaken by the Office of the Auditor General.

#### (i) Entity Headquarters

P.O. Box 30039-00100  
Mogira road-Off Park Road  
Nairobi,  
KENYA

#### (j) Entity Contacts

Telephone: 020 8034403  
Cell :(254) 721233394  
E-mail: [info@nairobi.ac.ke](mailto:info@nairobi.ac.ke)  
Website: [www.nairobi.ac.ke](http://www.nairobi.ac.ke)

#### (k) Entity Bankers

National Bank of Kenya  
Harambee Avenue  
P.O. Box 72866  
City Square 00200  
Nairobi, KENYA

Cooperative Bank of Kenya  
Cooperative House-Haile Selassie  
Avenue  
P.O Box 48231  
G.P.O 00100  
Nairobi, KENYA

Equity Bank Kenya Limited  
Upper Hill - Hospital Road,  
Equity Centre  
P.O. Box 75104-  
City square 00200  
Nairobi

Kenya Commercial Bank  
Kencom Hse.  
P. O. Box 48400  
G.P.O 00100  
Nairobi, KENYA





#### (l) Independent Auditors






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


#### (a) Principal Legal Adviser

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

## II. Board of Governors

| Governor Title                 | Photograph  | Title    | Date of birth, key qualifications and work experience |  |
|--------------------------------|---|----------|---|--|
|                                |   |          | Date of Birth   | Qualification  |
| Gordon Z. Oyomno               |    | Chairman | Date of Birth   | 02.09.1947   |
|                                |   |          | Qualification   | M.Sc. in Management and organizational development   |
|                                |   |          | Experience  | 46 Years   |
| Dr. Fr. Lawrence Njeru Murucha |    | Member   | Date of Birth   | 26.12.1968   |
|                                |   |          | Qualification   | PHD in Educational Administration and Planning       |
|                                |   |          | Experience  | 32 years   |
|                                |   |          | Committee Membership                                  | Chair-Education                                      |
| Justus Wambutura               |  | Member   | Date of Birth   | 1955   |
|                                |   |          | Qualification   | MBA Strategic management. BSc electrical engineering |
|                                |   |          | Experience  | 43 years   |
|                                |   |          | Committee Membership                                  | Audit  |
| 1. Daud Hujale Ali             |  | Member   | Date of Birth   | 01.01.1974   |
|                                |   |          | Qualification   | MBA in construction Management                       |
|                                |   |          | Experience  | 26 years   |
|                                |   |          | Committee Membership                                  | Chair-Audit  |
| Jerusha Wambui Kimani          |   |          | Date of Birth   | 30.07.1981   |
|                                |   |          | Qualification   | MSC in computer Science                              |

| Governor Title       | Photograph  | Title  | Date of birth, key qualifications and work experience |  |
|----------------------|---|--------|---|--|
|                      |    | Member | Experience  | 18 years                                     |
|                      |   |        | Committee Membership                                  | Audit  |
| Betty Kaburo         |    | Member | Date of Birth   | 12.10.1960                                   |
|                      |   |        | Qualification   | BCom Business Management                     |
|                      |   |        | Experience  | 37 years                                     |
|                      |   |        | Committee Membership                                  | Finance, Education                           |
| Eng. Kinyua Wamuguda |   | Member | Date of Birth   | 11.04.1967                                   |
|                      |   |        | Qualification   | B.Sc. Civil Engineering                      |
|                      |   |        | Experience  | 31 years                                     |
|                      |   |        | Committee Membership                                  | Chair-Finance                                |
| Maryan A Hassan      |  | Member | Date of Birth   | 12.12.1977                                   |
|                      |   |        | Qualification   | B. Ed.                                       |
|                      |   |        | Experience  | 20 years                                     |
|                      |   |        | Committee Membership                                  | Finance, Education                           |
| Dr. Andelina Mugure  |  | Member | Date of Birth   | 18.12.1967                                   |
|                      |   |        | Qualification   | PhD in Educational Administration & Planning |
|                      |   |        | Experience  | 33 years                                     |

| Governor<br>Title      | Photograph  | Title     | Date of birth, key<br>qualifications and work<br>experience |                        |
|------------------------|---|-----------|---|------------------------|
| Glory K. Mutungi (Mrs) |  | Secretary | Date of Birth   | 03.01.1973             |
|                        |   |           | Qualification   | Master in<br>Education |
|                        |   |           | Experience  | 26 years               |

### Board Committees





| Name of the Committee                                | Members               |          |
|--|-----------------------|----------|
| Finance, Infrastructure and Human Resource Committee | Eng. Kinyua Wamugunda | Chairman |
|  | Maryan A Hassan       | Member   |
|  | Betty Miriti          | Member   |
| Academic, Research and Innovation Committee          | Dr.Fr. Lawrence Njeru | Chairman |
|  | Betty Miriti          | Member   |
|  | Maryan A Hassan       | Member   |
| Audit Committee                                      | Daudi Hujale Ali      | Chairman |
|  | Jerusha W. Kimani     | Member   |
|  | Justus Wambutura      | Member   |




### Functions of the Board of Governors


According to the TVET act 2013, the BOG shall have the following functions.

- i. Provide oversight and strategic leadership
- ii. Approve statutes
- iii. Approve policies for the institutes
- iv. Approve budgets
- v. Make new or additional regulations, amend or revoke existing regulations
- vi. Make appointments authorised by the law
- vii. Acquire land, buildings, premises, equipment, vehicles, machinery and facilities acquired for carrying out the work/duties of the institute.
- viii. Determine the method of recruitment, appointment and promotion of all staff of the institutes as per the law.
- ix. Provide welfare for every person as per the law
- x. Provide control and regulate finances
- xi. Enter into contracts, vary carry, out or terminate contracts on behalf of the institutes
- xii. Empower committee of the BOG appointed
- xiii. Transact from time to time any other business of the institute which is covered by the law.

### III. Management Team

| Manager                   | Photograph  | Title                                  | Qualification & Responsibility |                                  |
|---------------------------|---|--|--------------------------------|----------------------------------|
| Glory K. Mutungi<br>(Mrs) |    | Chief<br>Principal                     | Date of Birth                  | 03.01.1973                       |
|                           |   |  | Qualification                  | Master in Education              |
|                           |   |  | Experience                     | 26 years                         |
| Simon Nyaga               |    | Deputy<br>Principal-<br>Administration | Date of Birth                  | 1973                             |
|                           |   |  | Qualification                  | B. Ed.                           |
|                           |   |  | Experience                     | 27 years                         |
| Purity K. Mutea           |  | Deputy<br>Principal-<br>Academics      | Date of Birth                  | 01.05.1970                       |
|                           |   |  | Qualification                  | MA-Strategic Management          |
|                           |   |  | Experience                     | 29 years                         |
| Elias O. Obure            |  | Registrar                              | Date of Birth                  | 09.03.1970                       |
|                           |   |  | Qualification                  | BED, CPA-(K)                     |
|                           |   |  | Experience                     | 25 Years                         |
| Roselyda Oundo            |   |  | Date of Birth                  | 04.09.1966                       |
|                           |   |  | Qualification                  | MED – Educational Administration |

| Manager             | Photograph  | Title                              | Qualification & Responsibility |                         |
|---------------------|---|------------------------------------|--------------------------------|-------------------------|
|                     |    | Dean of Students                   | Experience                     | 33 Years                |
| Clement E. Amukhuma |    | Finance Officer                    | Date of Birth                  | 14.11.1964              |
|                     |   |                                    | Qualification                  | MBA, BCom., CPA-K-17593 |
|                     |   |                                    | Experience                     | 33 years                |
| James Kande         |   | Internal auditor (From March 2021) | Date of Birth                  | 1977                    |
|                     |   |                                    | Qualification                  | B COM, CPA-K-           |
|                     |   |                                    | Experience                     | 20 years                |
| Leah K. Onano       |  | Internal Auditor Up to March 2021  | Date of Birth                  | 20.11.1973              |
|                     |   |                                    | Qualification                  | BCOM, CPA-K-8564        |
|                     |   |                                    | Experience                     | 23 years                |
| Caroline B. Ojode   |   | Procurement officer                | Date of Birth                  | 17.03.1969              |
|                     |   |                                    | Qualification                  | Dip In SCM              |

| Manager | Photograph  | Title | Qualification & Responsibility |          |
|---------|---|-------|--------------------------------|----------|
|         |  |       | Experience                     | 30 Years |

#### **IV. Chairman's Statement**

It is my pleasure to present the institute's annual report and financial statement for the year ended 30<sup>th</sup> June 2022.

The Institute's Board of Governors note with appreciation the continued support of the government and other stakeholders in the daily running of the institute.

As a Board we extend our appreciation to the Ministry of Education for providing financial support and competent staff to this institution. Once again, I cannot underestimate the role of the Ministry of Education for embracing Competency Based Education and Training (CBET) which has equipped the youths, through TVET Education with technical and entrepreneurial skills that are essential for fast tracking this great Nation towards achieving Kenya Vision 2030.

Nairobi Technical Training Institute has been on the forefront in fulfilling its mandate to teach and train at TVET level. This has seen the Board of Governors come up with strategies to expand the existing infrastructure and equipping the workshops and laboratories with modern training equipment that are meant to expose the trainees to hands on skills needed in the industry.

Through the efficient Management of this Institution, Nairobi Technical Training has witnessed growth in enrolment of trainees which currently stands at 7682. This is commendable and as a Board we are committed to oversee that this institution continues to deliver on its mandate.

As a Board also, we appreciate the Ministry of Education for identifying Nairobi Technical Training Institute as a Centre of Excellence in offering Automotive Mechatronics Technician course. We acknowledge the Governments effort in collaborating with the GIZ in this endeavour which has culminated in the funding of the State of the Art Automotive Mechatronics Workshop.

#### **Ongoing Projects.**

- Hospitality Complex Phase 1
- Gate house & Boundary wall

#### **Mentored Institutions**

- Gilgil and Ol'Kalou Technical & Vocational College are still under construction.

#### **Completed Policies**

- Procurement Policy
- Financial Management Policy
- ICT Policy

The Institute is a public Institution which relies on Government funds, and fees paid by students. It is not a profit making entity. Due to reduction in the grants from GOK the institution is not able to meet its obligations there exists a large amount in pending bills from quarter to quarter.

Delay in release of Capitation, we have not been able to implement the projects in the budget as anticipated.

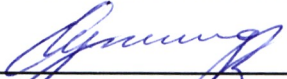
We are pleased of the achievements so far realised despite the financial challenges faced.

Other Challenges faced by the institute include:

- Inadequate funding by the ministry of education- on capitation/operation and development grant
- Delayed funding
- Poor fees payments
- Untimely marketing due to late funding
- Due to limited capacity, it is not possible to increase the number of students as expected.

Due to the above factors the institution is facing serious challenges in meeting its operations obligation fully resulting to pressure from creditors.

Let me lastly thank the Government of Kenya, parents, guardians, suppliers and service providers for their trust, support and continued partnership and cooperation during the Financial Year 2021/2022

  
\_\_\_\_\_  
**GORDON Z. OYOMNO**  
**CHAIRMAN BOARD OF GOVERNORS**

## **V. Report of The Principal**

Let me take this opportunity to present Nairobi TTI financial statement for the Financial Year 2021/2022 ending 30<sup>th</sup> June 2022 in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

With support of the BOG we have put in place the necessary financial, procurement and internal control measures to ensure proper utilization of funds entrusted to us.

Nairobi Technical Training Institute has recorded a number of positive gains in the past two years. To start with, the number of trainees enrolled has risen over the years and currently stands at 7,682 trainees. We expect this number to continue rising. Trainees are attracted to the Institute due to good academic performance, high discipline and the level of quality training offered in the Institute by the highly competent staff. The increased enrolment has also been as a result of government support for TVET training in the form of financial support for trainees and grants for development of training infrastructure to accommodate the large number of trainees seeking opportunities in TVET institutions.

In support of the “Big Four” Agenda, the Institute continues to introduce courses that are relevant to the government agenda. In the last two years, the Institute has introduced and enrolled trainees in Competence Based Education and Training (CBET) courses. The following courses are the latest additions to the Institute’s training program: Automotive Mechatronics Technician Level 6, Electrical Installation Level 3 and Community Health and Technology Level 6 courses. There are other courses lined up for introduction including Fibre Optics and Networking Level 4 scheduled to commence in November, 2022. Those eligible for the course are encouraged to enrol in large numbers.

