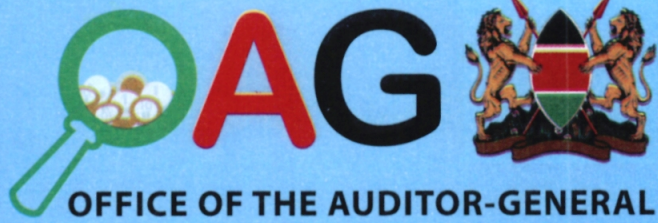


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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OF KENYA
LIBRARY

DATE: 23 JUL 2023

DAY.

WEDNESDAY

TABLED
BY:

HON. (DR) ROBERT
PUKOSE

CLERK-AT
THE-TABLE:

HALIMA SULEIMAN

THE AUDITOR-GENERAL

ON

**EMINING TECHNICAL TRAINING
INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2023**

Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023



EMINING TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2023

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

Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

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1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

**Emining Technical Training Institute
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2. Key Emining Technical Training Institute Information and Management

(a) Background information

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

It has the following departments

- i) Mechanical Engineering department
- ii) Information Technology Department
- iii) Business Department
- iv) Agriculture Department
- v) Hospitality Department
- vi) Building and Civil Engineering.

(b) Principal Activities

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

(i) Vision:

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

(ii) Mission:

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

(c) Key Management

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

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

Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Jacob Kotut
2.	Deputy principal Administration	James Kipkazi
3	Deputy principal Academics	Daniel Mibei
4	Registrar	Robert Korir
5	Dean of students	Agness Chebii
6	Finance Officer	Jecinta Chelelgo
7	Procurement Officer	Alfred Kosgei

**Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023**

Key Emining Technical Training Institute Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Responsibilities of the audit committee typically include:

- Overseeing the financial reporting and disclosure process.
 - Monitoring choice of accounting policies and principles.
 - Overseeing hiring, performance and independence of the external auditors.
 - Oversight of regulatory compliance, ethics, and whistle blower hotlines.
 - Monitoring the internal control process.
 - Overseeing the performance of the internal audit function.
 - Discussing risk management policies and practices with management.
- Development partner oversight activities
For the current financial year we did not have any development partner

(f) Emining Technical Training Institute Headquarters

P.O. Box 208-20105 Mogotio
Mogotio Building/House/Plaza
Mogotio Road
Mogotio, KENYA

(g) Emining Technical Training Institute Contacts

Telephone: (254) 96 098 672
E-mail: eminingtti@gmail.com
Website: eminingtti.go.ke

(h) Emining Technical Training Institute Bankers

1. Kenya Commercial Bank
Operation Account
A/c no: 1148626859
Nakuru Kenyatta Avenue
P.O Box 18
Nakuru - 20100
2. Kenya Commercial Bank
Development Account
A/c no: 1166509710
Flamingo Nakuru
P.O Box 17755
Nakuru – 20100
3. Kenya Commercial Bank
A/c no: 1281250708
Mogotio Branch
P.O Box
Mogotio -20105
4. Skyline Sacco
A/c no: 5651-005-01721
Emining Branch
P.O Box 660
Eldama Ravine -20103

Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

Key Emining Technical Training Institute Information and Management (Continued)

(i) Independent Auditors





Auditor-General
Office of Auditor General
Anniversary Towers, Institute 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

**Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023**

3.The Board of Governors


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

Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023




5.	 <p>MARY AKOTH- BOARD MEMBER Date of Birth 01/01/1978</p>	<p>BSc in Electrical Engineering (Power Option) - Electrical engineer, Private Consultant</p>
6.	 <p>MERCY KAHUKO- BOARD MEMBER Date of Birth- 28/05/1977</p>	<p>Education Background -Masters in Business Administration. (Strategic Management Part-time Lecturer in Daystar Leadership & Professional Development Institute (DLPDI) and School of Business & Economics,</p>
7.	 <p>FRANCIS KENEI- BOARD MEMBER Date of Birth - 11/03/1966</p>	<p>Education Background BSc. Agricultural Economics Egerton University Njoro, Kenya KATC. Intermediate. KASNEB (RVIST Nakuru, Kenya Experience Senior Administrative Assistant Faculty of Engineering and Technology Egerton University.</p>
8.	 <p>JACOB KOTUT- BOARD SECRETARY Date of Birth -21/11/1972</p>	<p>Master's in Public Health (Nutrition) Bachelor of Education Home science and Technology</p>

**Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023**

4. Key Management Team

No.	Member	Details
1.	 JACOB KOTUT Master's in Public Health (Nutrition) Bachelor of Education Home science and Technology Date of Birth -21/11/1972	<ul style="list-style-type: none"> - Teaching and administering teaching functions. - General Administration. - Human Resource Management. - Financial Management and Control. Any other relevant Duties as may be assigned by the employer
2.	 JAMES KIPKAZI-DEPUTY PRINCIPAL ADMINISTRATION Date of Birth – 09/08/1972 -Masters of Education in Education science	<ul style="list-style-type: none"> -Supervision and Maintenance of proper inventories of Equipment and supplies in the Institution -Deputize principal on administrative issues -Play a role of public and human resource offices -Assist in planning, coordination and organising of tuition facilities
3.	 DANIEL MIBEI- DEPUTY PRINCIPAL ACADEMICS -Bachelor's in Education Technology Date of Birth -21/11/1983	<ul style="list-style-type: none"> - Taking charge of curriculum implementation, supervision and evaluation -Implementation of performance contracting targets -Deputize principal on academic and quality assurance -Chairman of the academic board -Maintaining Trainees Discipline
4.	 ROBERT KORIR –REGISTRAR Date of Birth -23/12/1983 -Bachelor of Education in Technology Education (Power Mechanics Technology)	<ul style="list-style-type: none"> -Coordinate and plan utilization of available facilities such as class rooms workshops and laboratories -Deal with general matters regarding registration of trainees and admission. -Facilitate preparation and distribution of prospectus and organize graduation ceremonies and open days in the Institution.

**Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023**

5.	 AGNESS JEPTOO CHEBII Date of Birth-07/02/1984 Masters in Applied Mathematics	Overall in charge of trainees' welfare in the institution. -Oversee the organization of trainees' Clubs and societies, Games and seminars. -Prepare budget related to all co-curricular activities in the institution
6.	 JECINTA CHELELGO – FINANCE OFFICER Date of Birth -23/09/1987 Bachelor of Commerce (Accounting option) CPA (K) Holder ICPAK Member-NO. 17014	-Preparation of Financial Reports -Preparation of payroll and filing submitting statutory returns -Preparation of Budgets -Human Resource management
7.	 ALFRED KOSGEI- PROCUREMENT OFFICER Date of Birth – 11/05/1986 Diploma In Purchasing and Supplies Management KISM Member- 78496	- Keep proper records of all the assets - Keep inventory records -Dealing with procurement duties

Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

5. Chairman's Statement

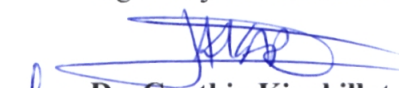
I wish to present the 2022/2023 Annual Report to our stakeholders. We are immensely grateful to our staff, students, parents, donors, sponsors and collaborators for their continued commitment and support. Their support motivates and gives us the strength to drive the institution forward, to build on and consolidate the institute's strong profile, good reputation and positive impact. Of particular mention is the increase in student's enrolment that registered big stride through the government initiative in TVET and rigorous marketing. In Kenya, policy and education experts have predicted that the success of economic growth will be hinged on an adequate supply of middle-level technical skills. In an attempt to address this concern, the government has moved to implement the Technical and Vocational Education and Training Act (2013). This has resulted in increased funding for the Technical and Vocational Education and Training institutions through Capitation, Development Grants, HELB loans and bursaries.

The government's initiative in improving TVET sector brought along several opportunities including increased enrolment, linkages and collaborations. Along these were also high levels of expectations from student, community, employees and other stakeholders. The strategic plan being implemented had envisaged to address the emerging challenges and to take advantage of existing opportunities. It provides a clear roadmap to the Board of Governors and management during the period 2022-2023 of the institute's development priorities in tandem with vision 2030. The Institute continues to make tremendous achievement in fulfilling its mandate by continuing to provide physical and training facilities, employing skilled manpower and automating its operations. It is expected that the government will continue to contribute to the realization of the institute's dreams as we look out to other partners and sources of revenue to fund the planned expansion.

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

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

Signed by.....


Dr. Cynthia Kipchillat.
The Board Chair

6. Report of the Principal

It gives me much pleasure in presenting the Annual Report and Accounts of the Emining Technical Training Institute for the year ended 30th June 2023.

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

The Institute continued to review its strategy as detailed in the institute's strategic plan to deliver quality training and teaching in the FY 2022/2023. I am pleased to inform you that the institute will continue to strive and leverage on existing growth opportunities in programmes offered which are market driven to cope with the world's dynamic change. The valuable deliverables achieved cannot be appreciated without mentioning the Government of Kenya (GOK) which ensured the institute received capitation grants during that challenging year. Other development partners including NG-CDF, HELB were also of great help as our trainees continued to receive loans and bursaries.

Unfortunately, we wish to report to you that we did not receive development grants to fund our active project automotive garage/agricultural engineering workshop/electrical and electronics workshop. Additionally, capitation for students has not been consistent.

I would also like to pass a message of sincere appreciation to our Trainers, non-teaching staff and the students' governing board, who rendered their invaluable support during the extraordinary financial year.

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

Signed By..... 

THE PRINCIPAL



**Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023**

7. Statement of Performance against Predetermined Objectives

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

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

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

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

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

Emining Technical Training Institute develops its annual work plans based on the above strategic pillars in the strategic plan. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The institution achieved its performance targets set for the FY 2022/2023 period for its strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar / theme / issue 1	To improve on infrastructure facilities to meet training requirements	Construct new classrooms, library, administration block, laboratories and workshops	Finishing of tuition /ICT block classrooms.	Painting and Cementing of the classrooms during FY 2022 /2023
Pillar / theme / issue 2	To enhance information and communication technology systems for efficient operations and training	<ul style="list-style-type: none"> i. Develop and maintain a database ii. Design an institution website and email services iii. Provision of LAN to administrative offices iv. Develop an internet cyber café within the library 	<ul style="list-style-type: none"> - Purchase of Computers for the Library. - The institute website has been revamped. - LAN has been done to library room. 	ALL the mentioned infrastructure has been achieved through the support of The Board

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

Emining Technical Training Institute
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			<p>institution through open days, graduation, sports and games</p> <p>v. Provision of academic scholarship to bright and needy students</p> <p>vi. Enhance health, safety and disaster preparedness</p> <p>vii. Create HIV/AIDS, drugs and substances abuse awareness</p> <p>viii. Promote gender equity</p> <p>ix. Address physical challenge concerns</p> <p>x. Eradicate corruption and corrupt practices</p>	<p>driving School vehicle and Van for transportatio n. It is believed that these will market the college greatly.</p>	
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Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

8. Corporate Governance Statement

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

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

(a) The Board of Governors.

In the period ending 30th June 2022, the Board was made up to (7) appointed members comprising of Chairperson, Secretary to The Board, and members based on their knowledge and experience in the following areas:-(i) industry (ii) technology (iii) manufacturing iv) engineering (v) ICT (vi) leadership and Management (vii) Finance.

