

REPORT	
THE NATIONAL ASSEMBLY	
DATE: 29 MAR 2022	WOD (pm)
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THE AUDITOR-GENERAL

ON

WOTE TECHNICAL TRAINING INSTITUTE

**FOR THE YEAR ENDED
30 JUNE, 2020**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.
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WOTE TECHNICAL TRAINING INSTITUTE

AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE, 2020

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

WOTE TECHNICAL TRAINING INSTITUTE
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II. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

Wote Technical Training Institute is situated within Makueni Township. The Institute occupies a 14-acre piece of land and is in a predominantly semi-arid region. The Institution was established as a as a skills training centre by Volunteer Service Overseas (VSO) in 1990. The institution later changed from a Skills Training Centre to Wote Technical Training Institute and registered as a TVET institution by TVETA under the TVET Act on 2013. The institute is under the Ministry of Education.

Wote TTI has a strategic plan from 2018 to 2023 and the aims, goals and objectives are in line with those of the Ministry of Education. The Institute has six (6) academic departments, namely Electrical Electronics, Building and Civil Engineering, Business and Accounting department, Liberal and community development, Hospitality & Tourism management and Information and communication Technology department. The Institute offers a variety of courses to K.C.P.E and K.C.S.E graduates at Artisan, Craft, and Diploma levels. The courses offered are examined by KNEC, KASNEB, NITA, CDACC and Wote TTI. Currently, the Institute has 48 trainers and a student population of 1014 students, who are either boarders or commuters.

The Institution is run on day-to-day basis by a Principal who is appointed by the CS, Ministry of Education under the State department Vocational and Technical Training. The Institute is managed by a Board of Governors (BOG), appointed by the Cabinet Secretary, Ministry of Education as stipulated by the TVET Act (January, 2013). Responsibilities of the Board of Governors include recruitment of support staff, overseeing financial management, upholding of staff and student discipline, maintenance of infrastructure & other assets, and sourcing for finances.

(b) Principal Activities

The principal activity/mission of Wote TTI is to train highly skilled workforce that is responsive to national and global competitiveness, implementing training in TVET programs, carrying out research programs, and innovation into products and services

Our vision is to be Technical Centre of excellence in business and Technology for all sectors of the economy. Our mission is to provide quality training for the production of self driven craftsmen, business and technical labour for the local and international market.

The core functions of Wote TTI include providing directly, or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional, scientific education; conduct examinations for and grant such academic awards as provided under the polytechnic order.

Fundamental Statements

Vision

“To become a technical training centre of excellence in business and technology for all sectors of the economy”

Mission

“To provide quality training, for the production of self-driven craftsmen, business and technical labour for the local and international market”

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Core values

- (1). Accountability
- (2). Honesty and Integrity
- (3). Equity
- (4). Partnerships
- (5). Quality
- (6). Health and Safety
- (7). Gender Sensitivity

Institute Motto

- Excellence in Science, Innovation & Technology.

Objectives of the Institute

- (1). Upgrade on infrastructure, Facilities, and Environment.
- (2). Acquire and use modern ICT.
- (3). Promote linkages with other Institutions.
- (4). Promote Research and Development.
- (5). Improve Marketing of the Institute.
- (6). Create conducive working environment.
- (7). Strengthen the Financial Position of the Institute

(c) Key Management

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

- The Principal
- Deputy Principal Planning, Administration & Finance
- Deputy Principal Academic Affairs
- Registrar
- Deans of Students
- Finance Officer
- Heads of Departments

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mr. Felix K. Mung'atu
2.	Finance Officer	Ms Janet Nzilani Maweu
3.	Deputy Principal Planning, Administration & Finance	Mr. Eric Muendo Kilonzo
4.	Deputy Principal- Academic Affairs	Ms Justine Kanini Muindu
5.	Registrar	Mr. Paul Munyoro Githaiga

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6.	Dean of students	Mr. Abednego Kimanthi Mulu
7.	PC Coordinator	Ms Jessy Ngina Kitusa
8.	H.O.D s Representative	Mr. Joseph Mutuku Ngemu
9.	Management Representative	Mr. Waruingi Kamau

(e) Fiduciary Oversight Arrangements

1. Budget and Procurement Committee of the BOG

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

Terms of Reference

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

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

2. Academic Committee Activities

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

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

3. Senior Management Committee Activities

The main purpose of the Senior Management Team is to:

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

Specifically the Senior Management Team:

- 1) Makes recommendations to the board on the implementation and achievement of the Board of Governors' Strategic Framework;
- 2) Agrees to WOTE TTI's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- 3) In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- 4) Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of WOTE TTI, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- 5) Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organisation and regularly reviewing the corporate risk register;
- 6) Oversees and monitors WOTE TTI's joint work with the other stakeholders
- 7) Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Board of Governors and/or its relevant Committees.
- 8) Leads all senior managers in motivating and developing WOTE TTI staff to deliver the highest standards of performance and customer service.

4. Audit Committee Activities

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a. Governance Initiatives:

Review and provide oversight on governance initiatives established by the BOG and maintained by the organization.

b. Risk Management:

Review and provide oversight on the establishment, implementation, maintenance, and effectiveness of risk assessment, risk management, and risk reporting practices.

c. Internal Control Framework:

Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk, and control assurance providers.

d. Audit Activity:

Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments.

e. Follow Up On Management Action Plans:

The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.

f. Financial Statements And Public Accountability Reporting:

The audit committee shall review and provide advice to the BOG on the key financial management and performance reports and disclosures issued to the public.

• Government Oversight Activities

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

The audit of the Instructional activities is undertaken by the Office of the Auditor General.

(f) Entity Headquarters

Wote Technical Training Institute
P.O Box 377 – 90300
Wote Town
Makueni County

(g) Entity Contacts

Mobile Phone Numbers:

- +254787294782
- +254728658649

E-mails: wotettimakueni@gmail.com,

Website: www.wotetti.ac.ke

(h) Entity Bankers

<p>1. KCB Bank Kenya Limited, P. O. Box 269-90300 Wote –Branch Account No : 1105324559</p>	<p>2. Barclays Bank of Kenya Limited P. O. Box 424-90300 Wote –Branch Account No's - 2021583580 - 2021593047 - 2023522355 -20399048429/1</p>
<p>3. Equity Bank Limited P. O. Box 450 - 90300 Wote –Branch Account No : 0670278348688</p>	

(i) Independent Auditors

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

(j) Principal Legal Adviser





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

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III. THE BOARD OF GOVERNORS

Governor	Title	Photograph	Date of Birth, Key Qualifications and Work Experience	
			Responsibility	Date of Birth & Qualifications, Experience
1. Mr. Lwanga Mutiso	Chairman		Overall Management of the Board Activities.	<p>Date of Birth -21/03/1970</p> <p>Key Qualifications Holds a Bachelor of Arts (Social Work)-South Eastern Kenya University and a Diploma in Banking by Kenya Institute of Bankers</p> <p>Work experience- 19 years Bank Manager ,11 years ,Personal Banker ,6 years, Bank Clerical Officer ,2 years</p>
2. Felix K. Mung'atu	Principal/Secretary B.O.G		In Charge of the overall management of the Institute	<p>Date of Birth – 21/6/1968</p> <p>Qualifications Holds Masters .Phil (Educational Technology), B. ED (Tech)-Automotive Engineering.</p> <p>Work experience -25 years Principal in a National TTI 3years, Trainer 6 years ,Registrar/Dean at KTTC 5years, Deputy in High School 5 years</p>
3. Dr. John Amenyah	Member		Member of the Education Committee	<p>Date of Birth -1959</p> <p>Key Qualifications Holds a Bachelor of Pharmacy , University of Nairobi.</p> <p>Work experience -33 Years 1992-Date –Pharmacist 1986-1992-District Pharmacist ,Machakos Hospital</p>
4. Mary Nzube	Member		Member of the Risk and Audit Committee	<p>Date of Birth – 20/5/1983</p> <p>Key Qualifications Holds MBA (Procurement and Supply Chain Management), University of Nairobi</p> <p>Work experience – 8 Years Claims/Care Manager in the Insurance Industry 6 years, Self-employed in Insurance Industry 2 Years</p>
5. Antony Kivuva	Member		Member of the Education Committee	<p>Date of Birth – 23/3/1981</p> <p>Key Qualifications Masters of Education-Educational Administration and Management ,Bachelor of Education (Home Science and Technology)</p> <p>Work experience - 13 Years 2013-2019 Assistant Director Vocational Training , 2009-2013 ,District Training Officer 2007-2009, Instructor ,Ministry of</p>

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Governor	Title	Photograph	Date of Birth, Key Qualifications and Work Experience	
			Responsibility	Date of Birth & Qualifications, Experience
				Youth Affairs
6. Mary Kiptoo	Member		Member of the Risk and Audit Committee	<p>Date of Birth – 11/08/1967</p> <p>Key Qualifications Diploma in Law ,Kenya School of Law ,LLB(Hons),University of Nairobi</p> <p>Work experience Director- Kenya Albino Child Support Programme(KACSU),Resident Magistrate</p>
7. Kennedy Mwendwa	Member		Member of the Finance and General Purposes Committee	<p>Date of Birth – 28/4/1984</p> <p>Key Qualifications Master Of Arts ,Construction Management , University of Nairobi ,Degree in M.A</p> <p>Work experience -10 years 2015-2019 Technical Advisor /Quantity Surveyor 2016-2017 Trainer ,National Construction Authority 2011-2017 Graduate Assistant, University of Nairobi.</p>
8. Isaac Nduvi	Member		Member of the Finance and General Purposes Committee	<p>Date of Birth – 21/3/1970</p> <p>Key Qualifications -22 years M.A in Economic Policy Management , University of Nairobi,B.Com(Accounting)-Hons,Kenyatta University</p> <p>Work experience -19 years 2008-Date-Head ,Risk Management &Compliance 2004-2006,Credit bank LTD ,Operations Officer ,Equity Bank, 2002-2004Assistant Accountant ,Bible Society ofKenya</p>
9. Mary Akoth	Member		Member of the Finance and General Purposes Committee	<p>Date of Birth – 21/6/1968</p> <p>Qualifications- H. Dip Eng (Private Business)</p> <p>Work experience -17 years 2012-2019 Currently self-employed in Electrical Workshop .Nairobi, Manager ,Pilot Electricals 2006-2011 Engineer ,at Power Protection ,Ltd ,Nairobi ,2003-2005</p>