The Institute is actively engaged in co-curricular activities including sports, drama and athletics. This is done in line with the guidelines on COVID-19 prevention. This year, the Institute participated in regional and national championships and won several trophies in different categories. In support of Science, Innovation and Technology, the

Institute has over the years presented innovations and research papers in both regional and national conferences and have won awards in several categories.

Every year, the Institute signs a Performance Contract with the government in which Key Performance Indicators (KPIs) are established and agreed upon. These KPIs form the basis for evaluation and ranking of government entities in each financial year. In the Financial Year 2019/2020, the Institute was ranked position 1 (one) Nationally in the Tertiary Institutions category, while in the Financial Year 2020/2021 it was ranked position 6 (six). I take this opportunity to thank the Nairobi TTI community for working towards this great achievement. We as an institution are still committed to performing even better and to delivering quality services as we have always done.

Nairobi TTI is a great Institution to be in. Our motto is “Excel in Business, Science & Technology” and I can assure you that we are excelling.

### **KNEC Examination Results Analysis**

The institute during the financial year 2021/2022 enrolled a total of 4,853 trainees for Kenya National Examinations. During the year, the performance improved from a percentage pass of 50.18% for the financial year 2020/2021 to 53.66% in 2021/2022. To a large extent, the performance was affected by Covid 19 which led to closure of the institution and implementation of curriculum online yet majority of the trainees did not have laptop or Smart Phone.

### **Students enrollment**

The Institute enrolment during the F/Y 2021-2022 increased to 7,682 from 7,671 in the year 2020/2021

### **Promotion of the BIG 4 Agenda**

To promote the BIG 4 Agenda, in F/Y 2021-2022, the enrollment increased from 7,671 to 7,682. This gave the youth an opportunity to acquire skills in Electrical and Electronics Engineering, Institutional Management, Health and Applied Sciences, Information

Communication Technology and Mechanical Engineering. These are skills needed in the various sectors under the BIG 4 Agenda.

New courses in Automotive Mechatronics and Community Health were introduced with a total enrollment of 39 trainees. The enrolment in Plumbing and Solar Photovoltaic also increased to a total of 55 trainees during the year

During the year under review the institute continued working on various projects among them:

- Equipping Institutional Management Department with modern restaurant furniture.
- Purchase of Furniture for both students' and staff to cope with the growing population
- Hospitality Complex Phase 1
- Gate house & Boundary wall

**Ongoing Projects.**

- Hospitality Complex Phase 1
- Gate house & Boundary wall

**Mentored Institutions**

- Gilgil and Ol'Kalou Technical & Vocational College are still under construction.

I am humbled by the support from institute's BOG, Management and all members of staff for their commitment and dedication to their work and effort that have seen Nairobi TTI move forward in attaining its vision and mission.



**Glory Mutungi (Mrs)**  
**Chief Principal/Secretary BOG**

## VI. Statement of Performance against predetermined Objectives

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

Nairobi Technical Training Institute (NTTI) has 7 strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

- Pillar 1: Teaching & Learning, Research and Innovation
- Pillar 2: Student-Centered Institute
- Pillar 3: Service Delivery
- Pillar 4: Partnerships and Linkages
- Pillar 5: Technology Integration
- Pillar 6: Human Resource
- Pillar 7: Financial Management

NTTI develops its annual work plans based on the above X pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The NTTI achieved its performance targets set for the FY 2021/2022 period for its 7 strategic pillars, as indicated in the diagram below:

| S/No | Strategic Pillar                             | Objectives  | Key Performance Indicator   | Achievements   |
|------|--|---|---|--|
| 1.   | Teaching & Learning, Research and Innovation | Excel in Teaching and Learning, Research and innovation | <ul style="list-style-type: none"> <li>• Improved performance index in examinations.</li> <li>• Increased number of students absorbed in the market.</li> <li>• Number of research papers and innovations.</li> </ul> | <ul style="list-style-type: none"> <li>• Competent graduates</li> <li>• Participated in KATTI research conferences.</li> </ul> |
| 2.   | Student-Centered Institute                   | Enhance Student satisfaction                            | <ul style="list-style-type: none"> <li>• Increased customer satisfaction index</li> <li>• Reduced number of student complaints.</li> </ul>  | <ul style="list-style-type: none"> <li>• Satisfied students</li> <li>• Motivated trainees</li> </ul>                           |

| S/No | Strategic Pillar          | Objectives   | Key Performance Indicator  | Achievements   |
|------|---------------------------|--|--|--|
|      |                           |  | <ul style="list-style-type: none"> <li>• Rate of student retention.</li> <li>• Number of students enrolled.</li> </ul>   |  |
| 3.   | Service Delivery          | Promote good governance and efficient Service Delivery Culture | <ul style="list-style-type: none"> <li>• Increased customer satisfaction index</li> <li>• Compliance to policies</li> <li>• Reduction in number of legal suits.</li> </ul>   | <ul style="list-style-type: none"> <li>• Implementation of relevant policies and organizational structures. Established and adhered to the institute's Citizen's Service Delivery Charter</li> </ul> |
| 4.   | Partnerships and Linkages | Establish Strategic Partnerships, Linkages and Collaborations  | Number of signed MOUs and agreements.  | <ul style="list-style-type: none"> <li>• Collaborations of the Institute with strategic partners including University of Nairobi and KERIA</li> </ul>  |
| 5.   | Technology Integration    | Increase access to and use of ICT                              | <ul style="list-style-type: none"> <li>• Reduced paperwork.</li> <li>• Increased ratio of ICT equipment.</li> <li>• % of trainers who effectively use ICT tools</li> <li>• % Increase access to e-resources</li> </ul> | <ul style="list-style-type: none"> <li>• Integration of ICT in service delivery.</li> <li>• Automation of key services such as students' admissions and clearance</li> </ul>                         |
| 6.   | Human Resource            | Develop Human Resource Capacity and improve                    | <ul style="list-style-type: none"> <li>• Number of staff trained based on Training Needs Assessment.</li> </ul>  | <ul style="list-style-type: none"> <li>• Management trained in Senior Management</li> <li>• Course Competent human resource.</li> </ul>  |

| S/No | Strategic Pillar     | Objectives                       | Key Performance Indicator   | Achievements   |
|------|----------------------|----------------------------------|---|--|
|      |                      | Corporate Image                  | <ul style="list-style-type: none"> <li>• Rate of staff retention.</li> <li>• Increased number of linkages and collaborations</li> </ul>           | <ul style="list-style-type: none"> <li>• Positive corporate image.</li> </ul>  |
| 7.   | Financial Management | Enhance financial sustainability | <ul style="list-style-type: none"> <li>• Number of income generating activities (Appropriation in Aid).</li> <li>• Reduced Expenditure</li> </ul> | <ul style="list-style-type: none"> <li>• Financially stable Institution</li> <li>• Financial obligations are met on time.</li> <li>• Adherence to budget.</li> </ul> |

## VII. Corporate Governance Statement

- a) Good corporate governance is the key to integrity and corporations and central to the institute stability
- b) Corporate governance their fore encompasses the system practices and procedures by which the individual corporation regulates itself to remain stable, competitive, sustainably and fair.
- c) The BOG follows principles of transparency and accountability in its stewarding institute's affairs'
- d) The role of the BOG is to ensure conformity by focusing and providing the institutes strategic direction and policy making as well as performance review through accountability, monitoring, supervision and internal control to safeguard the assets and ensure the reliability of financial information
- e) Management team comprising of the principal, deputy principal, head of departments and staff meet regularly to consider issues of operational and strategic importance.
- f) Below are key features of the existing governance practices within the institutes which are revised and improved from time to time

### Institutes BOG

- a) The BOG constitutes of chairman BOG and eight members who have been appointed in accordance to the TVET Act 2013, which meets formally at least three times a year and or any other time when need arises
- b) BOG Is responsible for setting the direction of the institute through establishment of strategic information, policies and approval of budgets. It monitors implementation of the above through structured approach of reporting by the management and accountability.
- c) The BOG is actively involved and bring strong independent judgement on its deliberations and discussions
- d) The BOG members have diverse skill set, wide range of knowledge and experience of the institute in objectives and decision making.
- e) The BOG meets regularly and retains full and effective control over the institutes in all strategic financial operation and compliance areas

### Related Party Disclosure

Related parties for the purposes of this report include:

- a) The Government
- b) The Board of Governors
- c) The Management

Number of Board Meetings during the year and their attendance

During the year under review, Board meetings were held as follows

| Date       | Type of Meeting | Number of Members Present |
|------------|-----------------|---------------------------|
| 22/09/2021 | Full Board      | 8                         |
| 12/1/2022  | Full Board      | 10                        |
| 7/4/2022   | Full Board      | 9                         |
| 19/5/2022  | Full Board      | 9                         |

## VIII. Management Discussion and Analysis

### SECTION A: Operational and Financial Performance

#### Nairobi Technical Training Institute operational and financial performance

The Institute is a public institution which relies on Government funds, and fees paid by students. It is not a profit making entity. Due to reduction in the grants from GOK the institution is not able to meet its obligations there exists a large amount in pending bills from quarter to quarter.

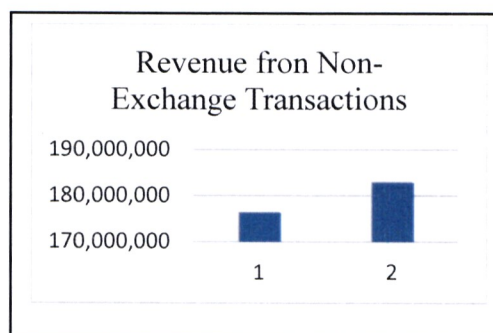
Due to delay in release of Capitation, we have not been able to implement the projects in the budget as anticipated.

The Institute has developed three policies namely Finance, Procurement and ICT to provide direction, principles and guidance for decision making at departmental level.

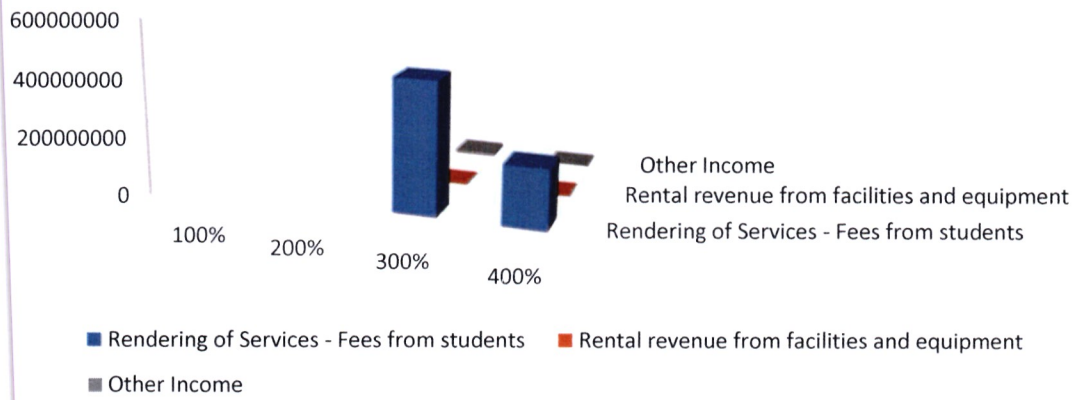
In light of prevailing Covid-19 situation, the Institute has invested in e-learning infrastructure to facilitate smooth Curriculum implementation

The revenue collected in revenue over the year is as shown below:

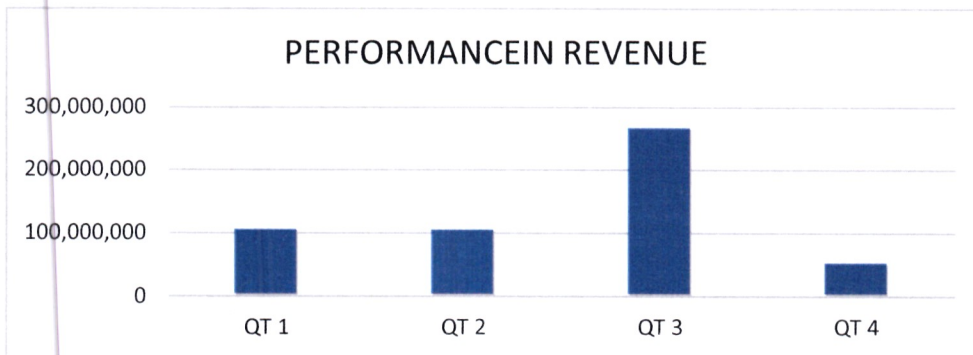
| Revenue from Non- Exchange Transactions |             |             |
|---|-------------|-------------|
| 49.08%                                  | 50.92%      | 1.84%       |
| 176,557,300                             | 183,192,081 | 359,749,381 |
| FYR 2022                                | FYR 2021    |             |
|   |             |             |
| Decline by                              | 1.84%       |             |