(b) The Board Committees in place

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

The following are the number of Board meetings held in the period ending 30th June 2022

Meeting	No. of Meetings	Membership	Average Attendance (%)
Full Board	2	7	100
Audit and Risk Committee	1	3	100
Finance and Development Committee	3	3	100
Academic and Marketing	2	3	100
Technical and Human Resource	3	3	100

Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

9. Management Discussion and Analysis

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

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

During the Financial Year ended 30th June 2023, the student population increased from 839 to 1199. The institution received intake of students for September 2022 intake, January 2023 intake and May 2023 intake thus increasing the number of students.

During the Financial Year 2022/2023 sort and skill based courses have continued to gain popularity an example of this is Hair Dressing and Beauty Therapy, food and beverage which got an improved population students. Most competitive short courses have duration of less than one year therefore cannot be funded through Ministry Of Education Capitation while most students prefer Government sponsorship.

During the year, the Tuition Block and ICT Lab structure is at 85% completion and this is where most learning took place. The construction of the new workshops was still going on while the institution utilised the ground floor as a workshop for plumbing due to strain in our current workshops which could not accommodate an increased population especially in the engineering department. The institution also shifted the library to increase the sitting capacity and introduced more computers to the facility to facilitate e-library and therefore increased books available in the library.

10. Environmental and Sustainability Reporting Statement

Emining Technical Training Institute exists to offer quality training services. Our purpose is to provide quality technical and entrepreneurship skills, research and innovation that meet the human resource needs for industrial, societal and industrial development. It's what guides us to deliver our strategy, which is founded on 8 pillars:

1. Curriculum implementation
2. Physical Infrastructure
3. Governance and leadership
4. Machines, Equipment and ICT infrastructure
5. Financial capacity
6. Human resource
7. Collaboration, partnership and linkages.
8. Research and Innovation

Below is a brief highlight of our achievements in each pillar:

Curriculum implementation

In the implementation of the curriculum the management ensured that the training offered was of high quality. Instructional training, continuous assessment and evaluation conducted I line with the academic policy. External examinations were conducted.

Physical Infrastructure

During the period the construction of building and civil workshop was under taken.

Governance and leadership

Reviewed an organogram exists for clear identification of reporting mechanisms among various positions.

Machines, Equipment and ICT infrastructure

Maintenance of the existing machines, equipment and renovations of structures was enhanced,

Financial capacity

Mobilisation of resources through cost cutting measures, policy implementation regarding daily operations

Human resource

Persons with the right qualifications and competence were hired following established process of advertising existing posts, receiving applications, shortlisting of qualified candidates and inviting for an interview conducted based on established criteria that include gender consideration, experiences and relevant qualifications.

Collaboration, Partnership and Linkages.

Partnered with the community in tree planting to increase the Kenya's forest cover.

Research and Innovation

During the year under review, Trainers and Trainees participated in TVET fairs for presentations in research writing competitions, robotics and innovations.

Market place practices-

i) **Responsible competition practice**

Emining Technical Training Institute ensures responsible competitive practices with her customers. Issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

ii) **Responsible Supply chain and supplier relations**

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

iii) **Responsible Marketing and advertisement.**

Emining Technical Training Institute upholds ethical marketing practices especially in procurement of goods, works and services for the institution by ensuring that it abides by Article 96(2) of the Public Procurement and Asset

iv) **Product stewardship**

Emining Technical Training Institute endeavours to efficiently safeguard consumer rights and interests.

**Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023**

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Emining Technical Training Institute's affairs.

Principal activities

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

Results

The results of the Emining Technical Training Institute for the year ended June 30 are set out on page 1-5.

Board of Governors

The members of the Board who served during the year are shown on page viii and ix. During the year all board members retired and none was appointed.

Auditors

The Auditor General is responsible for the statutory audit of the Emining Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2023.

By Order of the Board

.....
J.K.C.
Secretary of the Board
Nairobi
Date:



Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

12. Statement of Board of Governors Responsibilities

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

The Board members are responsible for the preparation and presentation of the Emining Technical Training Institute's financial statements, which give a true and fair view of the state of affairs of the Emining Technical Training Institute for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Emining Technical Training Institute, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Emining Technical Training Institute, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Emining Technical Training Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act) – entities should quote applicable legislation as indicated under). The board members are of the opinion that the Emining Technical Training Institute's financial statements give a true and fair view of the state of Emining Technical Training Institute's transactions during the financial year ended June 30, 2023, and of the Emining Technical Training Institute's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Emining Technical Training Institute, which have been relied upon in the preparation of the Emining Technical Training Institute's financial statements as well as the adequacy of the systems of internal financial control.

**Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023**

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

Approval of the financial statements

The Emining Technical Training Institute's financial statements were approved by the Board on _____ and signed on its behalf by:


.....

Name

for Chairperson of the Board


.....

Name

Accounting Officer/Principal



REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON EMINING TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

The accompanying financial statements of Emining Technical Training Institute set out on pages 1 to 32 which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then

Report of the Auditor General on Emining Technical Training Institute for the year ended 30 June, 2023

ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by MAPN Associate CPA , auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Eming Technical Training Institute as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Debts

The statement of financial position reflects a balance of Kshs. 57,670,257 in respect of current portion of receivables from exchange transactions as disclosed in Note 15 (a). Review of the schedule on aging analysis provided for audit revealed that the balance includes students' debtors totaling Kshs.34,664,127 relating to financial years 2021/2022 and prior years. As at the time of audit February 2025 no provision of bad debts was included in the books.

In the circumstances, the recoverability of the receivables from exchange transactions balance of Kshs.34,664,127 as at 30 June, 2023 could not be confirmed.

2. Property, Plant and Equipment

2.1 Undisclosed Assets

The statement of financial position reflects property, plant and equipment balance of Kshs.107,750,903 as disclosed in Note 16 (b) to the financial statements. However, the balance excludes assorted equipment donated by the Ministry of Education, furniture and fittings donated by Rift Valley Technical Training Institute, motor vehicles donated by National Government-Constituencies Development Fund, Mogotio Constituency and GDC Kenya, computers donated by Government of Korea, whose value could not be determined as no cost had been indicated in the asset register.