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V. MANAGEMENT TEAM

Manager	Title	Photograph	Qualifications & Responsibility	
			Responsibility	Date of Birth & Qualifications
1. Felix K. Mung'atu	Principal /Secretary B.O.G		Overall in Charge of Institute Affairs	<u>Date of Birth</u> – 21/6/1968 <u>Qualifications</u> Holds Masters .Phil (Educational Technology) ,B. ED (Tech)-Automotive Engineering <u>Work experience-25 years</u> Principal in a National TTI 3years,Trainer 6 years ,Registrar/Dean at KTTC 5years,Deputy in High School 5 years
2. Eric Muendo Kilonzo	Deputy Principal Planning, Administration and Finance		Planning, Administration & Finance	<u>Date of Birth</u> - 09/06/1970 <u>Qualifications</u> Master of Business Administration <u>Work experience -23 years</u> Deputy Principal 2 years ,dean of students 10 years, Trainer 11 years
3. Justine Kanini Muindu	Deputy Principal Academic Affairs		Academic Affairs of the Institute	<u>Date of Birth</u> -26/12/1973 <u>Qualifications</u> Bachelor of Education (Home Economics) <u>Work experience -16 years</u> Deputy Principal ,1 year Registrar 5 years , MR 5 years PC 2 years HOD 3YEARS Trainer 16 years
4. Paul Munyoro Githaiga	Registrar		Admission and Publicity	<u>Date of Birth</u> -1/12/1970 <u>Qualifications</u> MBA (Accounting) ,BBM(Accounts),C.P.A(K) Dip. Tech Education, Dip. Accountancy <u>Work experience -13 years</u> Trainer for 6 years Deputy registrar 6 year Registrar 1 year

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5. Abednego Kimanthi Mulu	Dean of Students		In charge of Students Welfare	<p>Date of Birth -05/02/1978 Qualifications Bachelor of Education (Science), Dip- HRM Work experience -15 years High school teacher 10 years, Trainer 5 years ,HOD – G&C 1 yr ,Dean of Students 1yr</p>
6. WaruingiKamau	ISO Management Representative		Quality Management Systems	<p>Date of Birth -08/08/1961 Qualifications HND (Entrepreneurship Development), Dip .tech Education, MVT 111, 11, 1 Work experience -26years H.O.D (Auto) Lead Auditor (ISO 9001:2015) MR 5 Yrs Auditor (ISO 9001:2008) 10 Yrs Trainer 16 years, 10 years lecturer/teacher</p>
7. Jessy Ngina Kitusa	Performance Contracting Coordinator		Performance Contracting	<p>Date of Birth -03/05/1973 Qualifications Bachelor of Education (Arts) Diploma in Business admin Diploma in Tech. Educ Work experience -17 years Trainer 15 years ,Deputy Dean 2 years Auditor (ISO 9001:2008) 3 Yrs Lead Auditor (ISO 9001:2015) 3 Yrs</p>
8. Joseph Ngemu	HOD's Representative		Representing HOD's In the Senior Management	<p>Date of Birth - 27/01/1978 Qualifications Masters in Computational Intelligence PGDE Computer Studies Bsc. Maths & Computer Science Work experience-11 years HOD 6 Years Section Head 6 yrs Lead Auditor (ISO 9001:2015) 3 Yrs Auditor (ISO 9001:2008) 10 Yrs Trainer 12 years</p>
9. Janet Nzilani Maweu	Finance Officer		Financial Management of the Institute	<p>Date of Birth- 25/01/1978 Qualifications CPA (K), Dip. Technical Education ,ICPAK member Work experience-17 years 17 Years Finance Officer /College Accountant</p>

V. CHAIRMAN'S STATEMENT

The office of the Chairperson of the board of governors of Wote Technical Training Institute (WTTI) has been active during the year under review in managing the affairs of the Institute. We reckon the existing challenges including the issues of inadequate learning facilities, fewer trainers and training resources. Despite all this, the Institution has been able to sustain a culture that associates technical training with mundane life.

As a board, we have encouraged a change in the mindset of our people as we leveraged on the leaders to sensitize and educate our people to embrace the concept of technical and vocational training for our youth. The board has been and is committed to ensuring that the changing world around is sensitive to the needs of the future of our young men and women. We have continued to collaborate with a number of agencies both public and private sector in our endeavour to grow the institution. Particularly we have collaborated with the County Government of Makueni on various academic and economic ventures. Our desire to achieve and deliver on our mandate has seen our drive in reaching out to each and every other partner willing to work with us.

Our mandate is to grow the student population through a number of strategies including effective outreach programs geared to popularize the institution from within and around the County. During the year under review, the management has carried out an aggressive popularity campaign in Makueni County and its environs.

As a board, we endeavour to continually put in place governance systems to ensure that we not only comply with the PFM Act of 2012 but also engage in prudent leadership practices that creates value for the Institute. Wote TTI has remained a good corporate citizen that meets its obligations for its staff and students as well as the national obligations.

The Institute registered remarkable development during the period under review in the realization of its mandate with financial support of the Ministry of Education, state department of Vocational and Technical Training in form of Student Capitation. As a result, the Institute has now been able to steer its progress through market research, linkages, collaboration and partnerships. We continue to register an overall improvement in our performance due to enhanced resources, physical facilities and infrastructure.

I wish on behalf of the board of governors to thank the State Department of Vocational and Technical Training, Ministry of education, the County Government of Makueni and all other development partners for the support they continue to accord the Institute without which our achievements would not have been realized. Finally I wish to appreciate my board members and the Wote TTI management staff for their efforts in supporting the realization of the Institute mandate.



26.04.2021

Lwanga Mutiso
Chairman/Board of Governors

VI. REPORT OF THE PRINCIPAL

Pursuant to Section 83 of the Public Finance Management Act, 2012, I take this opportunity to present the Institute's Annual report and financial statements for the financial year 2019/2020. The report focuses on the Institute's Strategic intent as enshrined in our 2019/2020 Performance Contract which include Improvement of physical facilities and infrastructure, curriculum development, and advancement of TVET programs by promoting Research & Innovation, Partnership/ linkages and environmental management. Further to this the institute envisages to strengthen its financial base through promotion of good governance and effective management.

The above strategic issues are part of broad initiatives undertaken by the institute's planning system in order to impart relevance to current the national TVET reforms. This defines the institute's mandate aimed at enhancing quality, competitiveness, creativity and innovativeness in TVET sector. The report is premised on involvement on account of analysis of goals, strategic issues, strategic objectives and activities that the Wote TTI envisages to pursue in the 2019/2020 Financial year. The mandate of the BOG among other things is to provide apex management towards achieving the institute mandate as per the TVET Act 2013.

To develop an institution with excellence in teaching, training, entrepreneurship, research, consultancy, community service, among other educational services and products, Wote envisages investing in all forms of curriculum development with emphasis on technology. The top management has embraced change by sensitizing the local populace to embrace the concept of technical and vocational training, particularly the youth. During the year under review, we commit to continue to collaborate with a number of agencies both public and private sector in our endeavour to grow the institution. Our desire to achieve and deliver on our mandate has seen our drive in reaching out to each and every other development partner desiring to work with us.

During the year under review, there was an increase in our budget estimates of 5% as compared to the previous year which was occasioned by the increase of student population. There was increased funding from the GOK in form of capitation and development grants. The latter were used for the compound wall construction. The Institute intends to engage more part-time technical trainers to match the staff gap occasioned by the increased academic programs.

The institute is an active player in the research and innovation initiatives and as such, there is a deepened collaboration towards enhancing staff capacity as well as incorporating best international practices. The

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Institute expects to benefit from AfDB collaboration through acquisition of Building & Civil Engineering lab equipment and a smart classroom among other things. If realised, this will ease the financial burden experienced in acquiring state of art training equipment.

The institute is committed to ensuring that the compound is beautified and landscaping within the compound is continually improved, since image is everything.

Challenges

The Institute emphasizes on the need for adequate staffing for the effective education in all departments. Majority of the departments do not have sufficient staff to handle the trainees. Shortage of trainers is therefore one of the challenges facing the Institution. In order to alleviate the shortage the institute has been hiring part-time staff to teach the trainees. The staffs are paid by the Institute from its meagre resources. During the 2019/2020 financial year, the Institute maintained 17 trainers under the BOG contract but the number is likely to increase due to our increased programs.

Continuous dynamism in the ICT sector is inevitable where both upgrade and updates of website are a priority. The local area network (LAN) enhancement as well as campus management systems are not one-off systems for they require continuous upgrade and the upgrade has always been an expensive undertaking. The systems are important for they assist student admissions, fees processing, payments and examinations registration and online teaching.

The Institute is mandate by the TVET Act 2013 is expanded to ensure that training and research are top in our agenda. In order to effectively deliver on this mandate the institute envisages enhancing capacity and deepening its training skills.



Joshua K. Munywoki
Principal/ Secretary, BOG



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VII. REVIEW OF WOTE TECHNICAL TRAINING INSTITUTE PERFORMANCE FOR THE FINANCIAL YEAR 2018/2019.

The Institute's strategic pillars within its strategic plan for the FY 2018/2023 are as follows.

1. Upgrade physical Facilities and infrastructure
2. Acquire and use of ICT modern equipment
3. Increase linkages and student population
4. Research and Development
5. Improve marketing
6. Improve working environment
7. Financial Sustainability

The Institution achieved its performance targets set for the financial year 2018/2019 period for its eight strategic pillars as indicated in the diagram below.