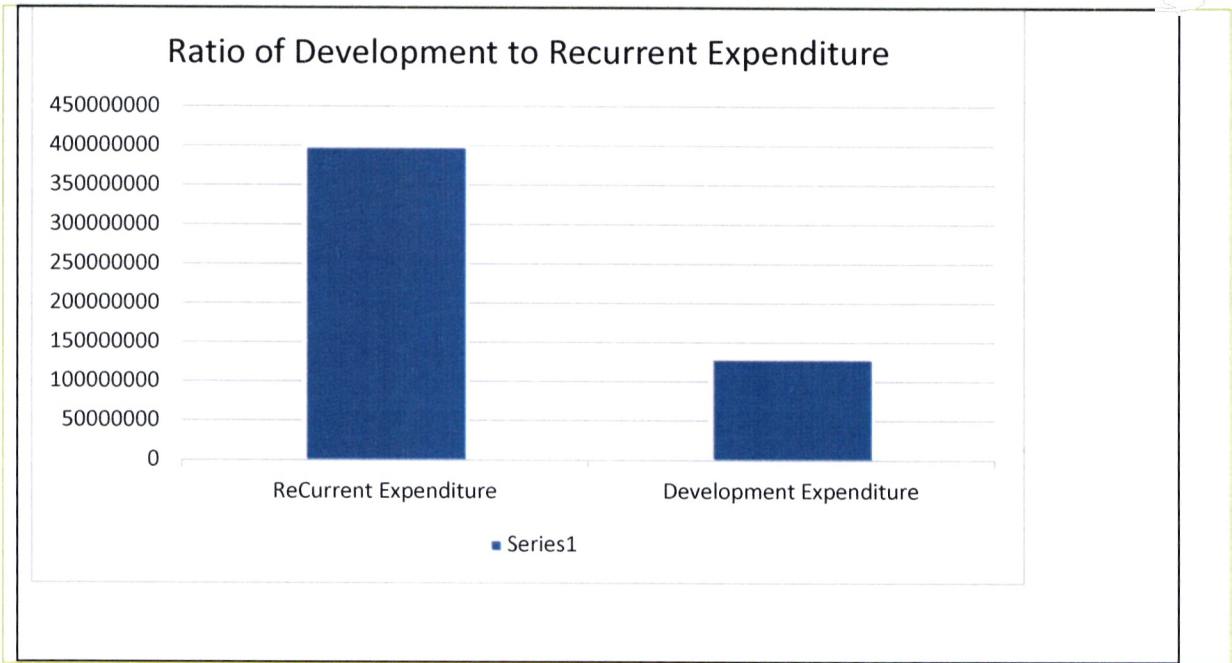
| Revenue from Exchange Transactions           |  |             |             |
|--|--|-------------|-------------|
|  |  | FYR 2022    | FYR 2021    |
|  |  |             |             |
| Rendering of Services - Fees from students   |  | 449,890,749 | 203,878,747 |
| Rental revenue from facilities and equipment |  | 835,000     | 790,204     |
| Other Income                                 |  | 11,220,707  | 1,318,540   |



| QUARTERLY PERFORMANCE IN REVENUE |             |             |            |
|----------------------------------|-------------|-------------|------------|
| QT 1                             | QT 2        | QT 3        | QT 4       |
| 103,998,983                      | 103,482,356 | 265,033,332 | 51,681,510 |



|                         |               |
|-------------------------|---------------|
| Re-Current Expenditure  | 401,029,153.7 |
| Development Expenditure | 131,936,423.7 |
|                         |               |



## SECTION B: Compliance with Statutory Requirements

### Nairobi Technical Training Institute compliance with statutory requirements

Nairobi Technical Training Institute complies to deduction and remittance of statutory deductions for various organs such as NHIF, NSSF, PAYE and other mandatory obligations such as HELB

## SECTION C: Key Projects and Investment Decisions

### Key projects and investment decisions Nairobi Technical Training Institute is planning/implementing

The key projects currently under consideration by the Directorate of TVET are on Institutional development. Construction of Ol Kalau TVC and Gilgil T.V.C is ongoing under the Government T. T. I. Mentorship programme. Also, the Institute received KShs 10 million for the construction of Mathare T.V.C.

The paving of the compound using precast paving blocks is complete.

The Institute has constructed the Health and Applied Sciences block which has been completed and handed over.

Additionally, construction works for the Hospitality Block Phase 1 as well as Boundary Wall around the Institute field have begun as planned.

The Institute has completed valuing its assets in order to comply with requirements of the PFM Act 2012 for institutions who prepare their financial reports on accrual basis.

## SECTION D: Financial and Management Risks

### Major risks facing the entity

The Institute is facing liquidity risk due to the Government delay in funding Capitation and HELB. The delay in release of the already allocated capitation and HELB will cause serious challenges in meeting her operational obligations. The risks of this delay are that there is a lot of pressure from creditors who are threatening to discontinue supplies. At the same time some creditors are threatening to Institute legal measures of recovery of the amounts owed

Due to delay in disbursement of funds for the Mentoring of Gilgil and Ol Kalau TVCs, the project duration has been surpassed. The contractors are on site and there is a risk of litigation due to delay in payments for the certificates that have already been approved. During the Quarter, the Institute received KShs 21,754,300 and KShs 15,532,977 for Gilgil and Ol Kalau TVC respectively

The operations of the Institute have been adversely affected by the impact of the COVID-19 pandemic. The Board had to set aside funds for the implementation of the MoH protocols before the re-opening of the Institute.

Due to the implementation of the E-learning System, the Institute may be exposed to illegitimate use of the system and malicious programs.

## SECTION E: Material arrears in Statutory and Financial Obligations

**Material arrears in statutory/financial obligations**

There are no material arrears in statutory or Financial Obligations

SECTION F: Governance

**The entity's financial probity and serious governance issues**

There were no serious governance issues reported during the year under review.

SECTION G:

**Environmental Sustainability and Corporate Social Responsibility**

During the period under review, students were involved in the cleaning of the neighboring areas and the planting of trees.

The Institute conducts online meetings hence saving on paperwork.

150 Boda boda operators were trained on road safety thus improving the overall road safety

## IX. Environmental and Sustainability Reporting S

Nairobi TTI being a public entity embraces the policy of the corporate social responsibility (CSR) through engaging itself with the following social responsibility:

- i. Financial support to needy students through coordinating bursary, HELB loans, support sustainability and sponsorship to students where possible as well work study programme.
- ii. Offering both social and economic support to external community through provision of casual labour opportunity and suppliers when opportunities arises
- iii. Offering careers advices to students.
- iv. Offering internship and industrial attachment to youth from surrounding community institutions in Kenya.
- v. Environmental activities like, training of Boda Boda Riders on safe riding and defensive driving. Another activity was Cleaning the environment.

**Below are some of the pictures depicting how the exercise was conducted.**

### A.) Environmental clean-up



## B.) Training of Boda Boda riders



## **Sustainability strategy and profile**

### **a. Organisational Sustainability**

This strategy focuses on achieving financial, environmental organisational and institutional sustainability within the institute

### **b. Financial sustainability**

The institute has diversified the sources of revenue which include; school fees, rentals and production unit program.

### **c. Environmental sustainability**

The institute embraces the use of environmentally friendly methods in waste disposal. The strategies are targeted at protecting and improving the environment.

### **d. Organisational and institutional sustainability**

Organisational and institutional sustainability aims at achieving and maintaining sustainability. This is addressed from various viewpoints that include community engagement, having in place a risk management framework and implementation of strategies to mitigate the defined risks.

## **Environmental performance**

### **a. Greening TVET**

- ✓ greening the institution
- ✓ greening the curriculum
- ✓ greening research
- ✓ greening the culture
- ✓ greening the community

### **b. Solid Waste management**

- ✓ disposal of wastes
- ✓ policies on re-cycling

### **c. Emission control**

- ✓ control on gases emitted to the environment

### **d. Adoption of Environmental sustainability guidelines issued by NEMA and adherence to environmentally friendly operational practices within the institute.**

## **Employee welfare**

The Institute with the support of the Board Members has developed the following policies to guide its operations: -

- Scheme of service for BOG Staff.
- Career progression guidelines for BOG Staff.
- Motivation Policy for both Staff and Students.
- Production Unit Policy.
- ICT policy
- Gender Mainstreaming and Youth Empowerment Policy.

## **Market place practices**

### **Responsible Competition Practice**

- (i) Anti -corruption
  - a. Student fees: The institute charges the students fees as per the guidelines from the Ministry of Education. The fees charged is Ksh. 56,420 as capped by the Ministry of Education.
  - b. The admission process is transparent and the institute has introduced online admission to ensure effectiveness and transparency. This helps to ensure that there is integrity in the admission process.
- (ii) Political involvement
  - a. The institute liaises with the area leadership for community service where cleaning the area around the institute is done Participation in trade fairs/ robotics: The institute participates in trade fairs where the students show case their talents and this enhances responsible competition within the students.
  - b. During the graduation ceremonies, the institute invites the local leadership to interact with the graduands and the NTTI community.
- (iii) Fair competition
  - a. The institute acquires the curriculum and syllabus from Kenya Institute of curriculum development (KICD) and CDACC to ensure that what is offered at NTTI is similar to what is offered in other institutions.
  - b. Entry criteria for the program and the entry requirements for the students are clearly defined. i.e. Mean grade c- for Diploma students, D+ for Certificate students and KCSE for artisan. This allows the institute to have a fair competition with the universities who require students to have a mean grade of c to access university education.
  - c. The institute participates in trade fairs which are organized by KATTI for all TVET Institutions. The students are encouraged to compete with other students from other institutions. This encourages the students to solve diverse issues in the industry.
- (iv) Respect for competitors
  - a. Mutual beneficial relationships: - The institute undertakes benchmarking with other institutions so as to offer quality service to the trainees and to assist one another to better improve.
  - b. The students are placed by KUCCPS and the institute ensures that when student seek for transfers from other institutions to NTTI, there is correspondence from the institution that the student wishes to leave so as to ensure that there is mutual understanding.

## **Responsible Marketing and Advertisement**

- (i) Efforts to maintain ethical marketing practices
  - a. The institute openly advertises in the print and electronic media for all the courses offered in the institution so as to ensure transparency and integrity in the admission process.
  - c. The institution only advertises for the courses that are being offered during the intake to ensure that students do not apply for courses that are not available in the institute.
  - d. The institute ensures that information given during the advertisement is current and not misleading to the prospective students so that they are able to make informed choices on the courses that they want to undertake.
  - e. Brochures with well explained courses and their requirements are issued to prospective students before the intakes to give adequate time for the parents/ guardians and students to prepare for the admission.

## **Product Stewardship**

- (I) Efforts to safeguard consumer rights and interests
  - a. The institute has a complaints procedure and complaints registers at various offices.
  - b. A complaints line has been established in the institute (0717764444)
  - c. There is proactive disclosure of information by ensuring that information is given through the institutes website, brochures, print and electronic advertisement
  - d. Requests by customers for information on admission and courses is done through e – mail, telephone call and letters. The institute has ensured an active e-mail address [info@nairobi.ac.ke](mailto:info@nairobi.ac.ke) and the telephone line 0721233394.
  - e. There is a service charter that is prominently displayed at the institute's entrance and at various points and offices within the institute. Where the customers are encouraged to report to the CAJ and EACC in case their rights and interests are not met by the institution.

## **Community Engagements**

The Institute has continuously engaged the community in matters of corporate social responsibility (CSR).

Further, in the Institute engaged Rescue Dada Centre, a home for the less fortunate female adults in providing food, clothes as well as internship for some of the victims.

# The Mogira Road Cleaning Exercise



## **X. Report of The Board of Governors**

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

### **Principal Activities**

The principal activities of the institution are to train competent Human Resource for social economic development at TVET level.

