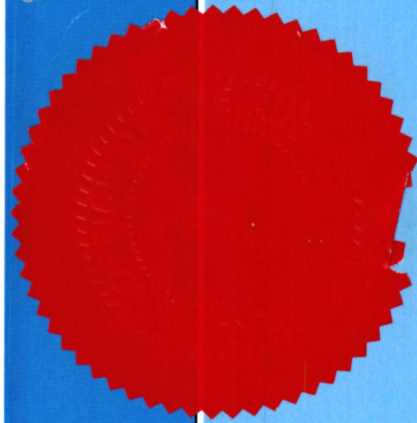
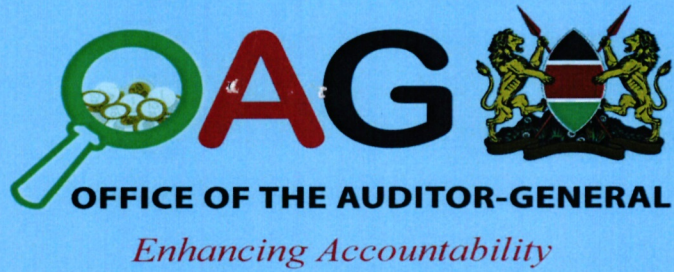



REPUBLIC OF KENYA



PARLIAMENT  
OF KENYA  
LIBRARY

 THE NATIONAL ASSEMBLY PARLIAMENT	
<b>REPORT</b> 21 OCT 2021	
DAY. <i>Thursday</i>	
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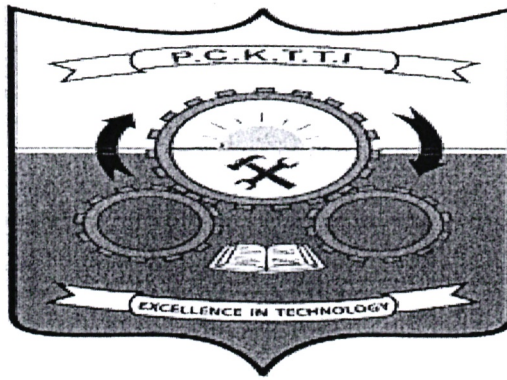
**THE AUDITOR-GENERAL**

**ON**

**PC KINYANJUI TECHNICAL  
TRAINING INSTITUTE**

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





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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE 2020**

**PC KINYANJUI TECHNICAL TRAINING INSTITUTE**

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

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## **I. KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

The Institution was incorporated/ established under the TVET Act on 20<sup>th</sup> July 2001. The entity is domiciled in Kenya and located in Nairobi West District, Dagoretti, Constituency, near Riruta Police Station. The institute is under the Ministry of Education. It consist of eight (8) academic andfour (4) non-academic departments as listed below;

#### **Academic includes:**

1. Electrical and electronics
2. Building and Civil Engineering
3. Mechanical
4. Applied science
5. Hospitality
6. ICT
7. Business
8. Entrepreneurship

#### **Non-Academic:**

1. Guidance& Counselling
2. Industrial Liaison Officer (ILO)
3. Marketing
4. Office of career Services (OCS)
5. Finance
6. Procurement
7. Library

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

#### **Mission**

To produce graduates who are knowledgeable, skilled and equipped with positive attitude that will enable them to cope with challenges of the fast changing world.

#### **Vision**

To be the centre of excellence in Technical, Industrial, Vocational and Entrepreneurship Training.

#### **Core Values:**

Transparency  
Professionalism  
Integrity  
Innovation, and  
Accountability.

### **Quality Policy**

P C Kinyanjui Technical Training Institute is committed to be a Centre of excellence in Technical, Industrial, Vocational, and Entrepreneurship training by offering high Quality Training, for innovation,

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**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

employability and job creation in support of vision 2030. In pursuit of this commitment, the Institute shall comply with all applicable requirements and continually improve the established Quality Management System based on ISO 9001:2015 Standard. This Quality Policy and established functional Quality Objectives shall be reviewed annually for continuing suitability.