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Physical facilities and infrastructure	To improve on physical activities and infrastructure	Facility in use	a) Quality needs b) Identify implementation stages c) Quantity financial requirements d) Identify sources of funding e) Tender f) Select contractor g) Contract refurbish h) Certify i) Commission	a) Drive way completed in the FY 2018/19 b) Automotive workshop fully refurbished and working c) Assets tagging and valuation almost complete.
Pillar 2:	Workshop Equipment and ICT facilities	To acquire workshop equipment and modern ICT facilities	Equipment installed and in use	a) Quality needs b) Identify implementation stages c) Quantify financial requirements d) Identify sources of funding e) Tender f) Select contractor g) Refurbish h) Certify i) Commission.	a) A smart classroom refurbished, fitted and fully functioning. b) Acquisition of a new internet service provider c) Invitation of bids for a new Finance ERP.
Pillar 3:	Increase student enrolment and linkages	To enhance student enrolment by improving students wellbeing and cultivating dynamic training environment that evolves with market demands	New Course launched	a) Carry out needs assessment b) Aggressive publicity campaign c) Enforce student guidance and counselling	a) A fully functioning Students Guidance and Counselling office launched.

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Pillar 4:	Research and Development	To advance technical training by promoting research and innovation.		<ul style="list-style-type: none"> a) Operationalize the research and development policy b) Appoint R&D Committee members c) Fund R&D unit 	a) No activity has been carried out in this FY due to the Covid-19 Pandemic.
Pillar 5:	Marketing of the institute	To attract, motivate and retain motivated workforce	Carry out effective marketing programs of the institute	<ul style="list-style-type: none"> a) Lobby for increased employment by PSC b) Advertise through mass media c) Establish alumnae d) Hold open days 	<ul style="list-style-type: none"> a) More PSC trainers employed b) Improved publicity of the institute c) More networks
Pillar 6	Conducive working environment	To Improve the staff morale and student learning environment	<ul style="list-style-type: none"> a. Carry out staff needs assessment b. Perform gap analysis survey 	e) Plan for rewards scheme for good performance	a) Good and conducive working environment
Pillar 6:	Financial Sustainability	To seek alternative sources of funds Establish income generating activities	<ul style="list-style-type: none"> a) Fees reports b) Signed agreements c) No of proposals written 	<ul style="list-style-type: none"> a) Increase fee collection to 100% b) Acquire an updated ERP c) Hiring out of facilities 	a) Substantial revenue generated due to hiring out of our facilities for conference use to KIPPI and NCA parastatals.

VIII. CORPORATE GOVERNANCE STATEMENT

The Institute affirms that good corporate governance is simply good business. The Institute commits to ensure that there is compliance with the statutory and all the legal requirements as well as meeting the set deadlines.

i. Appointment of BOG Members

The Cabinet Secretary, MOE appoints members of the Board following recommendations from the B.O.G nominating committee. The board consists of nine members. The Board of Governors for Wote technical training institute serves for three years. The Board may set up sub-committees and assign them responsibilities as it may deem fit.

As stipulated by the Ministry of Education through the TVET Act (January, 2013), responsibilities of the Board of Governors include recruitment of support staff, overseeing financial management, upholding of staff and student discipline, maintenance of infrastructure & other assets, and sourcing for finances.

ii. Major roles and Functions of Board of Governors

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

- a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- c) Administering and managing the property of the institution;
- d) Developing and implementing the institutions' strategic plan;
- e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 855 2013 Technical and Vocational Education and Training No. 29
- h) Mobilizing resources for the institutions;
- i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- k) Approving collaboration or association with other institutions and industries in and outside Kenya
- l) Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;
- m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- n) Making regulations governing organization, conduct and discipline of the staff and students;
- o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry

- p) Providing for the welfare of the students and staff of the institutions;
- q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- r) Discharging all other functions conferred upon it by this Act or any other written law.

iii. Board of Governors Allowances

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

iv. Meetings

- a. Full Board Meetings - are held once every term, but if there is an urgent need, a meeting can be convened.
- b. Board Committee Meetings, or working committees are held once every term

v. Appointment of BOG Members

The Cabinet Secretary, MOE appoints members of the Board following recommendations from the B.O.G nominating committee. The board consists of nine members. The Board of Governors for Wote technical training institute serves for three years. The Board may set up sub-committees and assign them responsibilities as it may deem fit.

vi. Role and Functions of Board of Governors

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

- a. Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- b. Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- c. Administering and managing the property of the institution;
- d. Developing and implementing the institutions' strategic plan;
- e. Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- f. Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- g. Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 855 2013 Technical and Vocational Education and Training No. 29
- h. Mobilizing resources for the institutions;
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- l. Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;
- m. Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- n. Making regulations governing organization, conduct and discipline of the staff and students;

WOTE TECHNICAL TRAINING INSTITUTE
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- o. Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- p. Providing for the welfare of the students and staff of the institutions;
- q. Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- r. Discharging all other functions conferred upon it by this Act or any other written law.

vii. Board of Governors Allowances

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

viii. Meetings

- c. Full Board Meetings - are held Once Every Term
- d. Board Committee Meetings- Once Every Term
- e. Executive Board Meeting- Once Every Term.

IX. MANAGEMENT DISCUSSION AND ANALYSIS

i. Operational Performance;

The institute undertook the following projects

- a. Constructed phase II perimeter wall
- b. Construction of Plumbing Workshop
- c. Renovations of the main offices and the kitchen

ii. Financial Performance

The entity is fairly stable financially.

It operates on fees received from students, governments grant and capitation.

In the FY 2019/2020 the Institute targeted to raise A.I.A (Appropriation in Aid) of Kshs. **154,295,000.00**. By the end of the financial year the Institute had collected AIA amounting to Kshs **161,133,036.00**. The Institute had pending bills of **ksh. 77,476,647.00** by the close of the FY 2019/2020. During the 2019/2020 Financial Year the Institute undertook the following activities:

1. Construction of a perimeter wall -200 metres in length up to 100 % completion.
2. Construction of Plumbing Workshop
3. Mentoring the construction of the following Technical and Vocational Colleges.
 - i. Kitui East TVC
 - ii. Machakos Town TVC
5. Introduced short term Technical Courses in Manufacturing and Construction to incorporate the Big 4 initiatives and other national priorities.
1. Undertook exhibitions in TVET Fair

Institute's compliance with statutory requirements

The institute complies with various statutory requirements; e.g. deduction and remittance of P.A.Y.E, N.H.I.F, and N.S.S.F among others.

Major risks facing the entity

Student's unrest-, training materials, being occasioned by delayed disbursements of G.O.K Capitation

Material arrears in statutory /financial obligations

At end of the financial year the Creditors total bill was 77,476,647.00

X. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/ SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

Wote Technical training Institute is centrally placed within the County headquarters in Wote town and all the sub counties are growing at a fast pace hence creating employment and business opportunities. The bulk of these wage and self-employment opportunities are in the hard-core skill areas. These skills can be appropriately acquired through accredited training opportunities at Wote TTI.

The Vocational Training Sub-sector, despite being a major producer of self & formal employment opportunities, has not been able to perform as anticipated due to a number of reasons. To address the above a normally the Institute wishes to put diverse efforts in place to make sure the institution performs as mandated. One such effort is to develop a Sustainability Growth Plan (SGP). The main aim of the intervention is to map out a sustainable growth plan to increase access to diverse training opportunities and increase trainees' enrolment and retention to a realistic number of 3000 by the end of 2023.

In the year under review, the Institute commits to undertake a baseline assessment, stakeholders' Mapping, SWOT & PESTEL analysis on the training needs and develop a Business Model through a consultant.

2. Environmental performance

Land Issue

The entity has an issue of land. 5.9 Ha is not sufficient enough for any meaningful growth to cater for expansion and future development of the institute. The entity is committed to continuously pursue with the County Government allocate more land to the institute.

Water

The entity is predominantly in an arid zone. In order to solve the problem of water shortage in the institute, the entity resolved to sink a borehole within the institute. A geological survey through NEMA has been carried out to advice on environmental impact of the venture as well as to advice on support in drilling the borehole. Further to alleviate the same, the entity purchased a water bowser to boost the water uptake.

3. Employee welfare

The entity has a Human Resource Management policy which guides the hiring process, procedures, regulations and other administrative procedures relating to hiring of human resources. Over the years, the Board of

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Governors (BOG) has continued to hire the services of non-teaching staff on permanent basis according to the Institute's needs and ability to pay salaries. Over the years, the BOG staffs have continued to feel part of the civil service. With the realization of the high cost of living, the board has now and again reviewed the salaries for its staff. However, the Board has maintained salaries that are affordable considering the low fee payable by parents for personal emolument.

Specifically, the policy manual intents to: -

- Ensure adherence to the Constitution as the supreme reference document and other government regulations.
- Ensure a common understanding by WTTI Staff of stipulated standards and procedures in monitoring their performance for continued improvement.
- Achieve optimum utilization of staff's skills and talents, in enhancing career development.
- Create a conducive working environment, positive relations, parity treatment of all cadres of staff and work life balance

As guided by the Constitution of Kenya, the ultimate objective of recruitment for the Board is to secure the highest standard of efficiency, competence and integrity without discrimination as to race, religion, colour, ethnic origin, political affiliation, sex or sexual orientation, pregnancy, marital status, disability, health or social status.

The authority to recruit and appoint the Board staff is vested on the Board and the recruitments are carried on a national competitive basis. Without prejudice to the recruitment of new staff at all levels, priority will be given to suitable employees. The Board commits to adhere to the equal opportunity principles. The Board believes that the diversity of staff contributes to its intellectual strength and effectiveness as an organization and therefore endeavours to operate an efficient system for distributing advertisements and position announcements to women and men nationwide, and to make selection of staff without discrimination. The Board offers a working environment which is sensitive to the needs of both male and female employees and recognizes the reward and recognition policy.

The entity has a strong policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

4. Community Engagements-

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The institution undertook a stakeholder mapping and analysis, and held consultations with Key Stakeholders (Strategic Partners) in the County. From the survey in the County there was indication that most of the youths associate themselves in the following activities/occupations.

- a) Transport sector e.g. Boda boda, touts
- b) Small businesses e.g. Retail, M-pesa, saloons,
- c) Agribusiness – farming of Mangoes, oranges.
- d) Performing Arts and theatre.