### **Results**

The results of the entity for the year ended 30 June, 2022 are set out on page 1


## **BOARD OF GOVERNORS**

The members of the Board members who served during the year are shown on page vii.

### **Auditors**

The Auditor General is responsible for the statutory audit of Nairobi Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Nairobi Technical Training Institute for the year/period ended June 30, 2022, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

  
.....  
Glory K. Mutungi (MRS)  
Chief Principal/Secretary BOG

Date: ..... 30/9/2022 .....

## **XI. Statement of Board of Governors Members' Responsibilities**

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

The Board members are responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year ended on June 30, 2022.

This responsibility includes:

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

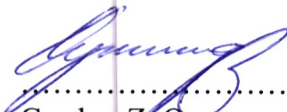
The Board members accept responsibility for the institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the


State Corporations Act, and the TVET Act). The Board members are of the opinion that the institute's financial statements give a true and fair view of the state of institute's transactions during the financial year ended June 30, 2022, 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 **27/09/2022** and signed on its behalf by:

  
.....  
Gordon Z. Oyomno  
Chairman of the Board

  
.....  
Glory K. Mutungi (MRS)  
Accounting officer/Chief Principal

# REPUBLIC OF KENYA



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

## **REPORT OF THE AUDITOR-GENERAL ON NAIROBI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Nairobi Technical Training Institute set out on pages 1 to 28, which comprise the statement of financial position as

at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Nairobi Technical Training Institute as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

Review of the annual report and financial statements revealed the following inaccuracies:

- i. The statement of cash flows reflects revenue totalling to Kshs.496,904,962 which when recomputed totalled to Kshs.493,446,246, resulting to an unexplained variance of Kshs.3,458,716.
- ii. The statement of changes in net assets reflects a closing capital reserves balance of Kshs.3,260,311,581 which when recomputed give a balance of Kshs.3,295,439,548, resulting to an unexplained variance of Kshs.35,127,967.
- iii. The statement of changes in net assets reflects an opening balance of Kshs.3,492,465,173, while the recomputed balance is Kshs.3,507,593,140, resulting to an unexplained variance of Kshs.15,127,967.
- iv. The statement of changes in net assets reflects a closing balance of Kshs.4,887,282,973, while the recomputed balance is Kshs.4,922,410,941, resulting to unexplained variance of Kshs.35,127,968.
- v. The statement of financial performance and Note 11 to the financial statements reflects expenditure in respect of employees' costs totalling to Kshs.56,811,535, while the recomputed expenditure is Kshs.93,070,225, resulting to unexplained variance of Kshs.36,258,690.

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

#### **2. Unsupported and Long Outstanding Student Debtors Balance**

The statement of financial position reflects receivables from exchange transactions balance of Kshs.143,921,264 which, as disclosed in Note 18 to the financial statements,

relates to student debtors. However, review of the student's debtor's ledger revealed a balance of Kshs.92,113,842 which had been outstanding for a period of over ninety (90) days and out of which, a balance of Kshs.32,698,173 was outstanding for more than one (1) year. Further, information on the status of the student debtors was not provided for audit. In addition, evidence of action taken to recover these long outstanding students' debtors was not provided for audit, while a provision for bad and doubtful debts was not made in the financial statements.

In the circumstances, the accuracy, existence and recoverability of the student's debtors balance of Kshs.143,921,264 could not be confirmed.

### **3. Unsupported Trade and Other Payables from Exchange Transactions Balance**

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.65,288,799 which, as disclosed in Note 21 to the financial statements, includes provisions for audit fees of Kshs.500,000, bursary of Kshs.644,230 and Higher Education Loans Board of Kshs.314,371. However, the breakdown and ageing analysis of these balances was not provided for audit.

In the circumstances, the accuracy of the reported trade and other payables from exchange transactions balance could not be confirmed.

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

### **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Delayed Construction of Boundary Wall and Gate House**

The statement of financial position reflects property, plant and equipment balance of Kshs.4,586,665,845 which, as disclosed in Note 20 to the financial statements, includes work in progress (WIP) balance of Kshs.138,706,792 out of which, an amount of Kshs.5,603,280 was in respect of construction of boundary wall and gate house. Review of the contract agreement revealed that a contractor was awarded the contract for the construction of the boundary wall and gate house at a cost of Kshs.20,574,185 for a contract period of thirty-seven (37) weeks, from 23 August, 2021 to 2 May, 2022. audit inspection carried out on 5 April, 2023 revealed that the project was almost complete at 90% and payment of Kshs.15,490,308 had been certified.

However, the following unsatisfactory issues were noted: the project was behind schedule since the expected completion date was 2 May, 2022; electrical works at the gate house had not been done; the gate to access the hospitality block had not been done; the contractor was not on the site and information on when the contractor would resume work was not provided for audit; and the project bid bond guarantee was for a period of one hundred and eighty (180) days only and evidence of renewal was not provided for audit.

In the circumstances, the value for money from the project could not be confirmed.

### **2. Non-Compliance with Minimum Requirement on Ethnic Diversity**

Review of employees records revealed that the dominant ethnic community employed by the Institute constituted eighteen (18) members of staff or 37% of the total population of forty-nine (49) members of staff, contrary to Section 7 (2) of the National Cohesion and Integration Act, 2008, which states that no public establishment shall have more than one third of its staff from the same ethnic community.

In the circumstances, Management was in breach of the law.

### **3. Incomplete Budget**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis amounts of Kshs.411,604,000 and Kshs.550,196,635 respectively, resulting to an over collection of Kshs.138,592,635 (or 25% of the budgeted amount). However, revenue from transfers from National Government ministries, grants from donors and development partners, and other income were not budgeted for. Similarly, the statement reflects an expenditure budget of Kshs.293,594,250 and actual expenditure of Kshs.373,389,526, resulting in an over-expenditure of Kshs.79,795,276 (or 27% of the budget). Although Management attributed the over expenditure to failure to budget for examination fees, increase in compensation of employees due to hire of new staff and increase in repairs and maintenance cost due to change in the market rates, the approval to spend above budgeted amounts was not obtained, contrary to Regulation 44(2) of the Public Finance Management (National Government) Regulations,

2015, which states that National Government entities shall execute their approved budgets based on the annual appropriation legislation, and the approved annual cash flow plan with the exception of unforeseen and unavoidable spending dealt with through the contingencies fund, or supplementary estimates.

Further, the statement reflects a revenue budget of Kshs.411,604,000 and expenditure budget of Kshs.293,594,250 resulting in a budgeted surplus of Kshs.118,009,750, contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015, which states that unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, budget shall be balanced.

In the circumstances, Management was 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 GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Establishment and Functioning of the Internal Audit Function**

The Institute had only one (1) internal auditor in place. This was contrary to Regulation 162(2)(a) of the Public Finance Management (National Government) Regulations, 2015 which provides that an Accounting Officer shall ensure that the organizational structure of the internal audit facilitates the entity to accomplish its internal audit responsibilities.

In the circumstances the effectiveness and reliability of the Institutes systems of internal controls and risk management could not be confirmed.

#### **2. Lack of Staff Establishment for Trainers and Understaffing of Non-Trainer Staff**

The Management did not provide an approved staff establishment for training staff from the Teachers Service Commission and those employed on contract by the Board of Governors for audit review. In addition, the staff establishment for non-training staff

provided for audit revealed that the number of staff authorized was eighty-seven (87), while those in position were fifty-eight (58), resulting to an under staffing of twenty-nine (29).

Shortage of training staff in the Institute may impede adequate delivery of services.

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

### **Responsibilities of Management and the Board of Governors**

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

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

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

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to 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

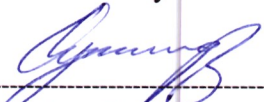
**Nairobi**


**10 July, 2023**


**XIII. Statement of Financial Performance  
For The Year Ended 30 June 2022**

|   |      | 2022               | 2021               |
|---|------|--------------------|--------------------|
|   |      | KSH                | KSH                |
| <b>REVENUE</b>  | Note |                    |                    |
| <b>Revenue from non-exchange transactions</b>                 |      |                    |                    |
| Transfers from the National Government - Grants/gifts in kind | 6    | 6,929,800          | 183,192,081        |
|   |      | 6,929,800          | 183,192,081        |
| <b>Revenue from exchange transactions</b>                     |      |                    |                    |
| Rendering of Services - Fees from students                    | 7    | 474,460,739        | 203,878,747        |
| Rental revenue from facilities and equipment                  | 8    | 835,000            | 790,204            |
| Other Income  | 9    | 11,220,707         | 1,318,540          |
|   |      | 486,516,446        | 205,987,491        |
| <b>Total revenue</b>  |      | <b>493,446,246</b> | <b>389,179,572</b> |
| <b>EXPENSES</b>   |      |                    |                    |
| Use of Goods and Services                                     | 10   | 278,562,230        | 191,777,132        |
| Employee Costs  | 11   | 56,811,535         | 49,449,195         |
| Remuneration of Board Members                                 | 12   | 11,272,665         | 9,520,930          |
| Repairs and Maintenance                                       | 13   | 13,852,946         | 26,234,256         |
| Contracted Services   | 14   | 6,855,913          | 605,960            |
| Bank Charges  | 15   | 1,306,512          | 606,052            |
| Mentoring Institutions Expenses                               | 16   | 4,727,725          | 7,344,001          |
| Depreciation and Amortization Expense                         | 20   | 29,931,728         | 40,716,749         |
| <b>Total Expenses</b>   |      | <b>403,321,253</b> | <b>326,254,275</b> |
| <b>Net Surplus / (Loss) for the Year</b>                      |      | <b>90,124,993</b>  | <b>62,925,297</b>  |

The notes set out on pages 6 to 28 form an integral part of the Financial Statements  
The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Governors by:

  
Gordon Z. Oyomno  
Chairman of Board of Governors

  
Clement Amukhuma  
Senior Finance Officer  
ICPAK No. 17593

  
Glory K. Mutungi  
Chief Principal

Date.....30/9/2022.....

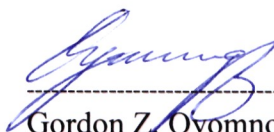
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Date.....30/9/2022


**XIV. Statement of Financial Position  
As at 30 June 2022**

|   | Note  | 2022<br>KSH          | 2021<br>KSH          |
|---|-------|----------------------|----------------------|
| <b>Assets</b>   |       |                      |                      |
| <b>Current assets</b>                                     |       |                      |                      |
| Cash and cash equivalents                                 | 17    | 266,470,173          | 195,970,570          |
| Current portion of Receivables from exchange transactions | 18    | 143,921,264          | 147,035,906          |
| Inventories   | 19    | 4,513,146            | 1,954,873            |
| <b>Total Current Assets</b>                               |       | <b>414,904,583</b>   | <b>344,961,349</b>   |
| <b>Non-current assets</b>                                 |       |                      |                      |
| Property, plant and equipment                             | 20    | 4,586,665,845        | 3,244,150,811        |
| <b>Total Non-Current Assets</b>                           |       | <b>4,586,665,845</b> | <b>3,244,150,811</b> |
| <b>Total Assets</b>                                       |       | <b>5,001,570,428</b> | <b>3,589,112,160</b> |
| <b>Liabilities</b>  |       |                      |                      |
| <b>Current liabilities</b>                                |       |                      |                      |
| Trade and other payables from exchange transactions       | 21    | 65,288,799           | 81,519,020           |
| Retentions  | 20©   | 13,870,689           |                      |
| Deferred income   | 20(d) | 35,127,967           |                      |
| <b>Total liabilities</b>                                  |       | <b>114,287,455</b>   | <b>81,519,020</b>    |
| <b>Net Assets</b>   |       | <b>4,887,282,973</b> | <b>3,507,593,140</b> |
| <b>Capital Reserves &amp; Surpluses</b>                   |       |                      |                      |
| Accumulated Surpluses                                     | 22    | 341,998,227          | 251,873,234          |
| Accumulated Fund  | 23    | 3,295,439,548        | 3,255,719,906        |
| Revaluation Reserve                                       | 24    | 1,249,845,199        |                      |
| <b>Total Capital Reserves &amp; Surpluses</b>             |       | <b>4,887,282,973</b> | <b>3,507,593,140</b> |
| <b>Total Reserves and liabilities</b>                     |       | <b>5,001,570,428</b> | <b>3,589,112,160</b> |


The notes set out on Pages 6 to 28 form part of these statement  
The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of  
Governors by:

  
Gordon Z. Oyomno  
Chairman of Board of Governors

Date..... 30/9/2022 .....