Although the assorted equipment, furniture and fittings, motor vehicles and computers were delivered to the Institute, no reason was provided for the delayed valuation of equipment or the failure to disclose them in the financial statements.

In the circumstances, the accuracy, completeness, existence, presentation and disclosure of the property plant and equipment balance of Kshs.107,750,903 could not be confirmed.

2.2 Lack of Land Ownership Documents

The statement of financial position reflects property, plant and equipment balance of Kshs.107,750,903 which as disclosed in Note 16 to the financial statements includes land with a net book value of Kshs.15,000,000. However, available information provided for the audit revealed that the Institute had no title deed for the land. As at the time of the audit in February, 2025 the Institute was at advanced stages of acquiring the title deed.

In the circumstances, rights and ownership of the property plant and equipment balance of Kshs.15,000,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.88,558,285 and Kshs.61,621,906 respectively resulting to under- funding of Kshs.26,936,379 or 30% of the budget. Similarly, the Institute spent Kshs.45,867,309 against an approved expenditure budget of Kshs.67,627,981 resulting in an under-expenditure of Kshs.21,760,672 or 32% of the budget.

The under-funding and under expenditure affected the planned activities of the Institute resulting to negative impact on the service delivery to the public.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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

Unresolved Prior Year Matters

In the audit of the previous year, several paragraphs were raised under the Report on Financial on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not given any explanation on how the issues were resolved.

Other Information

The management responsible for the other information set out on page v to xxv which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors and Statement of Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Institute's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Failure to Deduct Pay as You Earn (PAYE) from Board Allowances

The statement of financial performance reflects board expenses amounting to Kshs.806,500 in respect to board sitting allowance as disclosed in Note 11 to the financial statements. However, Pay as You Earn (PAYE) was not recovered from the allowances paid. This is contrary to Section 5 of the Income Tax Act, Cap 470 of the Laws of Kenya.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weak Information Technology (IT) Internal Controls

During the period under review, it was observed that Institute had not established an IT strategic plan, IT security policy and IT steering committee in place to provide governance on information technology matters including policies on IT continuity plan. Subsequently the critical data or information may not be recovered in case a disaster occurs.

In the circumstances, effectiveness of the IT risk management strategies and controls and processes put in place could not be confirmed and the implemented changes in the systems may not meet the business requirements of the Institute.

2. Lack of a Risk Management Policy

During the year under review, the Institute does not have a risk management policy that guides on assessment and evaluation of risk and to develop the strategies to mitigate them. In addition, the Institute had no documented finance manual to guide on standard procedure in the finance function. This is contrary to Regulation 165 (1) of The Public Finance Management (National Government) Regulations, 2015 which states that, the Accounting Officer shall ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism; and the National Government entity develops a system of risk management and internal control that builds robust business operations.

In the circumstances, the adequacy and effectiveness of risk management strategies and controls could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is

necessary to enable the preparation of financial statements that are free from misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 May, 2025

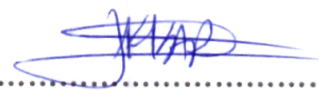
Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

14. Statement of Financial Performance for the Year Ended 30 June 2023


	Notes	FY 2022 /2023	FY 2021/2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	5	9,557,000.00	17,062,500.00
		9,557,000.00	17,062,500.00
Revenue from Exchange transactions			
Rendering of services- fees from students	6	51,906,570.00	32,194,890.00
Sale of goods	7	43,336.00	24,635.00
Rental of facilities and Equipment	8	115,000.00	0.00
Revenue from Exchange transactions		52,064,906.00	32,219,525.00
Total Revenue		61,621,906.00	49,282,025.00
Expenses			
Use of goods and services	9	34,662,410.00	26,363,328.00
Employee costs	10	10,172,669.00	7,720,196.00
Board Expenses	11	806,500.00	1,173,500.00
Depreciation and amortization expense	12	3,633,613.00	4,429,619.00
Repairs and maintenance	13	225,730.00	420,290.00
Total Expenses		49,500,922.00	40,106,933.00
Other Gains/(Losses)			
Net surplus for the year		12,120,984.00	9,175,092.00

The notes set out on pages 15 to 23 form an integral part of the Annual Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed by:

for 

Chairman of Board



Finance Officer
 ICPAK No 17014



Principal

Date

Date 28/2/25

Date 28.02.2025

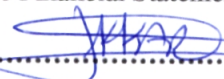


Emining Technical Training Institute
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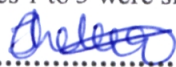
15. Statement of Financial Position as At 30th June 2023

Description	Notes	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	1,155,082.00	12,138,378.00
Current portion of receivables from exchange transactions	15(a)	57,670,257.00	38,400,938.00
Total Current Assets		58,825,339.00	50,539,316.00
Non-Current Assets			
Long term receivables from exchange transactions	15(b)	1,000,000.00	1,000,000.00
Property, plant, and equipment	16	107,750,903.00	106,022,312.00
Intangible assets	17	1,375,000.00	2,062,500.00
Biological Assets	18	1,390,000.00	0.00
Total Non-Current Assets		111,515,903.00	109,084,812.00
Total Assets		170,341,242.00	159,624,128.00
Current Liabilities			
Trade and other payables from exchange transactions	19	2,893,256.00	4,297,126.00
Refundable deposits from customers-Caution Money	20	804,700.00	804,700.00
Total Current Liabilities		3,697,956.00	5,101,826.00
Total Liabilities		3,697,956.00	5,101,826.00
Net Assets			
Accumulated Surplus		65,404,004.00	53,283,020.00
Capital Fund		101,239,282.00	101,239,282.00
Total Net Assets and Liabilities		170,341,242.00	159,624,128.00