From the above findings, the entity under takes to corroborate with community under the following areas of skills upgrading;

1. Skills upgrading for the CTTIs trainers as and when need arises.
2. Training the youths on varies area of need based on skills gap and a targeted out come for varying Youth groups.
 - a) Jua- kali skills in the areas of Welding and fabrication, Plumbing, Masonry, Auto- electrics. Motor vehicle mechanics.
 - b) Hair dressing and beauty therapy.
 - c) Entrepreneurial skills.
 - d) Employability and life skills.
 - e) Boda Boda rider training and repairs

The CSR activities

During the year under review, the entity sought further on the areas requiring intervention through SCR approach. The entity established and empowered the Guidance and Counselling department to seek to help the community on the following areas;

- a) Youth in drug and substance abuse – *Muguka*, alcohol and other substances
- b) Young mothers – how to focus on empowering young mothers in economic activities.
- c) Youth in HIV and AIDs.
- d) Those in need for mentorship programmes and career choice.

During the year, the entity drafted documents on sexual and gender based violence, gender mainstreaming and PLWD. We intend to engage our trainers to transmit the information to the community during our community outreach activities that were approved.

The entity has a vibrant team of sports men and women and have brought on board a number of accolades from the sporting and athletic activities. We also take part in planting of trees during the County tree planting days.

5. Market place practices-

We build trust with all stakeholders by ensuring that ethical decision making guides responsible procurement day to day activities. The institute advertises its annual tenders every two years through newspapers, institute website, social media platform, etc and ensures that the tendering process is run openly and fairly to select the best suitable vendors. Staff is guided by the code of conduct and procurement ethics thus ensures no unwanted information lands to unintended user. Our clients are free to make enquiries and seek clarifications when need arises.

The institute conduct due diligence on the vendors we engage with to avert the high risk of transacting with blacklisted companies.

The institute has great record in managing good supplier relation. We give timely orders to avoid unnecessary rush and panic buying which brings about misunderstanding. Once deliveries are done, the payment process starts and payment is done on the stipulated times in our service charter. Our suppliers are accorded professional service to ease operations. There are regular meetings held do to supplier evaluation to ensure the best is achieved and in case of any challenges they are ironed out

- a) The Institute applies ethical marketing in relation to standard of fairness or moral rights to what is of best interest to the institute. We ensure good publicity with our clients and the community at large. The institute every New Year makes some branded calendars and distributes freely to all the neighbouring churches, schools, government institutions. There are also brochures and fliers used mostly in road shows advertising. Quality and clear photos are frequently uploaded in the institute website showing the infrastructure development, teaching and learning activities and co-curricular activities. Occasionally there are paid adverts in local dailies and radios.
- b) For product stewardship, we demand our suppliers and vendors to adhere to our QMS and to disclose detailed information about their products particularly in areas where public health or safety is an issue as with food and automobiles. This helps us make better choices.

XI. REPORT OF THE COUNCIL/BOARD OF GOVERNORS

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

Principal activities

The core mandate of the Institute is providing knowledge and skills to the people of Makueni County and the nation at large.

The Mandate of Wote Technical Training Institute is to train, impart skills, knowledge and institutionalize effective research and development geared towards production of competent graduates who will contribute to high and sustainable social-economic development.

Results

The results of the entity for the year ended 30th June, 2020 are set out on page 1 – 10.

Board of governors

The members of the Board who served during the year are shown on pages ix - x. During the year ended 30th June, 2020, no director retired/ resigned and none was appointed.

Auditors

Auditors

The Auditor General is responsible for the statutory audit of **WOTE TECHNICAL TRAINING INSTITUTE** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board



Principal/Secretary, BOG

Date: 20.4.2021



WOTE TECHNICAL TRAINING INSTITUTE
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FOR THE YEAR ENDED 30TH JUNE, 2020

I. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

The BOG members are responsible for the preparation and presentation of Wote TTI financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year (period) ended on June 30, 2020.

The BOG responsibility includes:

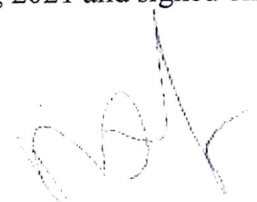
- (i). Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii). Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute;
- (iii). Designing,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

The BOG members accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act 2013). The BOG members are of the opinion that the Institute's financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2019, and of the institute's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the institute's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Wote Technical Training Institute's amended financial statements were approved by the Board on 26th April, 2021 and signed on its behalf

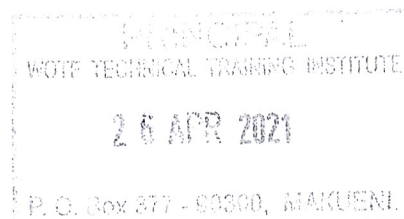

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26.04.2021

Chairperson of the Board

WOTE TECHNICAL TRAINING INSTITUTE
P. O. Box 377-90300, MAKUENI
TEL. 020-2624243
TEL. 0728 658 649 / 0731 642 021

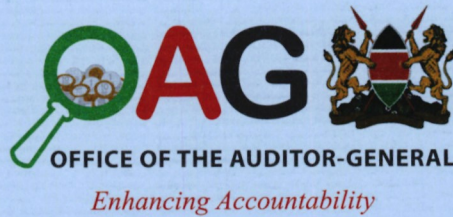
26.4.2021
.....

Accounting Officer/Principal


WOTE TECHNICAL TRAINING INSTITUTE
26 APR 2021
P. O. Box 377 - 90300, MAKUENI

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Wote Technical Training Institute set out on pages 1 to 19, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in nets assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Wote Technical Training Institute as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education Training (TVET) Act, 2013.

Basis for Adverse Opinion

1. Lack of Approved Budget

Statement of financial performance reflects Kshs.151,158,623 and Kshs.117,176,999 in respect to total receipts and total expenditure for the year respectively. However, no approved budget was provided to confirm that annual estimates for the year under review were submitted to the Cabinet Secretary for approval as required in Section 22 of Second Schedule of Technical and Vocational Education and Training (TVET) Act, 2013, and Regulation, 31(1 and 2) of the Public Finance Management Act (National Government) Regulations, 2015.

Consequently, the Management is in breach of the law.

2. Errors of Presentation and Disclosures in Financial Statements

Review of the financial statements revealed that the Page number is not indicated on the Chairman's Statement and paragraph three (3) of the Statement of Board of Governors Responsibilities indicates 30 June, 2019 as the reporting date instead of 30 June, 2020

Further, Report of the Principal does not include a high-level review on the financial performance of the Institute and Management Discussion and Analysis report on page xxi indicates revenue realized during the year as Kshs.161,133,036 which is at variance with the Kshs.151,158,623 disclosed in the statement of financial performance. The analysis also indicates pending bills at the close of the year as Kshs.77,476,647 which differs with the Kshs.137,333,876 reflected in the statement of financial position.

In addition, the financial statements lack disclosure on General information, Statement of compliance and basis of preparation, Adoption of new and revised standards, Summary of significant accounting policies, and Significant judgments and sources of estimation uncertainty and the financial statement lack note on progress on follow up on auditor recommendations and appendices on projects implemented by the entity and recording of transfers from other government entities.

In view of the above, the presentation and disclosures in the financial statements do not fully comply with the reporting format prescribed by the Public Sector Accounting Standards Board (PSASB) and the International Public Sector Accounting Standards.

3. Statement of Financial Position

Statement of financial position reflects total assets and liabilities of Kshs.508,888,625 and Kshs.703,538,192 respectively resulting in unexplained variance of Kshs.194,649,567. This implies that the statement of financial position is not balanced since total liabilities exceeds the value of the total assets which they should represent.

The statement also reflects Kshs.137,333,876 in respect of trade and other payables from exchange transactions as disclosed under Note 24 to the financial statements. However, the balance of Kshs.137,33,876 was not supported with an ageing analysis of creditors and includes an amount of Kshs.436,070 for caution money which is also disclosed separately in the statement of financial position as refundable deposits. No explanation was given for the double counting.

Further, the statement reflects a balance of Kshs.32,362,877 in respect of receivable from exchange transactions as disclosed under Note 20 to the financial statements. However, the balance was not supported by way of an ageing analysis of debtors and debtors' ledger.

In the circumstances, the statement of financial position does not reflect fairly, the financial status of the Institute as at 30 June, 2020.

4. Statement of Cash Flows

The statement of cash flows reflects cash and cash equivalents at the end of the year of Kshs.120,832,159. However, the correct balance should be Kshs.150,322,500 derived from adding the opening balance of Kshs.8,657,492 to net increase in cash and cash equivalents during the year of Kshs.141,665,008. The statement of cash flows also reflects the Government grant of Kshs.2,547,250 as both receipts and also as cash flow from financing activities. No explanation was given for the double counting.

Further, It was observed that an amount of Kshs.12,874,061 for depreciation and amortization was included under payments while this amount does not involve movement

of cash and cash equivalents while working capital changes are included as part of cashflows from financing activities which is incorrect.

In the circumstances, the statement of cash flows as presented does not reflect the correct position on cash movements for the year as well as the closing balance as at 30 June, 2020.

5. Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts indicates Kshs.167,070,028 and Kshs.107,761,465 as the total actual income and expenditure for the year respectively. However, the amounts differ with Kshs.151,158,623 and Kshs.117,176,999 shown in the statements of financial performance resulting in unexplained variances of Kshs.15,911,405 and Kshs.9,415,534 respectively. Further, the statement reflects Kshs.4,156,126 in respect of depreciation and amortization which differs from the Kshs.12,874,061 disclosed under the statement of financial performance and Note 15 to the financial statements resulting in unexplained variance of Kshs.8,717,935.

In addition, the statement of comparison of budget and actual amounts as presented does not include headings for the various columns and no explanations have been provided for variances in exceeding 10% as required by the PSASB reporting template.

Consequently, it has not been possible to ascertain the accuracy of budget and budgetary utilization information as given in the statement of comparison of budget and actual amounts for the year ended 30 June, 2020.

6. Understatement of Revenue from Exchange Transactions

Statement of financial performance reflects Kshs.147,768,882 in respect of revenue from exchange transactions as disclosed under Note 10 to the financial statements. However, review of supporting general ledger and schedules revealed that revenue of Kshs.155,214,583, Kshs.13,275,000 and Kshs.10,308,907 realized from; NYS, capitation and HELB were not included as part of revenue from exchange transactions.