  
Clement Amukhuma  
Senior Finance Officer  
ICPAK No. 17593

Date ..... 30/9/2022 .....

  
Glory K. Mutungi  
Chief Principal

Date..... 30/9/2022 .....

XV. Statement of Changes in Net Assets  
For The Year Ended 30 June 2022

| Reserves  | Revenue Reserves   |                      | Capital Reserves     |                    | Revaluation Reserve  |  | Deferred Income |      | Total |
|---|--------------------|----------------------|----------------------|--------------------|----------------------|--|-----------------|------|-------|
|   | Kshs               | Kshs                 | Kshs                 | Kshs               |                      |  | Kshs            | Kshs |       |
| <b>Balance as at 1 July 2020</b>                    | <b>188,947,937</b> | <b>3,367,303,725</b> | <b>-</b>             | <b>115,917,787</b> | <b>3,672,169,449</b> |  |                 |      |       |
| Revaluation   |                    |                      |                      |                    |                      |  |                 |      |       |
| Fair value adjustment on Capital                    | -                  | (98,517,153)         |                      |                    | (98,517,153)         |  |                 |      |       |
| Total Comprehensive income                          | 62,925,297         |                      |                      |                    | 62,925,297           |  |                 |      |       |
| Capital/Development Grants received during the Year |                    | 6,933,334            |                      |                    | 6,933,334            |  |                 |      |       |
| Increase/(Decrease) in Deferred income for the year |                    |                      |                      | (115,917,787)      |                      |  |                 |      |       |
| <b>Balance as at 30 JUNE 2021</b>                   | <b>251,873,234</b> | <b>3,275,719,906</b> | <b>-</b>             | <b>-</b>           | <b>3,527,593,140</b> |  |                 |      |       |
| Prior Year Adjustment                               |                    | (20,000,000)         |                      |                    | (20,000,000)         |  |                 |      |       |
| Balance as at 1 July 2021                           | 251,873,234        | 3,255,719,906        |                      |                    | 3,492,465,173        |  |                 |      |       |
| Revaluation   |                    |                      |                      | 1,249,845,199      | 1,249,845,199        |  |                 |      |       |
| Fair value adjustment on Capital                    | -                  | (19,030,747)         |                      |                    | (19,030,747)         |  |                 |      |       |
| Total Comprehensive income                          | 90,124,993         |                      |                      |                    | 90,124,993           |  |                 |      |       |
| Capital/Development Grants received during the Year |                    | 58,750,389           |                      |                    | 58,750,389           |  |                 |      |       |
| Increase/(Decrease) in Deferred income for the year |                    |                      |                      | 35,127,967         |                      |  |                 |      |       |
| <b>Balance as at 30 JUNE 2022</b>                   | <b>341,998,227</b> | <b>3,260,311,581</b> | <b>1,249,845,199</b> | <b>35,127,967</b>  | <b>4,887,282,973</b> |  |                 |      |       |

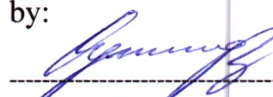
**XVI. Statement of Cash flows  
For The Year Ended 30 June 2022**


|  | Note | Period Ended  | Comparative     |
|--|------|---------------|-----------------|
|  |      | June 30, 2022 | Prior Year 2021 |
|  |      | Ksh           | Ksh             |
| <b>Cash flows from operating activities</b>                    |      |               |                 |
| <b>Receipts</b>  |      |               |                 |
| Transfers from Other Government Entities                       | 6    | 6,929,800     | 176,258,747     |
| Rendering of Services - Fees from Students                     | 7    | 474,460,739   | 203,878,747     |
| Rental revenue from facilities and equipment                   | 8    | 835,000       | 790,204         |
| Other Income   | 9    | 11,220,707    | 1,318,540       |
|  |      | 496,904,962   | 382,246,238     |
| <b>Payments</b>  |      |               |                 |
| Use of Goods & Services  | 10   | 278,562,230   | 191,777,132     |
| Compensation to Employees                                      | 11   | 56,811,535    | 49,449,195      |
| BOG Meetings Expenses  | 12   | 11,272,665    | 9,520,930       |
| Repairs & Maintenance  | 13   | 13,852,946    | 26,234,256      |
| Contracted Services  | 14   | 6,855,913     | 605,960         |
| Bank Charges   | 15   | 1,306,512     | 606,052         |
| Supervision of Projects  | 16   | 4,727,725     | 7,344,001       |
|  |      | 373,389,526   | 285,537,526     |
| <b>Net cash flows from operating activities</b>                |      | 123,515,436   | 96,708,712      |
| <b>Cash flows from investing activities</b>                    |      |               |                 |
| (Purchase) of property, plant, equipment and intangible assets |      | (9,443,500)   | (67,195,490)    |
| Increase in Work in Progress for the Year                      |      | (115,559,263) | (23,147,529)    |
| <b>Net Cash flow From Investing Activities</b>                 |      | (125,002,763) | (90,343,019)    |


|   | Note | Period Ended       | Comparative Period  |
|---|------|--------------------|---------------------|
| <b>Cash flows from financing activities</b>                   |      |                    |                     |
| Grants for Development  | 6    | 58,750,389         | 6,933,334           |
| <b>Net cash flows used in financing activities</b>            |      | <b>58,750,389</b>  | <b>6,933,334</b>    |
| <b>Adjust for Working Capital Changes</b>                     |      |                    |                     |
| (Increase)/Decrease in Inventories                            | 19   | (2,558,273)        | (1,198,312)         |
| Increase/(Decrease) in Payables                               | 21   | (11,483,234)       | 9,723,866           |
| Decrease/(Increase) in Receivables                            | 18   | 10,863,374         | (100,301,739)       |
| Increase/(Decrease) in Depreciation                           | 20b  | (10,785,021)       | (7,504,865)         |
| Increase (Decrease) in Provision for Doubtful Debts           |      |                    | 5,015,087           |
| Increase/(Decrease) in Reserves                               | 22   | 27,199,696         | 29,366,876          |
| <b>Net Movement in Working Capital</b>                        |      | <b>13,236,541</b>  | <b>(64,899,087)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   |      | <b>70,499,603</b>  | <b>(51,600,060)</b> |
| <b>Cash and cash equivalents at the beginning of the Year</b> |      | <b>195,970,570</b> | <b>247,570,630</b>  |
| <b>Cash and cash equivalents at end of the Year</b>           |      | <b>266,470,173</b> | <b>195,970,570</b>  |
| <b>AS PER FINANCIAL STATEMENTS</b>                            |      | <b>266,470,173</b> | <b>195,970,570</b>  |

The notes set out on Pages 6 to 26 form part of these statement

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

  
 Gordon Z. Oyomno  
 Chairman of Board of Governors

  
 Clement Amukhuma  
 Senior Finance Officer  
 ICPAK No. 17593

  
 Glory K. Mutungi  
 Chief Principal

Date... 30/9/2022

Date ... 30/9/22

Date... 30/9/2022

**XVII. Statement of Comparison of Budget and Actual Amounts  
For The Year Ended 30 June 2022**

|   | Original budget<br>2021-2022 | Adjustments<br>2021-2022 | Final budget<br>2021-2022 | Actual on<br>comparable basis<br>2021-2022 | Performance<br>difference<br>2021-2022 | % Change |
|---|------------------------------|--------------------------|---------------------------|--|--|----------|
| <b>REVENUE</b>                                |                              |                          |                           |  |  |          |
| Transfers from National Government Ministries | -                            |                          | -                         | 58,750,389                                 | 58,750,389                             |          |
| Grants from Donors and Development Partners   | -                            |                          | -                         | 4,929,800                                  | 4,929,800                              |          |
| Revenue from Rendering of Services            | 411,040,000                  |                          | 411,040,000               | 474,460,739                                | 63,420,739                             | (15)     |
| Rental Revenue from Facilities & Equipment    | 564,000                      |                          | 564,000                   | 835,000                                    | 271,000                                | (48)     |
| Other Income                                  | -                            |                          | -                         | 11,220,707                                 | 11,220,707                             |          |
| Total revenue                                 | 411,604,000                  | -                        | 411,604,000               | 550,196,635                                | 138,592,635                            |          |
| <b>EXPENSES</b>                               |                              |                          |                           |  |  |          |
| Use of Goods and Services                     | 258,222,571                  | (56,978,720)             | 201,243,851               | 278,562,230                                | (77,318,379)                           | (38)     |
| Employees Costs                               | 50,546,772                   | 2,303,627                | 52,850,399                | 56,811,535                                 | (3,961,136)                            | (7)      |
| BOG Members Expenses                          | 6,850,000                    | 6,150,000                | 13,000,000                | 11,272,665                                 | 1,727,335                              | 13       |
| Repairs and Maintenance                       | 23,337,700                   | (11,837,700)             | 11,500,000                | 13,852,946                                 | (2,352,946)                            | (20)     |
| Contracted Professional Services              | 13,200,697                   | 1,799,303                | 15,000,000                | 6,855,913                                  | 8,144,087                              | 54       |
| Finance Costs                                 |                              |                          |                           | 1,306,512                                  | (1,306,512)                            |          |
| Mentoring Institutions                        |                              |                          |                           | 4,727,725                                  |  |          |
| Total Operational Payments                    | 352,157,740                  |                          |                           | 373,389,526                                |  |          |

1. The increase in the revenue from Facilities and equipment was from the Production Units (KMLTTB Upgrading and Driving School)
2. The increase in the Expenses for Use of Goods and Services was due to Examination Fees which were not factored in the Budget (See Note 10)
3. Compensation of employees increased due to hire of new staff
4. Repair and maintenance costs increased due to change in market rates.

## **XVIII. Notes to the financial statements**

### **1. General information**

Nairobi Technical Training Institute (NTTI) is under the Ministry of Education, State department of Technical and Vocational Training. In line with Technical and Vocational Education Training (TVET) Act of 2013 the institute has continually imparted its trainees with the necessary knowledge and skills for social economic development in business, science and technology.

The mandate of the institution is to train competent Human Resource for social economic development at TVET level. The institute's strategic obligations revolve around promoting Technical Training through access to quality training.

### **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 where applicable. 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 college's accounting policies.

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

The financial statements have been prepared in accordance with the PFM Act No. 18 of 24<sup>th</sup> July 2012, the State Corporations Act, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The Institution adopted IPSAS in the year 2019 following elevation into a SAGA. The accounting policies adopted have been consistently applied to all the years presented.

## Notes to the financial statements (continued)

### 3. Adoption of new and revised standards

#### i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid-19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

#### ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

| Standard                                  | Effective date and impact:   |
|---|--|
| <b>IPSAS 41:</b><br>Financial Instruments | <b>Applicable: 1<sup>st</sup> January 2023:</b><br>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.<br>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• 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.</li> </ul> <p style="color: red;"><b>(Nairobi Technical Training Institute has not dealt in Financial Instruments during the Year under review)</b></p> |
| <b>IPSAS 42:</b><br>Social Benefits       | <b>Applicable: 1<sup>st</sup> January 2023</b><br>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: <ol style="list-style-type: none"> <li>a. The nature of such social benefits provided by the Entity;</li> <li>b. The key features of the operation of those social benefit schemes; and</li> </ol>   |

| Standard  | Effective date and impact:   |
|---|--|
|   | <p>c. The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p> <p><b>(Nairobi Technical Training Institute participated in few activities of Corporate Social Responsibility as outlined in Section vii)</b></p>  |
| <p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p> | <p><b>Applicable: 1st January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ul> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><b>(Nairobi Technical Training Institute has not dealt in Financial Instruments during the Year Under Review.)</b></p> |
| <p>Other improvements to IPSAS</p>  | <p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p> <p><b>This improvement did not affect the operations Nairobi Technical Training institute during the Year under Review.</b></p>                      |
| <p>IPSAS 43</p>   | <p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p>  |

| Standard   | Effective date and impact:   |
|--|--|
|  | <i>Nairobi Technical Training Institute did not have any leases during the Year under Review.</i>  |
| IPSAS 44:<br>Non- Current<br>Assets Held<br>for Sale and<br>Discontinued<br>Operations | <i>Applicable 1<sup>st</sup> January 2025</i><br>The Standard requires,<br>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:<br>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.<br><i>Nairobi Technical Training Institute did not have any current Assets held for sale during the Year under Review.</i> |

### iii. Early adoption of standards

Nairobi Technical Training Institute did not early-adopt any new or amended standards in year 2022.