**(c) Key Management**

The Institution’s day-to-day management is under the following key organs:

- BOG members
- Accounting officer/ Principal
- Management Team
- Lecturers
- BOG staff

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Principal	<b>Sammy Kamau Waititu</b>
2.	Head of Finance	<b>Alice Njoki Macharia</b>
3.	Head of Procurement	<b>Joseph Mureithi</b>
4.	D/Principal-Admin	<b>Samuel M.Kiuna</b>
5.	D/Principal-Academic	<b>Dorothy Odhiambo</b>
6.	Registrar	<b>James O.Mwambi</b>
7.	Dean of Students	<b>Ruth Matanda</b>
8.	Management Representative	<b>Simon Gitau</b>
9.	Performance Contract coordinator	<b>Jane Gatacha</b>

**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(e) Entity Headquarters**

P.O. Box 21280-00505  
Nairobi west District  
Off Kabiria rd-Riruta Satellite  
Nairobi, KENYA

**(f) Entity Contacts**

Telephone :( 254) 721480199  
Cell :( 254)773829417  
E-mail:  
info@kinyanjuitechnical.ac.ke Website:www.kin  
yanjuitechnical.ac.ke

**(g) Entity Bankers**

Co-operative Bank of Kenya  
Kawangware  
P.O. box 46904  
Nairobi, Kenya

Equity Bank (Kenya) Limited  
Kawangware  
P.o.box 27076  
Nairobi, Kenya

Kenya Commercial Bank  
PrestigePlaza  
P.o.box 41294-00100  
Nairobi, Kenya

**(h) Independent Auditors**

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

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**(i) Principal Legal Adviser**

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

II. THE BOARD OF GOVERNORS

I.



Mary Claire Kidenda PhD  
DoB 1961



Mary Clare Akinyi Kidenda is the current Chair BOG. She holds a Doctorate in Design and Visual Arts from Coventry University, UK and Master of Arts in Design from the University of Nairobi. Her Bachelor of Education degree in Education and Fine Art is from Kenyatta University. She is a member of the Senate, School Academic Board and the current Chair of the Department of Design and Creative Media, School of Creative Arts and Media Technology at The Technical University of Kenya. She has held various positions at the department including Lecturer, Department of Design and Media Technology; Assistant Dean, School of Creative Arts and Technologies, Faculty of Liberal and Professional Studies and Acting Dean, School of Creative and Applied Arts. She served in several committees: Central Academic Committee; Graduation Committee; Kenya Polytechnic Alumni Association Committee.

She has been an Art and Design teacher in various secondary schools and has received various certificates of merit as the best Art and Design teacher. She has set up and headed several Art and Design Departments countrywide.

Mary Clare is also a member of the Design Association of Kenya (DeSK) and Arts Council of the African Studies (ACASA). She is also member of UNESCO UNITWIN (University Twinning and Networking) and a Member of Experts Panel- Exploring Visual Cultures. Mary is the chief editor of the book "Visual Culture in Africa". She is a member of TU-K Augsburg University of Applied Science DAAD program; and a member of The College of Arms; Attorney General's office in the Republic of Kenya.


In the course of her career, Mary Clare has participated in curriculum reform at various levels in the country; written papers, attended workshops, conferences and published in various academic journals. Mary has attended courses in: Basic Occupational Safety and Health; 3D Graphic Design and Multimedia at Shang Tao Media Arts College, Nairobi, Kenya; Diploma in Advanced Graphic Arts at Training Centre for Graphic Arts in Chemnitz, Germany; Electronic Publishing Foundation Course at Academy of Printing Technologies, Nairobi, Kenya; Leadership Skills Training covering