The Financial Statements set out on pages 1 to 5 were signed by:



Chairman of Board



Finance Officer
 ICPAK No 17014



Principal

Date

Date 28/2/25

Date 28.02.2025

EMINING TECHNICAL TRAINING INSTITUTE
8 FEB 2025
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 MOGUTU

16. Statement of Changes in Net Asset For The Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2021 (previous year)	0.00		97,986,487.00	97,986,487.00
Revaluation gain	0.00	-	-	0.00
Surplus/(deficit) for the year	-	53,283,020.00	-	53,283,020.00
Capital grants received during the year	-	-	3,252,795.00	3,252,795.00
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	0.00	0.00	-
At June 30, 2022	0.00	53,283,020.00	101,239,282.00	154,522,302.00
At July 1, 2022 (current year)	0.00	53,283,020.00	101,239,282.00	154,522,302.00
Revaluation gain	0.00	-	-	0.00
Surplus/(deficit) for the year	-	12,120,984.00	-	12,120,984.00
Capital grants received during the year	-	-	0.00	0.00
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	0.00	0.00	-
At June 30, 2023	0.00	65,404,004.00	101,239,282.00	166,643,286.00

Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

17. Statement of Cash Flows for the Year Ended 30 June 2023

Description		FY 2022 /2023	FY 2021 /2022
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		9,557,000.00	17,062,500.00
Grants received on behalf of other institutions		0.00	1,500,000.00
Rendering of services- fees from students		51,906,570.00	23,057,361.00
Sale of goods		43,336.00	24,635.00
Miscellaneous income		115,000.00	0.00
Total Receipts		61,621,906.00	41,644,496.00
Payments			
Use of goods and services		34,662,410.00	26,363,328.00
Employee costs		10,172,669.00	7,720,196.00
Board Expenses		806,500.00	1,173,500.00
Repairs and maintenance		225,730.00	420,290.00
Transfers to other institutions		0.00	7,320,000.00
Total Payments		45,867,309.00	42,997,314.00
Net Cash Flows from operating activities	21	(4,918,592.00)	(1,356,818.00)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(6,064,704.00)	(12,269,366.00)
Net cash flows used in investing activities		(6,064,704.00)	(12,269,366.00)
Cash flows from financing activities			
Net cash flows used in financing activities		(6,064,704.00)	(12,269,366.00)
Net Increase/(Decrease) in Cash and Cash equivalents		(10,983,296.00)	(13,626,184.00)
Cash and Cash equivalents at 1 JULY	14	12,138,378.00	25,764,562.00
Cash and Cash equivalents at 30 JUNE	14	1,155,082.00	12,138,378.00

Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	22,500,000.00	0.00	22,500,000.00	9,557,000.00	(12,934,000.00)	42.48%
Transfers from other levels of government	12,313,285.00	0.00	12,313,285.00	0.00	(12,313,285.00)	0%
Rendering of services- fees from students	53,425,000.00	0.00	53,425,000.00	51,906,570.00	(1,518,430.00)	97.16%
Sale of goods	320,000.00	0.00	320,000.00	158,336.00	(1661,664.00)	49.48%
Total Income	88,558,285.00	0.00	88,558,285.00	61,621,906.00	(26,936,379.00)	69.58%
Expenses						
Use of goods and services	54,175,981.00	-	54,175,981.00	34,662,410.00	19,513,571.00	63.98%
Employee costs	11,244,000.00	0.00	11,244,000.00	10,172,669.00	1,071,331.00	90.47%
Board Expenses	1,400,000.00	0.00	1,400,000.00	806,500.00	593,500.00	57.61%
Repairs and maintenance	808,000.00	0.00	808,000.00	225,730.00	582,270.00	27.94%
Total Expenditure	67,627,981.00	0.00	67,627,981.00	45,867,309.00	21,760,672.00	51.79%
Surplus For the Period	20,930,304.00	0.00	20,930,304.00	15,754,597.00	(5,175,707.00)	75.36%
Capital Expenditure	20,930,304.00	0.00	20,930,304.00	6,064,704.00	14,865,600.00	28.98%

19. Notes to the Financial Statements

1. General Information

Emining Technical Training Institute is established by and derives its authority and accountability from TVETA Act. The Emining Technical Training Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Emining Technical Training Institute's principal activity is providing quality training in technical, industrial, vocational and entrepreneurship.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Emining Technical Training Institute's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Emining Technical Training Institute. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Emining Technical Training Institute's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Emining Technical Training Institute's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Emining Technical Training Institute provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Emining Technical Training Institute.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Emining Technical Training Institute's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p>

**Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023**

Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Emining Technical Training Institute.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

The Emining Technical Training Institute did not early-adopt any new or amended standards in year 2022/2023.

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Emining Technical Training Institute and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Emining Technical Training Institute recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Emining Technical Training Institute.

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2022/2023 was approved by the Board on 07/06/2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.. Accordingly, the Emining Technical Training Institute did not record additional appropriations on the FY 2022/2023 budget.

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

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

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

c) Taxes

Current income tax

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

The institution however deducts and submits PAYE.