In the circumstances, accuracy and completeness of revenue from exchange transactions of Kshs.147,768,882 could not be confirmed.

7. Undisclosed Grants and Related Expenditures

Review of documents provided for audit revealed that grants of Kshs.44,310,000 were received from the Parent Ministry, Machakos Town-NGCDF and Kitui East-NGCDF respectively but the same were not disclosed in the financial statements as detailed in Appendix I. Further, it was noted that expenditure of Kshs.43,398,073 was incurred against the grants but was also not disclosed in the financial statements as detailed out in Appendix II.

In the circumstances, it has not been possible to confirm the accuracy and completeness of the statement of financial performance for the year ended 30 June, 2020.

8. Unsupported Expenditure on BOG Retreat

The statement of financial performance reflects BOG members expenses of Kshs.2,130,110 as disclosed in Note 14 to the financial statements. Included in the balance is amount of Kshs.1,112,600 paid to Board members while attending a performance review retreat in Mombasa. However, the payments were not properly supported with relevant documents such as; attendance registers, daily programs for the meetings, minutes and reports to authenticate the expenditure. This is contrary to the provisions of Section 104(1) of the Public Financial Management (National Government) Regulations, 2015 which requires that payments should be supported with appropriate relevant documentation.

In the circumstances, it has not been possible to verify the validity, regularity and value for money from the amount of Kshs.1,112,600 which was paid to Board members.

9. Operating Expenses

9.1 Unsupported Expenditure on Local Transport and Travelling

Statement of financial performance reflects Kshs.59,735,712 as expenditure on operating expenses as disclosed in Note 17 to the financial statements. The expenditure includes the amount of Kshs.6,772,707 spent in respect to local transport and travelling which further include the amount of Kshs.486,680 which was not supported with relevant documents.

Consequently, the validity and accuracy of the expenditure of Kshs.486,680 included under operating expenses could not be confirmed.

9.2 Unsupported Expenditure on Boarding Equipment and Stores Expenses

Note 17 to the financial statement also includes Kshs.1,797,169 in respect to boarding equipment and stores which was however not supported with adequate relevant documents.

In the absence of relevant supporting documents, it was not possible to ascertain the completeness, accuracy and validity of the expenditure of Kshs.1,797,169 incurred on account of boarding equipment and stores.

9.3 Undisclosed Student Council Expenses

Note 17 to the financial statements reflects nil balance in respect to student council expenses. However, review of the general ledger presented for audit revealed that an expenditure of Kshs.1,009,243 was incurred on student council expenses during the year under audit.

Consequently, the financial statements do not reflect the correct position in respect to student council expenses.

9.4 Variance in Activity Expenses

Note 17 to the financial statements reflects Ksh.1,978,050 in respect to activity expenses. However, the schedule provided in support of the expenditure had activity expenses totaling Kshs.2,908,299 resulting to unexplained variance of Kshs.930,249.

In the circumstances, activity expenses of Kshs.1,978,050 was understated in the financial statements.

9.5 Unsupported Expenditure on Tuition Expenses

Included in Note 17 to the financial statements reflects Kshs.17,876,217 in respect of tuition expenses. The expenditure includes an amount of Kshs.2743,365 which was not supported. Further, the balance included Kshs.276,500 paid for supply and delivery of one HP ProBook Laptop which is a non-current asset and should have been capitalized.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.17,876,217 incurred on tuition expenses could not be confirmed.

9.6 Development Fund Expenditure

Note 17 to the financial statements reflects Kshs.7,774,463 incurred in respect of development fund expenses. However, it was noted that the expenditure related to acquisition of assets and should have been capitalized. Further, the general ledger provided in support of the development fund expenses showed a balance of Kshs.12,213,012 resulting in a Kshs.4,438,549 variance while an expenditure of Kshs.436,500 paid to a contractor in respect to project management expenses for construction of Kitui East TVC was not supported. In addition, a credit entry of Kshs.62,352,859 was posted in the ledger through a journal voucher No. JV0214 of 30 June, 2020 for which no details were provided.

In the circumstances, the accuracy and completeness of the development fund expenses of Kshs 7,774,463 could not be ascertained.

10. Misclassification of Expenditure on Security Services

Statement of financial performance reflects expenditure on staff costs of Kshs.24,782,299 as disclosed in Note 13 to the financial statements. However, review of the supporting general ledger and payment vouchers revealed that the balance includes Kshs.730,965 relating to security services payments which was wrongly classified as staff costs. No satisfactory explanation was provided for inclusion of security services expenditure as part of staff costs.

Consequently, the completeness and accuracy of the staff costs of Kshs.24,782,299 could not be confirmed.

11. Accuracy and Ownership and Presentation of Property, Plant and Equipment

Statement of financial position reflects Kshs.355,693,589 in respect of property, plant and equipment as disclosed under Note 21 to the financial statements. However, the schedule in support of the balance is attached as separate annex instead of appearing under Note 21 to the financial statements and the net book value in the schedule is indicated as at 30 June, 2019 instead of 30 June, 2020. Further, the financial statements do not include a disclosure on the depreciation policy and additions during the year totaling Kshs.6,327,433 were not supported with relevant documents.

In addition, the Management did not provide a fixed asset register, ownership of land where the Institute is located and valuation of the same for audit review. It was therefore not possible to confirm the nature, value and accountability over the non-current assets owned by the Institute.

In the circumstances, the accuracy, completeness and ownership of property plant and equipment balance of Kshs.355,693,589 as reported in the financial statements for the year ended 30 June, 2020 could not be confirmed.

12. Unsupported Expenditure on Administrative Expenses

The statement of financial performance reflects administrative expenses of Kshs.9,906,759 as disclosed in Note 18 to the financial statements. Included in the expenditure is an amount of Kshs.693,400 paid to three staff members on account of travel to Rwanda to attend a CAPA 2019 International Conference. However, the payment vouchers provided for audit did not have relevant support documents such as; copies of passports to show the dates of entry and exit, breakdown of amount paid to each officer and back to office reports. In addition, it was noted that the advanced amounts were charged to expenditure directly which is contrary to the provisions of Section 93 of Public Finance Management (National Government) Regulations, 2015

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

Key Audit Matters

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

Other Matter

1.0 Delayed Completion of Construction of Mentored Technical and Vocational Colleges

1.1 Machakos Technical and Vocational College Project

A review of procurement documents of the Institute revealed that the Management awarded a contract for construction of proposed erection and completion of twin workshop, classrooms and offices block (2-storey) for the proposed Machakos Town Technical and Vocational College to a local company at a contract sum of Kshs.59,941,226, as per contract agreement dated 22 May, 2019. The contract period was for 52 weeks from 19 June, 2019 to 19 June, 2020. However, review of project implementation records revealed incidences where management failed to honor contractor's claims in interim payment certificates resulting to delays in execution of the project. An interim payment certificate for Kshs.17,676,775 was issued on

5 September, 2019 but the Contractor was paid a partial amount of Kshs.9,999,000 on 16 December, 2019, leaving the balance of Kshs.7,677,755 unpaid.

Further, it was noted that the contract period expired on 19 June, 2020, when the project was at 29.5% completion level and as at time of audit on 18 March, 2021 the project was at 40% completion level.

In the circumstances, part payment by the Institute due to inadequate funding may lead to escalation in costs required to complete the project.

1.2 Construction of Kitui East Technical and Vocational College

The Management also awarded a contract for construction of a proposed erection and completion of twin workshop, classrooms and office block (2-storey) for the proposed Kitui East Town Technical and Vocational College to a local company at a contract sum of Kshs.59,490,877, as per contract agreement dated 7 February, 2019. The contract period was one year from 28 February, 2019 to 28 February, 2020. However, the value of works certified as per interim certificate No.3 of February, 2020 which was the due month of completion was Kshs.48,202,000 with an overall completion level at 81% of the contract. Further, as at 30 June 2020, the contractor had only been paid an amount totaling Kshs.29,089,073 leaving the balance from the work certified as unpaid.

In the circumstances, the completion has been delayed partly due to inadequate funding which may lead to escalation of projects costs.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Award of Tenders to Non-Prequalified Firms

Statement of financial performance reflect the expenditure of Kshs.59,735,712 in respect of operating expenses as disclosed in Note 17 to the financial statements. The expenditure includes the amount of Kshs.17,876,217 in respect of tuition expenses which in turn includes the amount of Kshs.6,176,092 which was paid for supply of goods and services to firms which had not been prequalified during the year under review.

In the circumstances, it was not clear how the firms were identified and the Management is in breach of Section 95(3) of Public Procurement and Asset Disposal Act, 2015.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the procedures performed, I confirm that, internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

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

The Institute therefore lacks a framework for identifying and mitigating against risks in case of a disaster.

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

Responsibilities of Management and 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 governance.