## 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.

## **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 2021/2022 was approved by the Board of Governors in June 2021

Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The entity's budget is prepared 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 **XVIII** of these financial statements.

**c) Taxes**

**Current income tax**

The entity is exempt from paying taxes as per First schedule **section 10 subsection (a) and (b)** of the **Income Tax Act 270**.

**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) 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.

**e) Intangible assets**

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

**f) Research and development costs**

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

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

- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

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

#### **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

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.

#### **k) Nature and purpose of reserves**

Nairobi Technical Training Institute has not created or maintained any reserves during the year under review.

#### **l) Changes in accounting policies and estimates**

The Nairobi Technical Training Institute does not recognize the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

#### **m) 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 Nairobi Technical Training Institute, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Chief principal and other Members of the Management as well as the Heads of Departments.

#### **n) 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**o) Comparative figures**

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

**p) 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, 2022.

**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.

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.

| <b>6 Revenue from Non-Exchange Transactions</b>             |  |                    |                    |
|---|--|--------------------|--------------------|
| <b>A) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES</b>     |  |                    |                    |
|   |  | <b>2022</b>        | <b>2021</b>        |
|   |  | <b>KSH</b>         | <b>KSH</b>         |
| <b>Unconditional Grants</b>                                 |  |                    |                    |
| NNTI Operational Grant                                      |  |                    |                    |
| Narok Operations  |  | 2,000,000          | 2,000,000          |
| Wajir TVC Operations  |  | -                  | 2,000,000          |
| Kamukunji TVC Operations                                    |  | -                  | 2,055,000          |
| Capitation  |  | 169,627,500        | 170,203,747        |
|   |  | 171,627,500        | 176,258,747        |
| <b>Conditional Grants</b>                                   |  |                    |                    |
| Mathare TVC   |  | 10,000,000         |                    |
| Gilgil Technical & Vocational College                       |  | 26,876,116         | 3,466,667          |
| Oi Kalau Technical & Vocational College                     |  | 21,874,273         | 3,466,667          |
|   |  | <b>58,750,389</b>  | <b>6,933,334</b>   |
| <b>Total Grants and Subsidies</b>                           |  |                    |                    |
| <b>B) GRANTS FROM DONORS AND OTHER DEVELOPMENT PARTNERS</b> |  |                    |                    |
| GIZ Donor Grants  |  | 4,929,800          |                    |
|   |  | 4,929,800          |                    |
| <b>Total Grants and Subsidies</b>                           |  |                    |                    |
|   |  | <b>235,307,689</b> | <b>183,192,081</b> |

## B) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

| Name of the Entity Sending the Grant | Amount Recognized to Statement of Comprehensive Income | Amount Deferred under deferred Income | Amount Recognized in Capital Fund | Total Grant Income During the Year | Prior Year 2020/2021 |
|--------------------------------------|--|---------------------------------------|-----------------------------------|------------------------------------|----------------------|
| State Dept for VT                    | 171,627,500  | 35,127,967                            | 58,750,389                        | 235,307,689                        | 183,192,081          |
|                                      |  |                                       |                                   |                                    |                      |
|                                      |  |                                       |                                   |                                    |                      |
|                                      |  |                                       |                                   |                                    |                      |
|                                      |  |                                       |                                   |                                    |                      |
|                                      |  |                                       |                                   |                                    |                      |

| DESCRIPTION |   | 2022 KSH    | 2021 KSH   |
|-------------|---|-------------|------------|
| 7           | <b>RENDERING OF SERVICES - FEES FROM STUDENTS</b> |             |            |
|             | Tuition Fees                                      | 219,752,599 | 77,489,592 |
|             | Electricity, Water & Conservancy (EWC)            | 24,389,497  | 9,341,439  |
|             | Personal Emoluments (PE)                          | 49,457,484  | 31,583,463 |
|             | Local Transport & Travel (L.T.& T)                | 24,333,361  | 9,096,086  |
|             | Repairs, Maintenance & Improvement (RMI)          | 13,931,619  | 5,478,053  |
|             | Activity Fees                                     | 28,195,124  | 10,438,625 |
|             | Students Registration                             | 3,439,794   | 2,233,000  |
|             | Students Levy                                     | 3,363,824   | 1,743,655  |
|             | Caution Money                                     | -           | 4,466,000  |
|             | Students ID Cards                                 | 1,346,300   | 893,200    |
|             | KUCCPS Registration                               | -           | 7,032,350  |
|             | Application Fees                                  | -           | 2,477,695  |
|             | Development Fund                                  | 37,480,000  | 250,000    |
|             | KNEC Exams  | 61,222,122  | 41,355,589 |
|             | Industrial Attachment                             | 240,000     |            |
|             | Quality Assessment                                | 800,000     |            |
|             | ICT Services                                      | -           |            |
|             | E- Learning Management System                     | 2,000,000   |            |
|             | Program Administration Fees                       | 400,000     |            |
|             | Project Supervision/ Seminar                      | 320,000     |            |
|             | KNEC Practical Materials                          | 3,609,815   |            |
|             | Library   | 179,200     |            |
|             |   |             |            |

| DESCRIPTION |   | 2022<br>KSH        | 2021<br>KSH        |
|-------------|---|--------------------|--------------------|
|             | <b>Total revenue from Rendering of Services</b> | <b>474,460,739</b> | <b>203,878,747</b> |
|             | <b>Adjust for Receivables</b>                   |                    |                    |
|             | <b>Total receivables (From Student Fees)</b>    | <b>143,921,264</b> | <b>154,784,638</b> |
|             | <b>Transfer to Cash flow Statement</b>          | <b>330,539,475</b> | <b>49,094,109</b>  |
| <b>8</b>    | <b>KSH                      KSH</b>             |                    |                    |
|             | Contingent Rentals                              | 118,000            |                    |
|             | Hire of Facility                                | 717,000            | 790,204            |
|             | <b>Total Rentals</b>                            | <b>835,000</b>     | <b>790,204</b>     |
| <b>9</b>    | <b>OTHER INCOME</b>                             |                    |                    |
|             | Graduation Fees                                 | 1,899,500          | 280,130            |
|             | Application Fees                                | 1,438,220          | 820,780            |
|             | Disposal of Assets                              | 88,260             | 79,510             |
|             | Production Units                                | 6,181,357          |                    |
|             | Institute Over heads                            | 1,356,370          |                    |
|             | Insurance Recoveries                            | 80,000             | 138,120            |
|             | Special Exams                                   | 150,200            |                    |
|             | Tenders   | 5,000              |                    |
|             | Library Book Delay Fine                         | 21,800             |                    |
|             | 0   |                    |                    |
|             | <b>Total Other Income</b>                       | <b>11,220,707</b>  | <b>1,318,540</b>   |
| <b>10</b>   | <b>USE OF GOODS AND SERVICES</b>                |                    |                    |
|             | Electricity Expenses                            | 3,282,617          | 2,816,047          |
|             | Water, Fuel And Conservancy                     | 1,670,941          | 1,482,340          |
|             | Servicing & Maintenance of Generator            | 204,624            | 330,914            |
|             | Marketing Services (Advertising and Publicity)  | 3,876,977          | 1,024,564          |
|             | School Equipment & Stores (SES)                 | 32,054,171         | 19,317,327         |

|           |             | DESCRIPTION                             | 2022<br>KSH       | 2021<br>KSH       |
|-----------|-------------|---|-------------------|-------------------|
|           |             | Local, Transport & Travel (L.T.& T)     | 6,043,025         | 4,363,537         |
|           |             | Students Activities                     | 12,073,752        | 3,580,236         |
|           |             | TVET Activities (Innovation & Robotics) | 9,309,319         | 2,288,500         |
|           |             | Stationery Expenses                     | 7,886,224         | 13,703,373        |
|           |             | Staff Development                       | 9,322,061         | 8,757,641         |
|           |             | Performance Contract                    | 9,878,906         | 5,203,253         |
|           |             | Security Services                       | 3,036,000         | 2,854,500         |
|           |             | ISO 9001:2015 Quality Management System | 5,325,662         | 2,026,172         |
|           |             | Graduation                              | 1,842,253         |                   |
|           |             | Students Levy                           | 4,712,552         | 904,900           |
|           |             | Students Id Cards                       | 831,904           | 1,523,590         |
|           |             | KUCCPS                                  | 2,599,500         |                   |
|           |             | Audit Fees                              | 1,000,000         |                   |
|           |             | NTTI (KNEC) Examinations                | 60,583,665        | 41,355,589        |
|           |             | Tuition Expenses related Expenses       | 47,222,108        | 31,486,486        |
|           |             | Newspapers                              | 454,440           | 429,060           |
|           |             | Food Items (Training)                   | 11,485,916        | 7,937,997         |
|           |             | Subsistence Allowances                  | 14,083,427        | 10,451,118        |
|           |             | International Conferences and CAPA      | 1,495,132         | 100,000           |
|           |             | General Cleaning Services               | 2,998,586         | 3,190,475         |
|           |             | ICT Expenses                            | 4,428,543         | 6,538,917         |
|           |             | Library Expenses                        | 1,048,674         | 1,283,940         |
|           |             | Attachment Expenses                     | 2,366,679         | 1,206,826         |
|           |             | Telephone Expenses                      | 646,200           | 580,000           |
|           |             | Administrative Costs                    | 460,285           |                   |
|           |             | Covid - 19 Preparedness Expenses        | 76,000            | 7,551,804         |
|           |             | Student & Motor Insurance               | 3,563,534         | 1,519,294         |
|           |             | GIZ Expenses                            | 2,070,349         |                   |
|           |             | Tender Expenditure                      | -                 | 230,000           |
|           |             | Caution Money Expenses                  | 4,651,000         |                   |
|           |             | Production Units Expense                | 5,977,204         |                   |
|           |             | Provision for doubtful debts            |                   | 7,738,732         |
|           |             |   | 278,562,230       | 191,777,132       |
|           |             | <b>Adjust for Payables</b>              |                   |                   |
|           |             | <b>Total Payables</b>                   | <b>65,288,799</b> | <b>81,519,020</b> |
|           |             | Transfer to Cash flow                   | 213,273,431       | 110,258,112       |
| <b>11</b> | <b>2022</b> | <b>2021</b>                             |                   |                   |

| DESCRIPTION |   | 2022<br>KSH       | 2021<br>KSH       |
|-------------|---|-------------------|-------------------|
|             |   |                   |                   |
|             | Salaries and Wages - BOG-Training Staff | 20,552,845        |                   |
|             | <b>Non- Training Staff</b>              |                   |                   |
|             | Basic Salary                            | 25,051,570        |                   |
|             | House Allowance                         | 7,419,815         |                   |
|             | Employer NSSF                           | 770,265           |                   |
|             | Commuter Allowance                      | 3,017,040         |                   |
|             | Salaries and Wages - Non-Training Staff | 36,258,690        | 49,449,195        |
|             |   |                   |                   |
|             | <b>Total Staff Costs</b>                | <b>56,811,535</b> | <b>49,449,195</b> |
|             |   |                   |                   |
| <b>12</b>   | <b>2022</b>                             | <b>2021</b>       |                   |
|             |   |                   |                   |
|             |   | KSH               | KSH               |
|             | Sitting Allowances                      | 5,976,300         | 7,845,430         |
|             | Transport                               | 856,365           | 366,000           |
|             | Accommodation                           | 4,311,000         | 1,309,500         |
|             | Training Expenses                       | 129,000           |                   |
|             |   |                   |                   |
|             | <b>Total Staff Costs</b>                | <b>11,272,665</b> | <b>9,520,930</b>  |
|             |   |                   |                   |
| <b>13</b>   | <b>REPAIRS AND MAINTENANCE</b>          |                   |                   |
|             | Maintenance of Buildings                | 10,246,582        | 14,696,705        |
|             | Equipment and Machinery                 | 1,952,079         | 11,021,013        |
|             | Maintenance of Water Supplies           | 1,654,285         | 516,538           |
|             |   |                   |                   |
|             | <b>Total Repairs and Maintenance</b>    | <b>13,852,946</b> | <b>26,234,256</b> |
|             |   |                   |                   |
| <b>14</b>   | <b>CONTRACTED SERVICES</b>              |                   |                   |
|             | Valuations and Other Services           | 6,855,913         | 605,960           |
|             |   |                   |                   |
| <b>15</b>   | <b>FINANCE COSTS</b>                    | <b>2022</b>       | <b>2021</b>       |
|             |   | KSH               | KSH               |
|             | Bank Charges (Current Accounts)         | 1,306,512         | 606,052           |
|             |   |                   |                   |