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	<p>Organizational and Business Skills organized, Adventist Development and Relief Agency – Kenya and is a Community Health Worker certified by Adventist University of Eastern Africa Baraton, Kenya. Mary Clare holds several responsibilities in her church and local community.</p>
<p>2.</p>  <p>Dr. Gladys Wekesa Bunyasi ACCA DoB 31<sup>st</sup> Oct 1975.</p>	<p>She is a member of the Board and Chair Finance Committee, holds <b>PhD</b> (Entrepreneurship)2015,<b>MBA (Finance)</b>2017,<b>Bed Arts (Business studies)</b> – 2<sup>nd</sup> Class, Upper Div.1999,Association of Chartered Certified Accountants (ACCA) 2017,<b>Certificate in Ethics</b> and Professional Skills <i>module</i> 2019, Full member ACCA,Member of the ACCA Global Education Forum,Member of University senate, dean’s committee, faculty board and other University committees,Member of the United Society of Friends Women Kenya,(Treasurer).Currently she is a senior lecturer KCA University,wasDean of students – 2003 to June 2007 KCA University,Director School of Professional programmes July 2007 – 2015 KCA University and Dean Regional Campuses &amp; Professional Programmes 2015 – 2019 KCA University,Champion KCA TC – 2020 to date KCA University.</p>
<p>3.</p>  <p>Francis GathuraBoro</p>	<p>He is a member of the Board, holder of B.Sc. Mechanical Engineering Agriculture and Technology (Second Class Honours, Upper Division-JKUAT,1997), User Support Technology Professional Certificate(Institute of Advanced User Support Technology-Feb 2003), <b>To be awarded Agriculture and Technology MSc. Mechanical Engineering (African Development Bank Scholarship-JKUAT)</b>, 2004-current Cad vision Mould -design and development of injection, blow Services moulds and soap dies using Solidworks -nc codes generation using Mastercam -maintenance of injection and blow moulds -production planning and coordination -new moulds project management using Microsoft Project -Anilam controlled CNC milling</p>

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<p>D.o.B 1973</p>	<p>programming                  2002 – 2004 Plas-kit Kenya -design of new injection and blow moulds using AutoCAD and Mechanical Desktop -maintenance of injection and blow moulds -production planning and coordination -new moulds project management using Microsoft Project - Anilam controlled CNC milling programming.                  1999 – 2002 Standard -design of new injection and blow moulds using Engineering AutoCAD Works - Anilam controlled CNC milling programming - AutoCAD training and user support 1998 – 1999 East African -design and making of castings drawings using Foundry Works AutoCAD - monitoring of patterns machining</p>
<p>4.</p>  <p>Milka Wanjiru K. Ngigi                  D.o.B 1968</p>	<p>She is member of the Board and Academic Committee member, holds 1<sup>ST</sup> degree from Kenyatta University, S I Diploma in Education , Kagumo Teachers College, Higher Diploma in Psychology Counseling from Life Line College, Diploma in Place Based leadership Development ( PBLD ) University of Sunderland England, Trainer of Trainer in HIV and AIDS , Reproductive Health Education -APHIA II Rift Valley, Trainer in Entrepreneurship and Life skills - Project Baobab, Trainer of Sexual Gender Based Violence Prevention and Response , Women Human Rights, Reproductive Health, Economic Empowerment and Leadership-Women-Empowerment-Link(WEL), Trainer of Trainers in Q A and Q I Monitoring and Evaluation ( LVCT ), Trainer of Community Legal Facilitator – Women Empowerment Link ( WEL)-GI, Trainer of Effective Kenyan Women Participation in Political Process-Coalition For Peace In Africa(COPA), Trainer of Awareness on, And Management Counter Trafficking Initiatives .....International Organization Migration, Trainer of Peace Building and Conflict Transformation – Knorad Adenaur Stiftung, Trainer in WASH - Global Water Women Initiative, 2014, Trainer of Trainers in Conflict Resolution , Management and Reconciliation – PeaceNet.....2014, Trainer of Trainers in Human Counter Trafficking – UNODC.2015</p>

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5.



Gerald GitauNjenga  
D.o.B 1990

He is a Board member and holds a M Sc. in Aerospace Manufacturing and a B Sc. in Aircraft Manufacturing Engineering from Shenyang Aerospace University, a diploma in Aeronautical Engineering from Kenya Aeronautical College and a Diploma in Media Art and Animation from Shangtao Media Art College. Over his 6 years + in China, he has worked in various immerging technology companies in the fields of artificial intelligence, AR/VR, fintech, tourism and automotive. Currently, he is involved in his techno-entrepreneur adventure running REVMAX AUTO TECHNOLOGY, a car technology startup and SEVENFOURTYFIVE TECH LTD which is involved in technology in agriculture. He is a member of CAITEC, a one belt one road club in Beijing and EAchamm, European American chamber of commerce He strongly believes in the Chinese philosophy jingyiqiujiing that means no one human is limited and there is always room to learn and improve.



6.