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue to sustain services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Institute or 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 the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 February, 2022

Appendices:**Appendix I**

Undisclosed Grants			
Date	Source of Grant	Project Funded	Amount Received (Kshs.)
10/12/2019	Machakos Town National Government Constituency Development Fund	Construction of Machakos Technical and Vocational College	10,000,000
4/12/2019	Kitui East National Government Constituency Development Fund	Construction of Kitui East Technical and Vocational Training College.	10,000,000
5/7/2019	Ministry of Education (State Department of Vocational and Technical Training)	Construction of Kitui East Technical and Vocational Training College.	20,000,000
	Ministry of Education (State Department of Vocational and Technical Training)	Recurrent grant for David M. Wambuli Technical and Vocational College.	1,795,000
	Ministry of Education (State Department of Vocational and Technical Training)	Recurrent grant for Nuui Technical and Vocational College.	1,515,000
	Ministry of Education (State Department of Vocational and Technical Training)	Recurrent grant for Ikutha Technical and Vocational College.	1,000,000
Total			44,310,000

Appendix II

Expenditures Relating to Grants Not Disclosed			
Date Paid	Payee	Activity	Amount Paid (Kshs.)
16/12/2019	M/s Zeko Company Limited	Construction of Machakos Technical and Vocational College as per interim certificate no. 1	9,999,000
22/8/2019	M/s Gab International Construction Company Limited	Construction of Kitui East Technical and Vocational Training College as per interim certificate no. 1.	10,513,573
25/9/2019	M/s Gab International Construction Company Limited	Construction of Kitui East Technical and Vocational Training College as per interim certificate no. 1.	436,500
20/11/2019	M/s Gab International Construction Company Limited	Construction of Kitui East Technical and Vocational Training College as per interim certificate no. 2.	8,439,000
4/12/2019	M/s Gab International Construction Company Limited	Construction of Kitui East Technical and Vocational Training College as per interim certificate no. 2.	9,700,000
Various date during the period under review.	Various	Procurement of goods and services for David M Wambuli Technical and Vocational College.	1,795,000
Various date during the period under review.	Various	Procurement of goods and services for Nuui Technical and Vocational College.	1,515,000
Various date during the period under review.	Various	Procurement of goods and services for Ikutha Technical and Vocational College.	1,000,000
Total			43,398,073

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

		2019/2020	2018/2019
		Kshs	Kshs
<u>REVENUE</u>	Note		
Revenue from Non-Exchange Transactions	9	2,547,250	8,503,800
Revenue from Exchange Transactions	10	147,768,882	80,160,056
Revenue from Facilities & Equipment	11	842,491	3,943,184
Total Revenue		151,158,623	92,607,040
<u>EXPENSES</u>			
Bulk Purchases of Water & Electricity	12	4,184,527	4,232,664
Staff Costs	13	24,782,299	16,759,574
BOG Members Expenses	14	2,130,110	705,500
Depreciation & Amortization	15	12,874,061	14,136,149
Repairs and Maintenance	16	3,563,532	1,222,480
Operating Expenses	17	59,735,712	80,552,372
Administrative Expenses	18	9,906,759	11,603,679
		-	
Total Expenses		117,176,999	129,212,418
Surplus (Deficit) for the Period		33,981,624	(36,605,378)

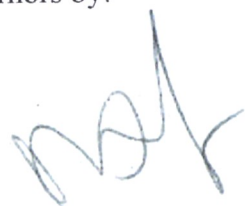
The notes set out on pages 11-19 form an integral part of the Annual Financial Statements

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XV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2020

	Note	2019/2020 Kshs	2018/2019 Kshs
Assets			
Current assets			
Cash and cash equivalents	19	120,832,159	8,657,492
Receivables from exchange transactions	20	32,362,877	28,492,728
Total Current Assets		153,195,036	37,150,220
Non-current assets			
Property, plant and equipment	21	355,693,589	362,240,157
Work in Progress		-	-
Total Non-Current Assets		355,693,589	362,240,157
Total Assets		508,888,625	399,390,377
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	24	137,333,876	22,000,099
Refundable Deposits	24	436,070	678,950
Retentions	25	-	-
Deferred Income	26	-	-
Payables for Construction Contracts	28	-	-
Total liabilities		137,769,946	22,679,049
Capital Reserves & Surpluses			
Revenue Reserves	27	33,981,624	14,448,789
Capital Reserves	28	531,786,622	489,917,602
Total Capital Reserves & Surpluses		565,768,246	504,366,391
Total Reserves and liabilities		703,538,192	527,045,440
 Total Assets		 508,888,625	 399,390,377
Total Liabilities		703,538,192	527,045,440
Variance - To Capital Reserves		(194,649,566)	(127,655,063)

The Financial Statements set out on pages 1-10 were signed on behalf of the Institute Council/ Board of Governors by:



Chairman of Council/Board of Governors
 Date: 26.04.2021

FINANCE OFFICER
 WOTE TECHNICAL TRAINING INSTITUTE
 P. O. Box 377 - 90300, MAKUENI
 Email: info@wotetti.ac.ke
 DATE: 26/04/2021 SIGN: 

Finance Officer
 ICPAK No
 Date:



Principal
 Date: 26.4.2021

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XVI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30TH JUNE, 2020

Reserves	Revaluation Reserves	Fair value adjustment Reserves	Retained Earnings	Capital/Development Grants/Funds	Total
	Kshs	Kshs			Kshs
Balance as at 1 July 2018				335,170,970	335,170,970
Revaluation Gains					-
Fair Value Adjustments on quoted investments					-
Total Comprehensive Income				84,103,239	84,103,239
Capital/Development Grants received During the year				5,956,550	5,956,550
Transfer of depreciation/Amortization from Capital Funds to Retained earnings					-
Balance as at 30 June 2019	-	-	-	425,230,760	425,230,760
Balance as at 1 July 2019	-	-	-	425,230,760	425,230,760
Revaluation Gains	-	-			-
Fair Value Adjustments on quoted investments					-
Total Comprehensive Income				148,611,373	148,611,373
Capital/Development Grants received During the year				2,547,250	2,547,250
Transfer of depreciation/Amortization from Capital Funds to Retained earnings			33,981,624	(44,602,761)	(10,621,137)
Balance as at 30 June 2020	-	-	33,981,624	531,786,622	565,768,246

XVII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2020

	Note	Current Year	
		2019/2020	2018/2019
Cash flows from operating activities			
Receipts			
Government grants and subsidies	9	2,547,250.00	8,503,800.00
Cash flows from Exchange Transactions	10	147,768,881.66	80,160,055.71
Cash flow from Rents facilities and equipment	11	842,491.30	3,943,484.00
		151,158,622.96	92,607,339.71
Payments			
Bulk Purchases of Water & Electricity	12	4,184,527.00	4,232,664.00
Staff Costs	13	24,782,299.00	16,759,574.00
B.O.G Members Expenses	14	2,130,110.00	705,500.00
Depreciation & Amortization	15	12,874,060.60	14,136,148.60
Repairs and Maintenance	16	3,563,532.00	1,222,480.00
Operating Expenses	17	59,735,712.00	80,552,372.20
Administrative Expenses	18	9,906,758.51	11,603,678.55
		117,176,999.11	129,212,417.35
		33,981,623.85	(36,605,077.64)
Net cash flows from operating activities			
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	21	(6,327,493.00)	-
Construction of Buildings (Work in Progress)	22	(0.35)	(0.35)
Proceeds from sale of property, plant and Equipment		-	-
Decrease/(Increase) in investments		-	-
		(6,327,493.35)	(0.35)
Net cash flows used in investing activities			
Cash flows from financing activities			
Grants for development	9b	2,547,250.00	2,547,250.00
Repayment of borrowings			
Increase/ (Decrease) in Other Payables	24	115,333,777.00	10,910,999.00
Increase in Payables to Contractor	28	-	-
(Increase)/ Decrease in Receivables	20	(3,870,149.25)	(32,192,779.92)
Decrease in Deferred Income	26	-	-
		114,010,877.75	(18,734,530.92)
Net cash flows used in financing activities			
Cash and cash equivalents at the beginning of the Year			
		8,657,492.09	3,724,673.00
Net increase/(decrease) in cash and cash equivalents			
		141,665,008.25	4,936,877.09
Cash and cash equivalents at end of the year			
	19	120,832,159.34	8,657,492.09
Per Financial Statements			
		120,832,158.65	8,657,491.75

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XVIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE, 2020

	2019-2020	2019-2020	2019-2020	2019-2020
REVENUE				
Revenue from Exchange Transactions				
Personnel Emoluments	10,975,000	10,975,000	9,687,806.00	(1,287,194)
Local , Transport & Travelling	5,500,000	5,500,000	2,109,932.50	(3,390,068)
Electricity , Water & Conservancy	5,650,000	5,650,000	2,166,574.00	(3,483,426)
Contingencies	-	-	16,400.00	16,400
Library	-	-	36,900.00	36,900
Repairs Maintenance & Improvements	3,000,000	3,000,000	1,193,114.50	(1,806,886)
Accommodation	-	-	31,874,011.71	31,874,012
Tuition	29,350,000	29,350,000	56,022,883.35	26,672,883
Activity fees	4,075,000	4,075,000	2,560,210.00	(1,514,790)
Development Fund	5,400,000	5,400,000	2,224,060.00	(3,175,940)
Medical, Industrial Attachment and Insurance	7,500,000	7,500,000	3,451,688.01	(4,048,312)
Boarding, Equipment & Stores	8,100,000	8,100,000	-	(8,100,000)
Practical Fees	3,150,000	3,150,000	13,590,654.59	10,440,655
Registration Fees	-	-	80,495.00	80,495
Application Fees	200,000	200,000	13,590,654.59	13,390,655
Bus Maintenance	-	-	33,600.00	33,600
capitation	45,000,000	45,000,000	-	(45,000,000)
HELB	-	-	13,453,500.00	13,453,500
bursaries (fees)	-	-	2,638,020.00	2,638,020
KUCCPS	1,350,000	1,350,000	-	(1,350,000)
Centre Fees	40,000	40,000	47,300.00	7,300
Startup Kit	125,000	125,000	31,320.00	(93,680)
Vehicle Insurance Compensation	-	-	156,087.00	156,087
KCB Tujijiri	-	-	5,803,850.00	5,803,850
Examination Material Fee	2,160,000	2,160,000	-	(2,160,000)
Caution money	900,000	900,000	-	(900,000)
Student Council	1,500,000	1,500,000	-	(1,500,000)
Driving test/School	2,500,000	2,500,000	363,975.00	(2,136,025)
PAYE- Pay as You Eat	17,820,000	17,820,000	-	(17,820,000)
Revenue from Exchange Transactions	154,295,000	154,295,000	161,133,036	6,838,036
				4