| DESCRIPTION |   | 2022<br>KSH | 2021<br>KSH |
|-------------|---|-------------|-------------|
| <b>16</b>   | <b>Mentoring Institutions &amp; Projects</b>    |             |             |
| <b>a</b>    | <b>Construction</b>                             |             |             |
|             | Ol Kalau TVC                                    | 46,472,269  | 12,147,529  |
|             | Gilgil TVC                                      | 57,497,542  | 11,000,000  |
|             |   | 103,969,811 | 23,147,529  |
| <b>b</b>    | <b>Supervision of Projects</b>                  |             |             |
|             | Narok TVC                                       |             | 360,000     |
|             | Olkalau TVC                                     |             | 1,036,900   |
|             | Gilgil TVC                                      | 220,000     | 561,000     |
|             | Monitoring & Evaluation (NTTI Projects)         | 1,868,000   | 1,132,204   |
|             |   | 2,088,000   | 3,090,104   |
| <b>c</b>    | <b>Operations</b>                               |             |             |
|             | Kamukunji TVC                                   | 360,725     | 1,550,000   |
|             | Wajir TVC                                       |             | 2,380,024   |
|             | Narok TVC                                       | 2,279,000   | 323,873     |
|             |   | 2,639,725   | 4,253,897   |
|             | <b>Total Supervision</b>                        | 4,727,725   | 7,344,001   |
|             | <b>Total Mentoring of Projects</b>              | 108,697,536 | 30,491,530  |
|             |   | <b>2022</b> | <b>2021</b> |
| <b>17</b>   | <b>CASH AND CASH EQUIVALENTS</b>                | <b>KSH</b>  | <b>KSH</b>  |
|             | Current Account                                 | 252,921,884 | 168,597,730 |
|             | Savings Accounts                                | 13,548,289  | 21,809,160  |
|             | Others (Specify)                                | -           | 5,563,681   |
|             | <b>Total Cash and Cash Equivalents</b>          | 266,470,173 | 195,970,571 |
|             |   | <b>2022</b> | <b>2021</b> |
| <b>17</b>   | <b>(a) Current Account</b>                      |             |             |
|             | Kenya Commercial Bank - : 1107678412            | 111,715,250 | 57,655,542  |
|             | National Bank - Main Account I : 01003002837301 | 99,004,466  | 89,310,378  |

| DESCRIPTION    |  | 2022<br>KSH        | 2021<br>KSH        |
|----------------|--|--------------------|--------------------|
|                | - Fund Account II :  | 1,909,858          | 2,469,748          |
| 01003002837300 |  |                    |                    |
|                | Equity Bank Limited : 0910263423332                                | 1,245,923          | 865,934            |
|                | Cooperative Bank of Kenya Limited : 01129070020700                 | 1,061,139          | 16,224,585         |
|                | Olkalau Techn. & Voc. College : 1260303470                         | 15,819,939         | 400                |
|                | Narok Tech, Voac. College : 1260306356                             | 1,754,797          | 1,176,127          |
|                | Gilgil Tech. & Voc. College : 1260304280                           | 7,555,281          | 895,016            |
|                | Mathare TVC : 01293460311  | 9,997,950          |                    |
|                | NNTI GIZ Development : 01293460680                                 | 2,857,281          |                    |
|                | <b>Sub-Total</b>   | <b>252,921,884</b> | <b>168,597,730</b> |
|                | <b>(b) Savings Accounts</b>  |                    |                    |
|                | National Bank - Income Generating :<br>01241003414500              | 6,149,927          | 5,461,300          |
|                | - NTTI AC Fund :<br>01241003414700                                 | 619,497            | 4,778,606          |
|                | - Caution Money A/C :<br>01242003387600                            | 5,275,473          | 9,254,823          |
|                | - NTTI Exams AC :<br>01241003414800                                | 1,503,392          | 2,314,431          |
|                | <b>Sub - Total</b>   | <b>13,548,289</b>  | <b>21,809,160</b>  |
|                | M-pesa   |                    | <b>5,563,681</b>   |
|                | <b>Sub - total</b>   | -                  | <b>5,563,681</b>   |
|                |  |                    |                    |
|                | <b>Grand Total</b>   | <b>266,470,173</b> | <b>195,970,571</b> |
|                |  |                    |                    |
|                |  |                    |                    |
| <b>18</b>      | <b>RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>                      |                    |                    |
|                | <b>Current Receivables</b>   |                    |                    |
|                | Student Debtors  |                    | 154,774,638        |
|                | Staff Advance (Ephrahim Wesonga)                                   | 143,921,264        | 10,000             |
|                | Consultant Debtors   |                    |                    |
|                | Other Exchange Debtors   |                    |                    |
|                | Wajir TVC  |                    |                    |
|                | <b>Total</b>   | <b>143,921,264</b> | <b>154,784,638</b> |
|                |  |                    |                    |
| <b>19</b>      | <b>INVENTORIES</b>   |                    |                    |
|                | Consumable Stores  | 4,513,146          | 1,954,873          |
|                | <b>Total Inventories at Lower of Cost and net realizable Value</b> | <b>4,513,146</b>   | <b>1,954,873</b>   |

| DESCRIPTION |   | 2022<br>KSH          | 2021<br>KSH          |
|-------------|---|----------------------|----------------------|
| <b>20</b>   | <b>(a) Property Plant and Equipment (As per schedule)</b> |                      |                      |
|             | Land  | 4,000,000,000        | 2,600,000,000        |
|             | Buildings   | 328,971,398          | 452,640,061          |
|             | Plant Machinery & Equipment                               | 51,198,093           | 144,430,688          |
|             | Motor Vehicles  | 22,740,000           | 11,250,897           |
|             | Computers   | 14,732,681           | 6,587,313            |
|             | Furniture   | 18,530,121           | 6,094,323            |
|             | Intangible Assets   | 11,786,760           | 0                    |
|             | Work in Progress  | 138,706,792          | 23,147,529           |
|             |   | <b>4,586,665,845</b> | <b>3,244,150,811</b> |
|             | <b>(b) Depreciation and Amortization</b>                  |                      |                      |
|             | Buildings   | 6,713,702            | 9,258,266            |
|             | Property, plant and equipment                             | 5,688,677            | 21,893,325           |
|             | Motor Vehicles  | 7,580,000            | 6,309,844            |
|             | Computers   | 6,314,006            | 2,832,270            |
|             | Furniture   | 2,058,902            | 229,634              |
|             | Intangible Assets   | 1,576,440            | 193,410              |
|             |   | <b>29,931,728</b>    | <b>40,716,749</b>    |
|             | <b>© Work in Progress</b>                                 |                      |                      |
|             | Olkalau TVC   | 46,472,269           |                      |
|             | Gilgil TVC  | 57,497,542           |                      |
|             | Hospitality Block Phase I                                 | 29,134,071           |                      |
|             | Gate House & Boundary Wall                                | 5,603,280            |                      |
|             |   | <b>138,707,162</b>   |                      |
|             | <b>(d) Retentions</b>                                     |                      |                      |
|             | Gilgil Tvc  | 4,532,474            |                      |
|             | Ol Kalau Tvc  | 5,864,480            |                      |
|             | Hospitality Block Phase 1                                 | 2,913,407            |                      |
|             | Gatehouse & Boundary Wall                                 | 560,328              |                      |
|             |   | <b>13,870,689</b>    |                      |

|           | DESCRIPTION  | 2022<br>KSH        | 2021<br>KSH        |
|-----------|--|--------------------|--------------------|
|           | <b>(e) Deferred Income</b>                                 |                    |                    |
|           | Gilgil Tvc   | 7,555,281          |                    |
|           | Oi Kalau Tvc   | 15,819,939         |                    |
|           | Mathare TVC  | 9,997,950          |                    |
|           | Narok Tvc Operations                                       | 1,754,797          |                    |
|           |  | 35,127,967         |                    |
|           |  |                    |                    |
| <b>21</b> | <b>TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS</b> |                    |                    |
|           |  |                    |                    |
|           | <b>Non Cash Items</b>                                      |                    |                    |
|           | Trade Payables   | 3,035,536          |                    |
|           | Health & Appl. Sc./Admin. Complex Retention                |                    | 7,378,258          |
|           | Olkalau TVC Retention                                      |                    | 3,383,347          |
|           | Gilgil TVC Retention                                       |                    | 3,257,165          |
|           | Provision for Audit Fees                                   | 500,000            | 1,000,000          |
|           |  | 3,535,536          | 15,018,770         |
|           |  |                    |                    |
|           | <b>Cash Items</b>  |                    |                    |
|           | Fees Paid in Advance                                       | 55,199,662         | 66,500,250         |
|           | Bursary  | 644,230            |                    |
|           | Higher Education Loans Board                               | 314,371            |                    |
|           | Caution Money Deposits                                     | 5,595,000          |                    |
|           |  | 61,753,263         | 66,500,250         |
|           |  |                    |                    |
|           | <b>Total Trade and Other Payables</b>                      | <b>65,288,799</b>  | <b>81,519,020</b>  |
|           |  |                    |                    |
| <b>22</b> | <b>Revenue Reserves</b>                                    |                    |                    |
|           | Reserves brought forward                                   | 251,873,234        | 188,947,937        |
|           | (Deficit) /Surplus for the Year                            | 90,124,993         | 62,925,297         |
|           | <b>Reserves carried forward</b>                            | <b>341,998,227</b> | <b>251,873,234</b> |
|           |  |                    |                    |
|           |  |                    |                    |
| <b>23</b> | <b>Accumulated Reserves</b>                                |                    |                    |
|           | Reserves brought forward                                   | 3,255,719,906      | 3,347,303,725      |
|           | Conditional Grants Received                                | 58,750,389         | 6,933,334          |

| DESCRIPTION |                                 | 2022<br>KSH          | 2021<br>KSH          |
|-------------|---------------------------------|----------------------|----------------------|
|             | Transfers during the Year       | (19,030,747)         | -98,517,153          |
|             | <b>Reserves Carried forward</b> | <b>3,295,439,548</b> | <b>3,255,719,906</b> |
|             |                                 |                      |                      |
| <b>24</b>   | Revaluation Reserve             |                      |                      |
|             | PPE (Schedule)                  |                      | 1,249,845,199        |

**Appendix i: 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)                         |
|---|--|---|--|-----------------------------------|--|
| <b>Report on the Financial Statements</b>                     |  |   |  |                                   |  |
| 1   | Inaccuracies in the Financial Statements | The difference in the statement of Changes in Net Assets and Capital Reserves was a typing error which has now been corrected.                  | Senior Finance Officer   | Resolved                          | Has already been resolved  |
| 2   | Unvalued Property, Plant and Equipment   | All the property has now been valued by a professional valuer. The report is available for audit review.  | Chief Principal  | Resolved                          | The new values have been incorporated in the Financial Statements for the Year 2021/2022 |
|   | Budgetary control and Performance        | The deficit in the budget was occasioned by shut-down of operations due to the Covid-19 Pandemic which resulted in a decline in student intake. | Chief Principal  | Resolved                          | The issue has been appropriately addressed in the accounts for the year under review.    |
| <b>Report on Lawfulness and Effective use of Public Funds</b> |  |   |  |                                   |  |

| 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)               |
|---|---|--|--|---|--|
|   | Lack of approved budget and procurement plan                  | The Approved Budgets for the Financial Years 2020/2021 and 2021/2022 are available and effectively put in use.   | Chief Principal  | Resolved  | The budgets are available and utilized appropriately                           |
| <b>Report on effectiveness of internal controls, risk management and governance</b> |   |  |  |   |  |
| 1   | Weak Information technology environment                       | <p>The ultimate server environment is hosted at the NTTI Premises.</p> <p>The Management in conjunction with the Board of Governors will address issue of the server room using the available resources. There is plan to construct more rooms in the next financial year which will create sufficient space for the server room.</p> <p>The Institute has had genuine antivirus to protect the data and the networks.</p> | Chief Principal  | The issue of the ultimate server environment and antivirus has been resolved. | As soon as funds are available the institute shall build a secure server room. |
| 2   | Establishment and Functioning of the Internal Audit Function. | <p>The board of Governors shall build the capacity of the Internal Audit Department according to the Human resource policy.</p> <p>Currently we have one internal auditor in the department</p> <p>The Institute is conducting capacity gap analysis with a view of filling critical/vacant positions in the staff establishment and internal audit staff will be addressed in 2021/2022 financial year</p>                | Chief Principal  | The resolution of the issue in underway.                                      | Expected to be completed in the Financial Year 2022/2023                       |

| 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) |
|--|-----------------------------------|---|--|--|--|
| 3  | Lack of Board Charter             | The Institute in working in collaboration with State Corporation Advisory Commission-SCAC through the Ministry of Education in developing a Board Charter. The charter will be ready by 30 <sup>th</sup> June, 2023 | Chief Principal  | The resolution of the issue in underway. | Expected to be completed in the Financial Year 2022/2023         |
| 4  | Lack of Risk Management Policy    | Plans are in place to develop a Risk Management Policy.   | Chief Principal  | The resolution of the Issue is underway  | Expected to be completed in the Financial Year 2022/2023         |

**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.

  
**GLORY K. MUTUNGI (MRS)**  
**CHIEF PRINCIPAL/SECRETARY BOG**

Date..... 30/9/2022.....