Lucia M.N.Mulwa  
D.o.B 1965


She is a Board member and serves in the Finance Committee. She is a seasoned educationalist with over 30 years' experience in educational leadership and management. Lucia Mulwa is a holder of a Masters' degree in Educational Administration from the University of Nairobi and a Bachelors' degree in Education from Kenyatta University. In addition, Lucia has undertaken several short courses to keep abreast with the emerging strategies in Financial and human resources Management. She has held senior positions in education sector, she served as a secondary school Principal, a staffing officer, Human Resource and Development officer, Deputy Director in charge of teacher discipline as well as a deputy director in charge of administration at the Teachers' Service Commission Headquarters. Her knowledge, skills and experience was later tapped by the Nairobi City County Government, were she successfully served as a County Chief officer before her promotion to the position of a County Executive

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	<p>Committee Member (CEC) in Charge of Education, Sports, Youth, Gender and Social services, a position she holds to date.</p>
<p>7.</p>  <p>Daniel Muthama Kinyanjui D o B 1958</p>	<p>He is a Board member representing Kinyanjui Gathirimu Community and a Finance committee member, holds a Bachelor of Education (Arts) Linguistics &amp; M.A (Arts), Gender &amp; Development at University of Nairobi. He is a retired Head Teachers, currently a businessman.</p>
<p>8.</p>  <p>Phyllis Ngaruiya DoB</p>	<p>Phyllis Njaari is member of the Board and serves in the Finance Committee. She is an Advocate of the High Court of Kenya and an expert in contract law, corporate / commercial law, property development law, real estate law, and litigation management. She also has immense experience in conveyancing, leasing and real estate property management for residential, commercial and mixed-use development properties.</p> <p>The LLB graduate of Punjab University is also highly conversant with legal research and documentation, and has an in-depth knowledge of the Kenyan judicial systems – including court registry, land registry and civil registry procedures. Phyllis also holds a degree in Applied Psychology from Kinnaird College, Pakistan; and currently</p>

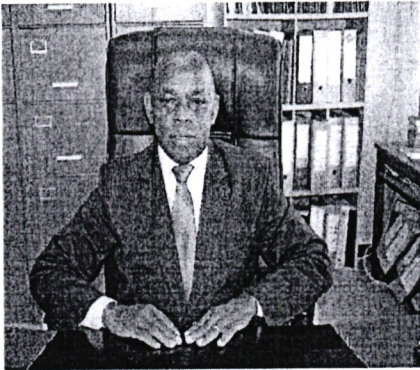


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	<p>serves as the Managing Partner at NjaariNgaruiya &amp; Co. Advocates and the Property Manager and Legal Advisor at Pinnacle Developments Ltd.</p>
<p>9. </p> <p>Maryan Abdi Hassan D.o.B 1977</p>	<p>Maryan Abdi is the County director Nairobi. She holds-Master of Education( Educational Planning &amp; Administration)- Catholic University of East Africa - Diploma in Education Management- Kenya Education Management Institute-oct 2011-2013 - Bachelor of Education-Science- KU 2004-2007 - Diploma in Education ( science)- Kagumo Teachers college-1997-1999 Has been working with TSC in the following - Principal-Kutululo G. Secondary School-2008-2013 - Principal, Wajir Girls Sec-2013-2017 - Principal, Nep Girls High school-Garissa-2018 - Senior Asst. Dir. of Educ-TVET-oct-Dec 2018 - SADE-TVET County Dir., Nairobi-Jan 2019 to dateTVET County Director and currently working- SADE-TVET County Director, Nairobi</p>

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**III. MANAGEMENT TEAM**

<p>1.</p>  <p>Sammy Kamau Waititu          B.B.A (Accounting/Taxation),          CPA 6</p>	<p>He is the Principal &amp; secretary of the Board, holds B.B.A (Accounting/Taxation),CPA 6</p>
<p>2.</p>  <p>Samuel Muturi Kiuna          Higher National Diploma(Electrical)</p>	<p>Deputy Principal-Administration</p>
<p>3.</p>  <p>Dorothy Odhiambo          Degree Bachelor of Bus          Mgmt.(Entrepreneurship Ed)</p>	<p>Deputy Principal-Academics</p>