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Revenue from Facilities and Equipment						
Hire of Facilities	7,024,000	7,024,000	665,154.85	(6,358,845)	(91)	
Disposal of Idle Assets	-	-	39,955.00	39,955	0	
Rent From Canteen	-	-	14,000.00	14,000	0	
Tender Documents	-	-	116,000.00	116,000	0	
Bank Interest Earned	-	-	7,381.45	7,381	0	
Other Revenue	7,024,000	7,024,000	842,491	(6,181,509)	(88)	
Grants for Operations (GOK)	-	-	-	-	0	
Conditional Grants						
GOK Development Funding	82,000,000	82,000,000	-	(82,000,000)	(100)	
Main Gate/Perimeter Wall	-	-	2,547,250.00		0	
Kibwezi West TVC	5,780,507	5,780,507	-	(5,780,507)	(100)	
KITUI EAST TVC	59,490,878	59,490,878	-	(59,490,878)	(100)	
Machakos Town TVC	59,941,226	59,941,226	-	(59,941,226)	(100)	
Total Conditional Grants	207,212,611	207,212,611	2,547,250.00	(207,212,611)	(100)	
Revenue from Non-Ex. Trans.	414,425,222	414,425,222	5,094,500	(414,425,222)	(100)	
TOTALS INCOME	575,744,222	575,744,222	167,070,028	(413,768,694)	(72)	

WOTE TECHNICAL TRAINING INSTITUTE
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EXPENDITURE						
Use of Goods						
Electricity Expenses	2,000,000	2,000,000	1,729,233.00	270,767	14	
Water, Fuel And Conservancy	2,000,000	2,000,000	2,455,294.00	(455,294)	(23)	
Total Use of Goods	4,000,000	4,000,000	4,184,527	(184,527)	(5)	
Staff Costs						
Service Appreciation Fund	1,500,000	1,500,000	-	1,500,000	100	
House Allowance	-	-	-	-	0	
Medical Allowances	-	-	-	-	0	
Passage And Leave Expenses	-	-	-	-	0	
Personal Emoluments	20,445,940	20,445,940	24,084,699.00	(3,638,759)	(18)	
Responsibility Allowance	-	-	-	-	0	
Total Staff Costs	21,945,940	21,945,940	24,084,699	(2,138,759)	(10)	
BOG meetings & committees	3,050,000	3,050,000	2,130,110.00	919,890	30	
Total BOG Meetings	3,050,000	3,050,000	2,130,110	919,890	30	
Repairs, Maintenance & Improvement	3,450,000	3,450,000	3,563,532.00	(113,532)	(3)	
Total Repairs and Maintenance	3,450,000	3,450,000	3,563,532	(113,532)	(3)	
Boarding Equipment & Stores	-	-	1,797,169.00	(1,797,169)	0	
Medical	600,000	600,000	-	600,000	100	
Activity expense	5,028,440	5,028,440	1,978,050.00	3,050,390	61	
Library Expense	4,000,000	4,000,000	717,895.00	3,282,105	82	
Tuition Expense	26,096,710	26,096,710	17,876,217.00	8,220,493	32	
Local Transport & Travelling	3,500,000	3,500,000	6,772,707.00	(3,272,707)	(94)	
Bus Maintenance	-	-	60,410.00	(60,410)	0	
Vehicle Expense and Insurance	1,500,000	1,500,000	1,549,342.00	(49,342)	(3)	
Vehicle Repair and Maintenance	-	-	199,561.00	(199,561)	0	
Practical Expense	2,700,000	2,700,000	1,885,731.00	814,269	30	
Marketing & Registration expense	3,300,000	3,300,000	1,057,168.00	2,242,832	68	
Medical, Industrial Attachment and Insurance	1,350,000	1,350,000	2,097,740.00	(747,740)	(55)	
Accommodation	4,000,000	4,000,000	4,499,542.00	(499,542)	(12)	
Developi Fund expenses	13,000,000	13,000,000	7,774,463.00	5,225,537	40	

WOTE TECHNICAL TRAINING INSTITUTE
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Student Council	1,079,200	1,079,200	-	1,079,200	100
Caution	475,000	475,000	-	475,000	100
Driving School	1,000,000	1,000,000	800,560.00	199,440	20
Foodstuff	9,000,000	9,000,000	9,058,328.00	(58,328)	(1)
Tuition Equipment and Stores	-	-	58,980.00	(58,980)	0
Registration	-	-	32,829.00	(32,829)	0
Stationaries	15,492,460	15,492,460	1,519,020.00	13,973,440	90
Hairdressing Expenses	900,000	900,000	-	900,000	100
Guidance and Counselling	524,000	524,000	-	524,000	100
Solar Street Lighting	500,000	500,000	-	500,000	100
Social Welfare	1,500,000	1,500,000	-	1,500,000	100
Reward Scheme	2,000,000	2,000,000	-	2,000,000	100
Asset Tagging and Evaluation	4,000,000	4,000,000	-	4,000,000	100
Institute Master Plan	500,000	500,000	-	500,000	100
Water Harvesting	2,890,000	2,890,000	-	2,890,000	100
Operating Expenses	104,935,810	104,935,810	59,735,712	45,200,098	43
Administrative Expenses					
Administration/Office Expense	4,977,250	4,977,250	4,035,107.00	942,143	19
KATTI /CAPA Workshops & Conferences	2,500,000	2,500,000	1,201,000.00	1,299,000	52
Performance Contracting ISO & TVET Trade fairs	5,860,000	5,860,000	3,940,518.00	1,919,482	33
Staff Development and Capacity building	6,000,000	6,000,000	678,620.00	5,321,380	89
Bad & Doubtful Debts (5%)	-	-	-	-	0
Wings to Fly	-	-	-	-	0
Finance Cost- Bank Charges	-	-	51,513.51	(51,514)	0
Administrative Expenses	19,337,250	19,337,250	9,906,759	9,430,491	49
Kibwezi West TVC	5,780,507	5,780,507	-	5,780,507	100
KITUI East TVC	59,490,878	59,490,878	-	59,490,878	100
Machakos town TVC	59,941,226	59,941,226	-	59,941,226	100
Mentorship Projects (WIP)	125,212,611	125,212,611	-	125,212,611	100
Other Disbursements					
David Wambuli TVC	-	-	-	-	0
Nuu TVC	-	-	-	-	0

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Capitation								
KUCCPS	1,500,000	1,500,000	-	-	1,500,000	-	1,500,000	0
MIS Modules	1,500,000	-	1,500,000	-	-	-	1,500,000	0
Institute Bus & Driving School Truck	3,100,000	3,100,000	-	-	3,100,000	-	3,100,000	100
G.O.K Development funds	-	-	-	-	-	-	-	0
	82,000,000	82,000,000	-	-	82,000,000	-	82,000,000	100
Total Other Assets	85,100,000	-	85,100,000	-	-	-	85,100,000	100
Depreciation and Amortization								
Buildings	-	-	-	-	4,156,126.10	-	(4,156,126)	0
Property, plant and equipment	-	-	-	-	712,392.90	-	(712,393)	0
Motor Vehicles	-	-	-	-	3,980,385.00	-	(3,980,385)	0
Computers	-	-	-	-	3,380,353.50	-	(3,380,354)	0
Intangible Assets	-	-	-	-	409,258.40	-	(409,258)	0
Furniture	-	-	-	-	235,544.70	-	(235,545)	0
	-	-	-	-	12,874,060.60	-	(12,874,061)	0
TOTAL EXPENDITURE	367,031,611	-	367,031,611	-	103,605,339	-	263,426,272	72

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	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Change
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	
REVENUE						
Revenue from exchange transactions	154,295,000	-	154,295,000	161,133,036	6,838,036	4
Revenue from NON-exchange transactions	414,425,222	-	414,425,222	5,094,500	(409,330,722)	(99)
Total Revenue	568,720,222	-	568,720,222	166,227,536	(402,492,686)	
EXPENSES						
Bulk Purchases of Water & Electricity	4,000,000	-	4,000,000	4,184,527	184,527	(5)
Staff Costs	21,945,940	-	21,945,940	24,084,699	2,138,759	(10)
BOG Members Expenses	3,050,000	-	3,050,000	2,130,110	919,890	30
Repairs and Maintenance	3,450,000	-	3,450,000	3,563,532	113,532	(3)
Provision for Depreciation	-	-	-	4,156,126	4,156,126	0
Operating Expenses	104,935,810	-	104,935,810	59,735,712	45,200,098	43
Administrative Expenses	19,337,250	-	19,337,250	9,906,759	9,430,491	49
Mentorship Projects	125,212,611	-	125,212,611	-	125,212,611	100
Other Assets	85,100,000	-	85,100,000	-	85,100,000	100
Total Expenditure	367,031,611	-	367,031,611	107,761,465	259,270,146	71

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XIX. NOTES TO THE FINANCIAL STATEMENTS

	2019/2020	2018/2019
	Ksh	Ksh
9 (a) Revenue from Non-Exchange transactions		
Operational Grant From GOK	-	5,956,550.00
	-	5,956,550.00
(b) Conditional Grants		
Transfers from Ministries, Departments and Agencies		
Main Gate/Perimeter Wall	2,547,250.00	-
	2,547,250.00	-
Total Revenue from Non-Exchange	2,547,250.00	5,956,550.00
10 Revenue From Exchange Transactions		
Personnel Emoluments	9,687,806.00	8,516,398.45
Local ,Transport & Travelling	2,109,932.50	2,479,977.50
Electricity ,Water & Conservancy	2,166,574.00	2,842,554.88
Contingencies	16,400.00	704,410.00
Library	36,900.00	664,420.00
Repairs Maintenance & Improvements	1,193,114.50	1,550,486.00
Accommodation	31,874,011.71	-
Tuition	56,022,883.35	31,729,491.95
Activity Fees	2,560,210.00	2,702,705.69
Development Fund	2,224,060.00	5,718,840.00
Medical	3,451,688.01	200,300.00
Boarding, Equipment & Stores	-	6,323,219.51
Practical Fees	13,590,654.59	2,784,247.44
Industrial Attachment	-	1,167,951.00
Registration Fees	80,495.00	841,865.00
Application Fees	226,500.00	-
Vehicle Expense	33,600.00	908,000.00
Insurance	-	1,246,429.83
NYS	-	-
capitation	-	-
HELB	13,453,500.00	-
bursaries (fees)	2,638,020.00	-
KUCCPS	-	-
Examination	-	8,377,733.00
Examination Materials Fee	-	-
Caution money	-	700,050.00
Student Council	-	496,415.00
Driving School	363,975.00	204,560.00
Centre Fee	47,300.00	-
Starter-up Kit	31,320.00	-
Vehicle Insurance Compensation	156,087.00	-
KCB TUJIAJIRI	5,803,850.00	-
Total revenue from exchange transactions	147,768,881.66	80,160,055.25