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

d) Property, plant and equipment

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

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

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

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Intangible assets

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

f) Research and development costs

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the Emining Technical Training Institute manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

g) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

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

Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when purchased in the ordinary course of operations of the Emining Technical Training Institute.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

h) Changes in accounting policies and estimates

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

i) Employee benefits

Retirement benefit plans

The Emining Technical Training Institute does not provide retirement benefits for its employees and directors.

j) Cash and cash equivalents

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

k) Comparative figures

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

l) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

Useful lives and residual values

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

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

**Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023**

Notes to the Financial Statements (Continued)

5. Transfers from other National Government entities

Description	FY 2022 /2023	FY 2021/2022
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	9,557,000.00	17,062,500.00
Operational Grant	0.00	0.00
Total unconditional Grants	9,557,000.00	17,062,500.00
Conditional Grants amortised/ recognised in revenue		0.00
Total Government Grants and Subsidies	9,557,000.00	17,062,500.00

(a)Transfers from other Government entities (Categorized)

Name of the Emining Technical Training Institute Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of Education	9,557,000.00	0.00	0.00	9,557,500.00	17,062,500.00
Total	9,557,000.00	0.00	0.00	9,557,000.00	17,062,500.00

The details of the reconciliation have been included under appendix III

6. Rendering of Services

Description	FY 2022 /2023	FY 2021/2022
	Kshs	Kshs
Tuition Fees	32,551,480.00	20,967,370.00
Examination Fees	4,743,790.00	5,750,920.00
Boarding Fees	13,419,800.00	5,476,600.00
Computer Packages and driving Fees	1,191,500.00	0.00
Total Revenue from The Rendering of Services	51,906,570.00	32,194,890.00

Tuition Fees include regular students paying ksh 26,420 per module, while NYS Students pay ksh.63,000 per module.

Boarding Fees for NYS is ksh.23, 100 per term while regular students pay ksh.15, 500 per term.

Computer packages are charged at ksh. 3,500, driving fees is charged at ksh. 12,000

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Notes to the Financial Statements (Continued)

7. Sale of Goods

Description	FY 2022 /2023	FY 2021/2022
	Kshs	Kshs
Sale of Farm Produce	43,336.00	24,635.00
Total Revenue from Sale of Goods	43,336.00	24,635.00

This is the total income from the sale of milk from July 2022 to June 2023.

8. Rental revenue from facilities and equipment

Description	FY 2022 /2023	FY 2021/2022
	Kshs	Kshs
Hire of Facilities and Equipment	115,000.00	0.00
Total	115,000.00	0.00

This is income from sale hire of training facility for 2 days.

9. Use of Goods and Services

Description	FY 2022 /2023	FY 2021/2022
	Kshs	Kshs
Teaching and learning materials	5,586,844.00	7,200,595.00
Industrial attachment costs	301,832.00	382,713.00
Electricity water and Conservation	704,157.00	410,685.00
Student union Expenses	308,960.00	426,290.00
Subscriptions	418,300.00	207,600.00
Advertising and marketing	1,626,580.00	644,966.00
Examination fees	4,743,790.00	3,823,560.00
Admin fees	2,846,518.00	2,624,691.00
Travelling and accommodation	3,260,130.00	1,960,600.00
Motor vehicle expenses	764,574.00	210,250.00
Cleaning and Maintenance	307,236.00	425,221.00
Activity expenses	2,158,398.00	1,753,204.00
Performance Contract Expenses	615,360.00	493,900.00
Fuel and Oil Expenses	0.00	361,500.00
Printing and stationery	1,314,110.00	528,579.00
Students Medical Expenses	42,900.00	193,050.00
Boarding Expenses	8,030,687.00	3,917,015.00
Skills development levies	830,970.00	0.00
Telephone expenses	350,000.00	244,500.00
Internet expenses	431,729.00	543,101.00
Bank Charges	19,335.00	11,308.00
Total good and services	34,662,410.00	26,363,328.00

Notes To the Financial Statements (Continued)

10. Employee Costs

Description	FY 2022 /2023	FY 2021/2022
	Kshs	Kshs
Salaries and wages	10,057,469.00	7,629,796.00
Social contributions	115,200.00	90,400.00
Employee Costs	10,172,669.00	7,720,196.00

11. Board Expenses

Description	FY 2022 /2023	FY 2021/2022
	Kshs	Kshs
Other Allowances	806,500.00	1,173,500.00
Total	806,500.00	1,173,500.00

12. Depreciation and Amortization expense

Description	FY 2022 /2023	FY 2021/2022
	Kshs	Kshs
Property, plant and equipment	2,946,113.00	3,604,619.00
Intangible assets	687,500.00	825,000.00
Total depreciation and amortization	3,633,613.00	4,429,619.00

13. Repairs and Maintenance

Description	FY 2022 /2023	FY 2021/2022
	Kshs	Kshs
Property	225,730.00	420,290.00
Total Repairs and Maintenance	225,730.00	420,290.00

Notes To the Financial Statements (Continued)

14. Cash and Cash Equivalents

Description	FY 2022 /2023	FY 2021/2022
	Kshs	Kshs
Current Account	1,155,082.00	12,138,378.00
Total Cash and Cash Equivalents	1,155,082.00	12,138,378.00

14 (b). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank-Operations	1148626859	1,086,578.00	12,109,403.00
Kenya Commercial Bank-Development	1166509710	14,719.00	16,110.00
Kenya Commercial Bank- cdf	1281250708	1,433.00	3,689.00
Skyline Sacco	5651-005-01721	52,352.00	9,176.00
Sub- Total		1,155,082.00	12,138,378.00
Grand Total		1,155,082.00	12,138,378.00

15. Receivables from Exchange transactions

15(a) Current Receivables from Exchange transactions

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Current Receivables		
Student Debtors	57,670,257.00	38,400,938.00
Total Current Receivables	57,670,257.00	38,400,938.00

15 (b) Long- term Receivables from Exchange transactions

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	0.00	0.00
Advance Payments	1,000,000.00	1,000,000.00
Total Non-Current Receivables	1,000,000.00	1,000,000.00
Total Receivables	58,670,257.00	39,400,938.00

Notes to the Financial Statements (Continued)

15 (c) Ageing Analysis of Receivables from Exchange transactions

Description	FY 2022/2023		FY 2021/2022	
	Kshs		Kshs	
	FY 2022/2023	% of the to	FY 2021/2022	% of total
Less than 1 year	13,184,144.00	22.47%	0.00	%
Between 1- 2 years	6,689,917.00	11.40%	0.00	%
Between 2-3 years	9,016,442.00	15.37%	0.00	%
Over 3 years	29,779,754.00	50.76%	0.00	%
Total (a+b)	58,670,257.00	100.00%	0.00	%