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<p>4.</p>  <p>James OirereMwambi B.Com (Commerce) M.Com, PGDSCA-Computer Science</p>	<p>Registrar</p>
<p>5.</p>  <p>Ruth Matanda MSC Aqua Culture</p>	<p>Dean of Students</p>
<p>6.</p>  <p>Simon Gitau Thuo, BSC Medical Lab Technology Dip in Technical Education</p>	<p>Management Representative-ISO</p>

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<p>7.</p>  <p>Alice Njoki Macharia B.Com,(Finance) CPA-K Assoc-2133</p>	<p>Finance Officer.</p>
<p>8.</p>  <p>Jane Wanjiku Gatacha MscStatistics,Bsc BBIT</p>	<p>Performance Contract Coordinator</p>

**IV. CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2020**

We have come to the end of the financial year 2019/20 and I have everything to thank God for. I thank the outgoing board for the tremendous work during the first three quarters of the year. The board laid a very strong foundation on which we are committed to build a vibrant institution in line with our vision and mission.

I wish to congratulate members of the new board for their appointment to run the Institute for the next three years. I thank you for your commitment to duty that is clearly evident. The Institute has experienced rapid growth in terms of student population, infrastructure, quality of service and visibility in recent times. We are called upon to sustain the upward trajectory.

I wish to thank the management of the Institute led by the Principal for their commitment to the day to day operations of the Institute. I want to assure you of our full support as a board. I take note of the serious impact of the COVID 19 pandemic. The pandemic led to the closure of all learning institutions in Kenya and all over the world. This has had a negative impact on our operations in that we have not been able to carry out our key mandate of training. However, the pandemic has served as an eye opener for our preparedness in future. It has also given us an opportunity to focus on research, innovations, branding and infrastructure improvement and development.

I note with gratitude the immense financial boost that we received towards the end of the 2019/2020 financial year. We received our huge outstanding arrears owed by the National Youth Service (NYS) following the Presidential directive on clearance of pending bills. We also received pending capitation for the second and third quarters of the year. The finances will enable us implement our strategic obligations in the coming year.

It is my prayer and belief that despite the challenges posed by the COVID 19 pandemic, we shall excel in our mandate.

Dr. Mary Claire Kidenda

**Board Chair**  
**PC Kinyanjui TTI**

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**V. REPORT OF THE PRINCIPAL.**

Paramount Chief Kinyanjui Technical Training Institute is located in Riruta Satellite of Dagoretti Sub-County in Nairobi County. It is a Public Technical Training Institute under the Ministry of Education and was founded in 1979 as a Technical High School. Its mandate changed in 1984 to that of a Technical Training Institute.

In 1957, during the land adjudication and consolidation, the said property was sequestered for a public utility as a High School. To this end, community members donated the said property and in 1958, the said property was registered and reserved for Kinyanjui Memorial High School.

On 1<sup>st</sup> May 1972, the Government of Kenya as a symbol and gesture of good diplomatic relations with the Republic of Cyprus granted a lease over the said property to the Holy Archbishopric of Innoupolis ("hereinafter the Greek Orthodox Church") for a term of ninety nine (99) years to found the Orthodox Faith in Kenya.

This was the same property which had earlier been sequestered for purposes of erecting the said High School. The understanding between the two said Governments was that Republic of Cyprus was to construct a school for the community on one part of the said property and a Church on the other part. This was embodied in the Lease document that was granted to the Greek Orthodox Church, specifically, special condition.

The Government of the 'Republic of Cyprus .provided grants that were used to construct the ground floor of the Administration cum Tuition Block after which the school was handed over to the Government of the Republic of Kenya in 1974, albeit in an incomplete state.

The Government of Kenya completed the remaining construction works, equipped the classrooms and workshops and the school opened its doors in 1979 as a Technical Secondary School. A playground was prepared and a permanent dining/kitchen was constructed for the student's use.

There have been numerous efforts, tracing back to 1982, to sever the interests held by P C Kinyanjui and the Greek Orthodox Church in the said property. The Institute occupies the lower part of the land bordering Lenana School and is estimated to occupy about four (4) acres. Other than sharing the entrance with the Orthodox Seminary, the Institute has a playground that virtually serves the entire Riruta Satellite Community.

P C KTTI is a Governmental middle level Technical Training Institute. It is established under the Ministry of Education (TVET Act 2013). It offers a variety of courses at Diploma, Craft and Artisan and Trade.