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11 Revenue from Facilities and Equipment		
Hire of Facilities	665,154.85	850,744.00
Disposal of Idle Assets	39,955.00	2,040.00
Makueni tusomee computer nduani project	-	3,090,400.00
Rent	14,000.00	-
Tender Documents	116,000.00	
Bank Interest Earned	<u>7,381.45</u>	
	<u>842,491.30</u>	<u>3,943,184.00</u>
12 Bulk Purchases of Water & Electricity		
Electricity Expenses	1,729,233.00	1,800,289.00
Water, Fuel And Conservancy	2,455,294.00	2,432,375.00
	<u>4,184,527.00</u>	<u>4,232,664.00</u>
13 Staff Costs		
Personal Emoluments	24,084,699.00	16,759,574.00
HELB Refunds	353,385.00	
NHIF	44,550.00	
PAYE	154,055.00	
NSSF	46,800.00	
KWETU Savings Sacco	98,810.00	
Responsibility Allowance(N/A)	-	-
Total Staff Costs	<u>24,782,299.00</u>	<u>16,759,574.00</u>
14 BOG Members Expenses		
Sitting Allowance	2,130,110.00	705,500.00
Total BOG Members' Remuneration	<u>2,130,110.00</u>	<u>705,500.00</u>
15 Depreciation and Amortization		
Buildings	4,156,126.10	4,240,945.00
Property, plant and equipment	712,392.90	626,148.90
Motor Vehicles	3,980,385.00	5,307,180.00
Computers	3,380,353.50	3,416,985.00
Intangible Assets	409,258.40	355,960.00
Furniture	<u>235,544.70</u>	188,930.00
	<u>12,874,060.60</u>	<u>14,136,148.90</u>
16 Repairs and Maintenance		
	3,563,532.00	1,222,480.00
	-	-
Total Repairs and Maintenance	<u>3,563,532.00</u>	<u>1,222,480.00</u>
17 Operating Expenses		
Boarding Equipment & Stores	1,797,169.00	17,827,872.00
Medical	-	-
Activity expense	1,978,050.00	2,675,681.00
Library Expense	717,895.00	353,623.00
Tuition Expense	17,876,217.00	8,996,590.20
Local Transport & Travelling	6,772,707.00	7,412,245.00

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Bus Maintenance	60,410.00	1,789,514.20
Vehicle Expense and Insurance	1,549,342.00	
Vehicle Repair and Maintenance	199,561.00	
Practical Expense	1,885,731.00	1,246,808.00
Marketing & Registration expense	1,057,168.00	1,061,614.00
Medical, Industrial Attachment and Insurance	2,097,740.00	1,129,740.00
Accommodation	4,499,542.00	204,000.00
Examinations	-	13,139,250.00
Development Fund expenses	7,774,463.00	23,929,198.80
Student Council	-	765,136.00
Caution	-	21,100.00
Driving School	800,560.00	-
Foodstuff	9,058,328.00	-
Examination Material Fees	-	-
Tuition Equipment and Stores	58,980.00	
Registration	32,829.00	
Stationaries	<u>1,519,020.00</u>	
Total Operating Expenses	<u>59,735,712.00</u>	<u>80,552,372.20</u>
18 Administrative Expenses		
Administration/Office Expense	4,035,107.00	1,133,615.00
KATTI /CAPA Workshops & Conferences	1,201,000.00	-
Performance Contracting ISO & TVET Trade fairs	3,940,518.00	4,862,377.00
Staff Development and Capacity building	678,620.00	-
Bad & Doubtful Debts (5%)	-	5,607,687.00
Wings to Fly	-	-
Finance Cost- Bank Charges	<u>51,513.51</u>	
Total Administrative Expenses	<u>9,906,758.51</u>	<u>11,603,679.00</u>
19 Cash and cash equivalents		
Main Account(KCB)	74,068,291.15	950,213.15
Operations Account(Absa)	44,131,197.50	7,597,235.60
Development a/c (BBK)	2,628,998.00	110,043.00
Cash in hand- Surveyed	3,672.00	
	<u>120,832,158.65</u>	<u>8,657,491.75</u>
20 Current receivables		
Trade Receivables (Fees Debtors)	25,796,335.00	20,150,799.00
Other Receivables		
Examinations Account	6,442,704.00	7,182,985.00
Examinations Materials Account	1,354,455.00	2,437,300.00
Insurance	-	221,261.00
Prepayment- Kitui East TVC	59,200.00	-
Total Receivables	<u>33,652,694.00</u>	<u>29,992,345.00</u>
Less: 5% Provision for bad and doubtful debts	1,289,816.75	1,499,617.25
Net Receivables from Exchange transactions	<u>32,362,877.25</u>	<u>28,492,727.75</u>

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21	Property, Plant and Equipment (As per schedule)		
	Land	120,000,000.00	120,000,000.00
	Buildings	203,650,178.90	207,806,305.00
	Plant Machinery & Equipment	6,411,536.10	5,635,340.00
	Motor Vehicles	11,941,155.00	15,921,540.00
	Computers	7,887,491.50	7,972,965.00
	Intangible Assets	3,683,325.60	3,203,640.00
	Furniture	2,119,902.30	1,700,367.00
		355,693,589.40	362,240,157.00
22	Work in progress (As per Schedule)		
	Ikutha South TVC	-	-
	Kibwezi West TVC	-	-
	Kitui East TVC	-	-
		-	-
23	Other Disbursements		
	David Wambuli TVC	-	-
	Nuu TVC	-	-
		-	-
24	Trade & Other Payables		
	Trade Payables	77,476,647.00	19,953,889.00
	Other Payables		
	Driving Test	-	204,560.00
	Students Council	478,290.00	-
	Refund Cheque	-	-
	Caution Money	436,070.00	678,950.00
	Dishonoured Cheque	-	-
	ESP II A/c	-	1,162,700.00
	Direct Bank Deposits	262,642.00	-
	KUCCPS	307,680.00	-
	Salary Advance	33,000.00	-
	Prepaid Fees	58,339,547.00	-
		137,333,876.00	22,000,099.00
	Refundable Deposits From Customers		
	Total Deposits	-	-
25	Retentions		
	Ikutha South TVC	-	-
	Kibwezi West TVC	-	-
	Kitui South TVC	-	-
	Total Retentions	-	-
26	Deferred Income		
	Ikutha South VTC	-	-
	Kibwezi West VTC	-	-
	Kitui South VTC	-	-

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		-	-
27	Revenue Reserves		
	Reserves brought forward	14,448,488.80	51,053,867.00
	(Deficit) /Surplus for the Year	33,981,623.85	(36,605,378.20)
	Reserves carried forward	48,430,112.65	14,448,488.80
28	Capital Reserves		
	Reserves brought forward	425,230,759.73	441,913,023.00
	Total Comprehensive income	148,611,372.96	84,103,540.00
	Conditional Grants Received	2,547,250.00	8,503,800.00
	Transfers during the Year	(44,602,761.00)	(44,602,761.00)
	Reserves Carried forward	531,786,621.69	489,917,602.00
	Payables to Contractors		
	Ikutha South TVC	-	-
	Kibwezi West TVC	-	-
		-	-
29	Workings to the Statement of Cash flows		
a	<u>Receivables</u>		
	Opening Balance	28,492,728.00	116,492,060.00
	Movement During the Year	(3,870,149.25)	87,507,255.00
	Closing Balance	32,362,877.25	28,492,727.75
b	<u>Payables</u>		
	Opening Balance as at 01.07.2019	252,667,653.00	40,374,049.00
	Movement During the Year	115,333,777.00	18,373,950.00
	Closing Balance as at 30.June 2020	137,333,876.00	22,000,099.00

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XXI. APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		Wote Technical Training Institute		
Break down of Transfers from the State Department of Technical Education				
FY 2019/2020				
a.	Recurrent Grants	Bank Statement Date	Amount	FY
	Recurrent Grants	-	-	-
	Capitation	26/10/2019	13,275,000	2019/2020
	Development Grants	N/A	Nil	-
b.	Direct Payments	-	-	-
Mentorships		Bank Statement Date	Amount	FY
	Kitui East TVC	26/07/2019	20,000,000	2018/2019
Recurrent Grants –Mentorships		Bank Statement Date	Amount	FY
	NuuTVC	18/07/2019	1,515,000	2019/2020
	David WambuliTVC	18/07/2019	495,000	2019/2020
	David WambuliTVC	31/10/2019	150,000	2019/2020
Total			35,435,000	

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

Finance Manager
Wote Technical Training Institute

Head of Accounting Unit
Ministry of Education

DATE: 12th of 9th 2020
SIGN: [Signature]
Email: wotetetti.ac.ke
P.O. Box 377 - 90300, MAKUJENI
WOTE TECHNICAL TRAINING INSTITUTE
FINANCE OFFICER

Sign -----

Sign-----

WOTE TECHNICAL TRAINING INSTITUTE
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AGED DEBTOR

S ANALYSIS AS AT 30TH JUNE 2020

Receivables In Arrears	0-30 days	30-60 days	60-90 days	90-120 days	Over 1 year old	Total	Prior Year
	Sh.	Sh.	Sh.	Sh.	Sh.		
Trade Receivables	-	-	-	-	-	-	-
Student Receivables	17,070,000	-	-	-	8,726,335.00	25,79,335.00	-
Total	17,070,000	-	-	-	8,726,335.00	25,79,335.00	-

AGED CREDITORS ANALYSIS AS AT 30TH JUNE 2020

Payables in arrears	0-30 days	30-60 days	60-90 days	90-120 days	Over 1 year old	Total	Prior Year
	Sh.	Sh.	Sh.	Sh.	Sh.		
Qualified Bidders	-	22,976,647	-	-	-	22,976,647	-
Pre-Qualified Bidders	-	52,000,000	-	-	-	52,000,000	-
Persons with Disabilities (PWDS)	-	2,500,000	-	-	-	2,500,000	-
Total	-	77,476,647	-	-	-	77,476,647	-