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Notes to the Financial Statements (Continued)

16. Property, Plant and Equipment

Cost	Building	Land	Motor vehicles	Furniture and fittings	Computers	Text Books	Plant and equipment	Capital Work in progress	Total
	Kshs (12.5%)	Kshs	Ksh s(25%)	Kshs (12.5%)	Kshs (30%)	Ksh. (25%)	Kshs (12.5%)	Kshs	Kshs
At 1 July 2021	37,771,697.00	15,000,000.00	0.00	2,289,277.50	1,292,303.70	597,527.25	1,450,410.50	41,627,887.00	100,029,102.95
Additions	4,338,528.00	0.00	6,657,356.00	-	805,963.00	467,519.00	-	0.00	12,269,366.00
Disposals	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-
At 30 th June 2022	42,110,225.00	15,000,000.00	6,657,356.00	2,289,277.50	2,098,266.7	1,065,046.25	1,450,410.50	41,627,887.00	112,298,468.95
Additions	-	-	-	-	-	-	-	6,064,704.00	6,064,704.00
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
At 30 th June 2023	42,110,225.00	15,000,000.00	6,657,356.00	2,289,277.50	2,098,266.70	1,065,046.25	1,450,410.50	47,689,591.00	118,360,176.00
Depreciation And Impairment									
At 1 Jun 2022	(1,796,546.00)	(0.00)	(0.00)	(1,001,560.00)	(659,076.00)	(261,418.00)	(339,941.00)	-	(4,058,541.00)
Depreciation	(1,007,842.00)	(0.00)	(1,664,339.00)	(160,965.00)	(431,757.00)	(200,907.00)	(138,809.00)	-	(3,604,619.00)
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
At 30 Jun 2022	(2,804,388.00)	(0.00)	(1,664,339.00)	(1,162,525.00)	(1,090,833.00)	(462,325.00)	(478,850.00)	-	(7,663,160.00)
Depreciation	(982,646.00)	(0.00)	(1,248,254.00)	(121,458.00)	(302,230.00)	(150,681.00)	(140,844.00)	-	(2,946,113.00)
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	(0.00)	-	-	-	-	-	-	-
Transfer/Adjustment	-	(0.00)	(0.00)	0.00	-	-	-	-	-
At 30 th Jun 2023	(3,787,034.00)	(0.00)	2,912,593.00	1,283,983.00	1,393,063.00	(613,006.00)	(619,694.00)	-	10,609,273.00
Net Book Values									
At 30 th Jun 2022	39,305,838.00	15,000,000.00	4,993,017.00	1,162,753.00	1,007,434.00	602,722.00	971,661.00	41,627,887.00	106,022,312.00
At 30 th Jun 2023	38,323,192.00	15,000,000.00	3,744,763.00	1,005,295.00	705,204.00	452,041.00	830,817.00	47,689,591.00	107,750,903.00

**Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023**

Notes to the Financial Statements (Continued)

Valuation

There was no valuation done during the financial year.

16 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	15,000,000.00	0.00	15,000,000.00
Buildings	52,177,011.00	13,853,819.00	38,323,192.00
Plant And Machinery	1,657,611.00	826,794.00	830,817.00
Text Books	1,823,265.00	1,371,224.00	452,041.00
Motor Vehicles including Motorcycles	6,657,356.00	2,912,593.00	3,744,763.00
Computers and Related Equipment	3,131,915.00	2,426,711.00	705,204.00
Office Equipment, Furniture, And Fittings	4,403,184.00	3,397,889.00	1,005,295.00
Total	84,850,342.00	24,789,030.00	60,061,312.00

17. Intangible Assets

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Cost		
At beginning of the year	2,062,500.00	137,500.00
Additions	0.00	2,750,000.00
At end of the year	2,062,500.00	2,887,500.00
Additions—internal development	0.00	0.00
At end of the year	2,062,500.00	2,887,500.00
Amortization and impairment		
At beginning of the year		
Amortization	687,500.00	825,000.00
At end of the year	687,500.00	2,062,500.00
NBV	1,375,000.00	2,062,500.00

Emining Technical Training Institute
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Notes to the Financial Statements (Continued)

18. Biological Assets

	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Cattle	1,390,000.00	0.00
Total	1,390,000.00	0.00

19. Trade and Other Payables

Description	FY 2022/2023		FY 2021/2022	
	Kshs		Kshs	
Trade payables	100,000.00		587,500.00	
Fees paid in advance	1,775,380.00		3,530,132.00	
Third-Party Payments	964,910.00		156,860.00	
Other Payables	52,966.00		22,644.00	
Total Trade and Other Payables	2,893,256.00		4,297,136.00	
Ageing analysis:	FY 2022/2023	% of the Total	FY 2021/2022	% of the Total
Under one year	1,017,876.00	35.18%	0	0
1-2 years	672,820.00	23.25%	0	0
2-3 years	465,314.00	16.09%	0	0
Over 3 years	737,246.00	25.48%		0
Total (to tie to totals above)	2,893,256.00	100%	0	0

20. Refundable Deposits from Customers/Students

Description	FY 2022/2023		FY 2021/2022	
	Kshs		Kshs	
Caution money	804,700.00		804,700.00	
Total Deposits	804,700.00		804,700.00	
Ageing analysis:	FY 2022/2023	% of the Total	FY 2021/2022	% of the Total
Over 3 years	804,700.00	100%	804,700.00	100%
Total (to tie to totals deposits above)	804,700.00	100%	804,700	100%

Emining Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

The Emining Technical Training Institute also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Emining Technical Training Institute's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 200 per employee per month.

Payments received in advance.