P C KTTI operates under TVET as stipulated in the laws of Kenya. The Institute's operations are also carried out in accordance with the Government policies and procedures as spelt out in official documents and circulars. The Institute is conscious of the Government's policy of industrialization by the year 2020, and the Kenya Vision 2030. It is gearing towards playing a significant and leading role in the fulfilment of its mandate.

P C KTTI has put in place structures to establish Centre of Excellence. This will be achieved through: strengthened and improved delivery of tuition; acquisition of modern equipment and facilities; enhanced industrial attachment for lecturers and trainees; strengthened research and development activities and establishing a "Business Incubator that will allow incubation of all young graduates as they prepare to start their own business.

## **PC KINYANJUI TECHNICAL TRAINING INSTITUTE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

To strengthen the management of the Institute, the Board of Governors has employed a number of staff in various sections of Boarding and Tuition as well as Security. Current population stands at

- Eighty One (PSC teaching staff), (81)
- BOG teaching staff, Forty (40)
- BOG non-teaching staff Forty Two (42)and
- Student enrolment (One Thousand Three Hundred Ninety Nine (1,399). Students are both boarders and non-boarders.

The Vision of the Institution is to be the centre of excellence in technical training and human resources development.

Like all other training Institution, the normal operation of the Institute were suspended in March 2020 to date due to the Covid-19 Pandemic. The Management of the Institute has taken advantage of the suspension to implement various development projects that include completion of the mens' hostel, and roads improvement.

Besides, the Institute has embarked on training of Trainers in online teaching and upgrading of our internet infrastructure. The Institute has also embarked on the process of upgrading the Management Information System in compliance with the new financial reporting systems.

The new MIS will go a long way in ensuring compliance with the Covid-19 guidelines to ensure safety for all parties in the institute.

Sammy K.Waititu

**Principal PC Kinyanjui TTI**

**PC KINYANJUI TECHNICAL TRAINING INSTITUTE**  
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**VI. CORPORATE GOVERNANCE STATEMENT**

**ANALYSIS OF BOARD MEETINGS WITHIN THE FINANCIAL YEAR 2019-2020**

<b>S/NO</b>	<b>DATE</b>	<b>ATTENDANCE</b>	<b>PURPOSE</b>
1	22/8/2020	6	FULL BOARD MEETING FOR RECRUITMENT OF BOG STAFF
2	16/10/2019	5	ACADEMIC AND DISCIPLINARY COMMITTEE MEETING
3	17/10/2019	8	FULL BOARD MEETING
4	23/1/2020	7	FULL BOARD MEETING
5	5/3/2020	9	INAUGURATION OF THE NEW BOARD MEMBERS
6	12/3/2020	8	FIRST FULL BOARD MEETING
7	23/6/2020	3	FINANCE SUB-COMMITTEE MEETING- BUDGET PROPOSAL
8	25/6/2020	8	FULL BOARD MEETING

**APPOINTMENT OF THE BOARD MEMBERS**

The appointment of the Board of Governance is done in accordance with the second schedule of the Technical and Vocational Education and Training (TVET) ACT No.29 of 2013. The appointing authority is the Cabinet Secretary and is accordance with Section 28 (3) and the second Schedule Part (1) and (2) (a) of the TVET Act. The term of office is three (3) years effective from the date of letter of appointment.

**ROLE AND FUNCTIONS OF THE BOARD.**

The functions of the Authority shall be to—

- (a) Regulate and coordinate training under this 841 2013 Technical and Vocational Education and Training No.29 Act,
- (b) Accredite and inspect programmes and courses;
- (c) Advice and make recommendations to the Cabinet Secretary on all matters related to training;
- (d) Determine the national technical and vocational training objectives;
- (e) Promote access and relevance of training programmes within the framework of the overall national socio-economic development plans and policies;