## Appendix ii: Projects Implemented by Nairobi Technical Training Institute

### Projects Implemented

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 |
|----|------------------------------|----------------|---------|-----------------|------------------|---|--|
| 1. | CONSTRUCTION OF GILGIL TVC   |                | GOK     | 52              |                  | No  | YES  |
| 2. | CONSTRUCTION OF OLKALOU TVC  |                | GOK     | 52              |                  | No  | YES  |
| 3. | BOUNDARY WALL                |                | GOK/BOG | 52              |                  | No  | YES  |
| 4. | HOSPITALITY COMPLEX PHASE I  |                | GOK/BOG | 52              |                  | No  | YES  |
| 5. | HOSPITALITY COMPLEX PHASE II |                | GOK/BOG | 52              |                  | No  | YES  |

### Status of Projects completion

|   |                              | Total project Cost | Budget        | Total expended to date | Completion % to date | Variance       | Sources of funds |
|---|------------------------------|--------------------|---------------|------------------------|----------------------|----------------|------------------|
| 1 | OL KALAU TVC                 | 52,340,940.00      | 45,324,740.00 | 52,340,940.00          | 86.50%               | 7,016,200.00   | GOK              |
| 2 | GILGIL TVC                   | 60,342,783.00      | 58,644,801.00 | 60,342,783.00          | 100%                 | 1,697,982.00   | GOK              |
| 3 | BOUNDARY WALL                | 20,602,185.00      | 5,603,280.00  | 20,602,185.00          | 26%                  | -              | BOG              |
| 4 | HOSPITALITY COMPLEX PHASE I  | 118,209,584.00     | 29,134,071.00 | 60,806,573.00          | 21%                  | 57,403,011.00  | BOG              |
| 5 | HOSPITALITY COMPLEX PHASE II | 216,451,126.00     | 0.00          | 0.00                   | -                    | 216,451,126.00 | GOK              |

The surplus for the Financial year 2021/2022 shall be used to fund Development Projects in the absence of GoK grants.

### Appendix iii: Inter-Entity Transfers

| Break down of Transfers from the State Department of Vocational Training |                      |                            |                     |  |
|--|----------------------|----------------------------|---------------------|--|
| FY 21/22   |                      |                            |                     |  |
| a  | Recurrent Grants     | <u>Bank Statement Date</u> | <u>Amount(Kshs)</u> | <u>Indicate the FY to which the amounts relate</u> |
|  | Capitation Grants    | 19.11.2021                 | 55,710,000.00       | 2021/2022  |
|  | Capitation Grants    | 08.03.2022                 | 55,710,000.00       | 2021/2022  |
|  | Capitation Grants    | 08.06.2022                 | 58,207,500.00       | 2021/2022  |
|  | Narok TVC Operations | 30.11.2021                 | 500,000.00          | 2021/2022  |
|  | Narok TVC Operations | 30.11.2021                 | 500,000.00          | 2021/2022  |
|  | Narok TVC Operations | 03.07.2022                 | 500,000.00          | 2021/2022  |
|  | Narok TVC Operations | 03.07.2022                 | 500,000.00          | 2021/2022  |
| b  | Development Grants   | <u>Bank Statement Date</u> | <u>Amount(Kshs)</u> | <u>Indicate the FY to which the amounts relate</u> |
|  | Mathare TVC          | 25.10.2021                 | 10,000,000.00       | 2021/2022  |
|  | Olkalau TVC          | 18.10.2021                 | 6,341,296.00        | 2021/2022  |
|  | Gilgil TVC           | 18.10.2021                 | 5,121,816.00        | 2021/2022  |
|  | Gilgil TVC           | 28.04.2022                 | 21,754,300.00       | 2021/2022  |
|  | Olkalau TVC          | 28.04.2022                 | 15,532,977.00       | 2021/2022  |

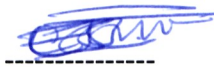
The above amounts have been communicated to and reconciled with the parent Ministry

*CPA CLEMENT AMUKHTUMA*

Finance Officer

Nairobi Technical Training Institute

Sign



Head of Accounting Unit

State Department for Technical  
And Vocational Training.

Ministry of Education

Sign-----

Appendix Iv: Recording of Transfers from Other Government Entities

| <b>B) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES</b> |  |                                       |                                   |                                    |                      |
|---|--|---------------------------------------|-----------------------------------|------------------------------------|----------------------|
| Name of the Entity Sending the Grant                          | Amount Recognized to Statement of Comprehensive Income | Amount Deferred under deferred Income | Amount Recognized in Capital Fund | Total Grant Income During the Year | Prior Year 2020/2021 |
| State Dept for VT   | 171,627,500  | 35,127,967                            | 58,750,389                        | 235,307,689                        | 183,192,081          |
|   |  |                                       |                                   |                                    |                      |
|   |  |                                       |                                   |                                    |                      |
|   |  |                                       |                                   |                                    |                      |
|   |  |                                       |                                   |                                    |                      |
|   |  |                                       |                                   |                                    |                      |
|   |  |                                       |                                   |                                    |                      |

## Appendix V: Fixed Assets Schedule

| Property, Plant and Equipment                 | Land          |  | Buildings   |       | Plant, Machinery and Equipment |        | Motor Vehicles |     | Computers  |     | Furniture  |     | Intangible Assets |        | Work In Progress |  | Total         |  |  |
|---|---------------|--|-------------|-------|--------------------------------|--------|----------------|-----|------------|-----|------------|-----|-------------------|--------|------------------|--|---------------|--|--|
|   | Ksh           |  | Ksh         |       | Ksh                            |        | Ksh            |     | Ksh        |     | Ksh        |     | Ksh               |        | Ksh              |  | Ksh           |  |  |
| <b>COST</b>                                   |               |  |             |       |                                |        |                |     |            |     |            |     |                   |        |                  |  |               |  |  |
| Cost as at 1st July 2021                      | 2,600,000,000 |  | 452,640,061 | 2.00% | 144,430,688                    | 10.00% | 11,250,897     | 25% | 6,587,313  | 30% | 6,094,323  | 10% | 0                 | 10.00% | 23,147,529       |  | 3,244,150,811 |  |  |
| Eliminate Accumulated Depreciations Additions |               |  |             |       |                                |        |                |     |            |     |            |     |                   |        |                  |  |               |  |  |
| <b>in the Year</b>                            |               |  |             |       |                                |        |                |     |            |     |            |     |                   |        |                  |  |               |  |  |
| Valuations in the Year                        | 1,400,000,000 |  | 5,685,100   |       | (87,543,918)                   |        | 19,069,103     |     | 14,459,375 |     | 14,494,700 |     | 12,006,000        |        | 115,559,263      |  | 1,249,845,199 |  |  |
| Disposals in the Year                         |               |  |             |       |                                |        |                |     |            |     |            |     |                   |        |                  |  |               |  |  |
| Gain(Loss)on Disposal                         |               |  |             |       |                                |        |                |     |            |     |            |     |                   |        |                  |  |               |  |  |
| Cost as at 30 June 2022                       | 4,000,000,000 |  | 335,685,100 |       | 56,886,770                     |        | 30,320,000     |     | 21,046,687 |     | 20,589,024 |     | 15,764,400        |        | 138,706,792      |  | 4,618,998,773 |  |  |
| <b>Depreciation As at 1st July 2021</b>       |               |  |             |       |                                |        |                |     |            |     |            |     |                   |        |                  |  |               |  |  |
| Charge for the year                           |               |  | 6,713,702   |       | 5,688,677                      |        | 7,580,000      |     | 6,314,006  |     | 2,058,902  |     | 1,576,440         |        |                  |  | 29,931,728    |  |  |
| <b>Disposal During the Year</b>               |               |  |             |       |                                |        |                |     |            |     |            |     |                   |        |                  |  |               |  |  |
| Depreciation as at 30 June 2022               |               |  | 6,713,702   |       | 5,688,677                      |        | 7,580,000      |     | 6,314,006  |     | 2,058,902  |     | 3,977,640         |        |                  |  | 32,332,928    |  |  |
| <b>Net Book Value as at 30th June 2022</b>    | 4,000,000,000 |  | 328,971,398 |       | 51,198,093                     |        | 22,740,000     |     | 14,732,681 |     | 18,530,121 |     | 11,786,760        |        | 138,706,792      |  | 4,586,665,845 |  |  |
| <b>Cost as at 30 June 2021</b>                | 4,000,000,000 |  | 335,685,100 |       | 56,886,770                     |        | 30,320,000     |     | 21,046,687 |     | 20,589,024 |     | 15,764,400        |        | 138,706,792      |  | 4,618,998,773 |  |  |

## Appendix VI: Work in Progress

|                                   | Oi Kalau TVC | Gilgil TVC | Hospitality Phase 1 | GateHouse & Boundary Wall | Total       |
|-----------------------------------|--------------|------------|---------------------|---------------------------|-------------|
| Work in Progress as at 01.07.2021 | 12,147,529   | 11,000,000 |                     |                           | 23,147,529  |
| Additions during the year         | 34,324,740   | 46,497,542 | 29,134,071          | 5,603,280                 | 115,559,633 |
| Work in Progress as at 30.06.2022 | 46,472,269   | 57,497,542 | 29,134,071          | 5,603,280                 | 138,707,162 |

## Appendix VII: Retentions

| Retentions                  | Oi Kalau TVC | Gilgil TVC | Hospitality Phase 1 | Gatehouse & Boundary Wall | Total      |
|-----------------------------|--------------|------------|---------------------|---------------------------|------------|
| Balance as at 1st July 2021 |              |            |                     |                           | -          |
| Additions for the year      | 4,532,474    | 5,864,480  | 2,913,407           | 560,328                   | 13,870,689 |
| Vat (16%)                   |              |            |                     |                           | -          |
| Withholding Tax (3%)        |              |            |                     |                           | -          |
| Net To Contractor           |              |            |                     |                           | -          |
| Payments during the year    |              | -          | -                   |                           | -          |
| Balance as at 30.06.2022    | 4,532,474    | 5,864,480  | 2,913,407           | 560,328                   | 13,310,361 |

## Appendix VIII: Deferred Income

| Deferred Income                   | Oi Kalau TVC | Gilgil TVC | Mathare TVC | Narok TVC Operations | GIZ Project | Total      |
|-----------------------------------|--------------|------------|-------------|----------------------|-------------|------------|
| Balance as at 1st July 2021       |              |            |             |                      |             | -          |
| Additional Income in the Year     | 15,819,939   | 7,555,281  | 9,997,950   | 1,754,797            | 2,857,281   | 35,127,967 |
| A                                 | 15,819,939   | 7,555,281  | 9,997,950   | 1,754,797            | 2,857,281   | 35,127,967 |
| Disbursements in the Year         |              |            |             |                      |             | -          |
| B                                 | -            | -          | -           | -                    | -           | -          |
| Balance as at 30th June 2022(A-B) | 15,819,939   | 7,555,281  | 9,997,950   | 1,754,797            | 2,857,281   | 35,127,967 |