Description	FY 2022/2023		FY 2021/2022	
	Kshs		Kshs	
Fees received in advance	1,775,380.00		3,530,122.00	
Others (Specify)	0.00		0.00	
Total	1,775,380.00		3,530,122.00	
Ageing analysis:	FY 2022/2023	% of the Total	FY 2021/2022	% of the Total
Under one year	1,038,134.00	58.47%	0	%
1-2 years	0.00	0%	0	%
2-3 years	0.00	0%	0	%
Over 3 years	737,246.00	41.53%	0	%
Total	1,775,380.00	100.00%	0	%

21. Cash generated from operations.

	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Surplus for the year before tax	12,120,984.00	9,175,092.00
Adjusted for:		
Depreciation	3,633,613.00	4,429,619.00
Working Capital Adjustments	15,754,597.00	13,604,711.00
Decrease in payables	(1,403,840.00)	(3,762,578.00)
Increase in Receivable	(19,269,319.00)	(8,695,455.00)
Net Cash Flow from Operating Activities	(4,918,562.00)	1,146,678.00

Emining Technical Training Institute
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Notes to the Financial Statements (Continued)

22. Financial Risk Management

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

The Emining Technical Training Institute's financial risk management objectives and policies are detailed below:

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impai red Kshs
At 30 June 2022 (previous year)				
Receivables from exchange transactions	38,400,938.00	38,400,938.00	0.00	0.00
Bank balances	12,138,378.00	12,138,378.00	0.00	0.00
Total	50,539,316.00	50,539,316.00	0.00	0.00
At 30 June 2023 (current year)				
Receivables from exchange transactions	57,670,257.00	57,670,257.00	0.00	0.00
Bank balances	1,155,082.00	1,155,082.00	0.00	0.00
Total	58,825,339.00	58,825,339.00	0.00	0.00

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Notes to the Financial Statements (Continued)
Financial risk management (continued)

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022 (previous year)				
Trade Payables	2,599,591.00	500,625.00	1,196,910.00	4,297,126.00
Total	2,599,591.00	500,625.00	1,196,910.00	4,297,126.00
At 30 June 2023 (current year)				
Trade Payables	426,320.00	1,402,836.00	1,064,100.00	2,893,256.00
Total	426,320.00	1,402,836.00	1,064,100.00	2,856,256.00

Emining Technical Training Institute
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Notes to the Financial Statements (Continued)
Financial risk management (continued)

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

23. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Emining Technical Training Institute, holding 100% of the Emining Technical Training Institute's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Emining Technical Training Institute, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

The transactions and balances with related parties during the year are as

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
B) Purchases from related parties		
Purchases of electricity from kplc	610,052.00	404,685.00
Purchase of water from govt service providers	0.00	0.00
Total	610,052.00	404,685.00
a) Grants /Transfers from the Government		
Grants from National Govt	9,557,000.00	17,062,500.00
Donations in kinds	101,239,282.00	101,239,282.00
Total	110,796,282.00	118,301,782.00
Total		
b) Key Management Compensation		
Directors' emoluments	806,500.00	1,173,500.00
Total	806,500.00	1,173,500.00

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Notes to the Financial Statements (Continued)

24. Events After The Reporting Period

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

25. Ultimate And Holding Emining Technical Training Institute

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

26. Currency

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Unsupported Fuel and oil Expenses	The expenses have now been accounted for	Resolved	June 2023
	Property Plant and Equipment	The valuation of the assets has not been done	Not Resolved	June 2024
	Failure to deduct PAYE for board members	The institution commits to comply with the requirements	Not Resolved	December 2023
	Budgetary control and performance	The institution not yet able to spend 100%	Not Resolved	June 2024
	Irregular procurement – Use of goods and services	The institution commits to comply with the requirements	Resolved	December 2023
	Unsupported travelling and accommodation	The institution commits to comply with the requirements	Resolved	Dec 2023
	Unsupported transfers from other national government entities	Validated lists of beneficiaries and returns are available	Resolved	June 2023

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Jacob Kstt

Name
Accounting Officer
(Principal)

Date *28.02.2025*



Appendix II: Projects Implemented by Emining Technical Training Institute

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1.TUITION BLOCK & ICT LAB	ETTI/CTBIL/T/01/2014-2015	GOK	1 year		yes	yes
2.AUTOMOTIVE GARAGE WORKSHOP	ETTI/0PNT/01/2017-2018	GOK	1 year		yes	yes

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	TUITION BLOCK & ICT LAB	32,000,000.00	25,289,598.00	80%	32,000,000.00	25,289,598.00	GOK
2	AUTOMOTIVE GARAGE WORKSHOP	23,933,651.00	14,314,079.00	67%	23,933,651.00	14,314,079.00	GOK

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Appendix III- Inter-Entity Confirmation Letter



MINISTRY OF EDUCATION
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
EMINING TECHNICAL TRAINING INSTITUTE

Email: eminingtti@gmail.com WEBSITE: www.eminingtti.ac.ke
 P.O BOX 208-20105, MOGOTIO, Tel: 0796098672



Confirmation of amounts received by Emining Technical Training Institute as at 30th June 2023

Reference Number	Date Disbursed	Amounts Disbursed by Ministry of Education (Kshs 9,557,000.00) as at 30th June 2023.				Amount Received by [Beneficiary Entity] (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	24/10/2022	3,845,000.00	0.00	0.00	3,845,000.00	3,845,000.00	0.00
	26/01/2023	2,856,000.00	0.00	0.00	2,856,000.00	2,856,000.00	0.00
	29/06/2023	2,856,000.00	0.00		2,856,000.00	2,856,000.00	0.00
Total		<u>9,557,000.00</u>	<u>0.00</u>		<u>9,557,000.00</u>	<u>9,557,000.00</u>	<u>0.00</u>

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of Emining Technical Training Institute :

Name Jecinto Chelego Sign [Signature] Date 28/12/2025

Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
NONE									

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
NONE						