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- (f) Prescribe the minimum criteria for admission to training institutions and programmes in order to promote access, equity and gender parity.
- (g) Recognize and equate qualifications awarded by local or foreign technical and vocational education institutions' in accordance with the Standards and guidelines set out by the Authority from time to time;
- (h) Develop plans, and guidelines for the effective implementation of the provisions of this Act;
- (i) Establish a training system which meets the needs of both the formal and informal. Sectors as provided under this Act;
- (j) Collect, examine and publish information relating to training;
- (k) Inspect, license, register and accredit training institutions; •
- (l) Advise on the development of schemes of service for trainers;
- (m) Assure quality and relevance in programmes of training;
- (n) Liaise with the national and- county governments and with the public and the private sector on matters relating to raining;
- (o) Undertake, or cause to be undertaken, regular monitoring, evaluation and inspection of training and institutions to ensure compliance with set standards and guidelines;
- (p) Mobilize resources for development of training;
- (q) Ensure the maintenance of standards, quality and relevance in all aspects of training, including training by or through open, distance and electronic learning;
- (r) Approve the process of introduction of new training programmes and review existing programmes in Technical and Vocational Education and Training Board institutions;
- (s) Perform any other functions necessary for the better implementation of this Act.

The Authority may where appropriate, with approval of the Cabinet Secretary, delegate the performance of any of its functions to a suitably qualified person or body;

Due to the current pandemic that has hit the country since March this year, the current board have not been inducted yet and their performance cannot be measured since they were appointed when the pandemic had just hit the country.

The Board remuneration is done based on attendance of the meetings where they sign the BOG attendance book. There is an internal Auditor who represents and report to the Board members i.e. Audit committee.

## **VII. MANAGEMENT DISCUSSION AND ANALYSIS**

### **Operational and Financial Performance of the Organisation.**

In carrying out our duties, we intend to put all our efforts towards contributing effectively and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030, keeping in mind the specific priorities of the Paramount Chief Kinyanjui Technical Training Institute. We will also pay special attention to implementation of Post COVID-19 Recovery Strategies and Plans. Bearing in mind the imperative of inclusivity, we will implement the following Strategic Intentions during the Financial Year:

1. Train in areas of Technical and Vocational Education as stipulated in the TVET Act 2013.
2. Provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio-economic development.
3. Ensure that P.C Kinyanjui T.T.I has a credible Strategic Plan and Performance Contract that will deliver the desired goals.

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. It is our undertaking to ensure that the Paramount Chief Kinyanjui 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 performance targets.

### **Big Four Initiatives**

1. Introduce the Masonry Course at Certificate Level. In the FY 2020/2021 the Board commits to introduce the Masonry Course at Certificate Level and train at least 30 Trainees for provision of skilled manpower in support of affordable housing.
2. Increase the Number of Trainees in Computer Numerical Control (CNC) In the FY 2020/2021 the Board commits to increase the number of Trainees in Computer Numerical Machine Control from 30 to 35 for provision of skilled manpower in support of Manufacturing Industry.
3. Increase the Number of Trainees in Plumbing. In the FY 2020/2021 the Board commits to increase the number of plumbing Trainees from 103 to 120 for provision of skilled labour in support of affordable housing.
4. Procure Two Vehicle -In the FY 2020/2021 the Board commits to procure two vehicles an official car and an Institute Bus, to enhance access to the industry and bench marking.
5. Increase Trainee Enrolment. In the FY 2020/2021, the Board commits to increase overall enrolment from 2,151 to 2,500 Trainees through various marketing campaigns.
6. Increase Female Enrolment in SET. In the FY 2020/2021 the Board commits to increase enrolment of female trainees in SET courses from 202 to 220 by sourcing scholarships from the institute's partners.
7. Increase Pass Rate in External Exams. In the FY 2020/2021 the Board commits to improve the overall percentage pass rate from the current 58.85 % to 70% through reviewing and implementing the Academic Policy.

## PC KINYANJUI TECHNICAL TRAINING INSTITUTE

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

8. Implement Competency Based Education and Training (CBET) Curriculum in the FY 2020/2021 the Board commits to implement at least level 3 of the following 7 new courses under CBET curriculum to align training with industry demand.
9. Award Scholarships. In the FY 2020/2021 the Board commits to solicit and award at least 45 scholarships from the Institute's partners to enhance access.
10. Undertake Research and Development-In the FY 2020/2021 the Board commits to set aside Ksh 3,500,000 to undertake the following in research and development :
11. Train Staff in Flexible and Blended Learning. In the FY 2020/2021 the Board commits to train 70 members of staff on flexible and blended learning to enhance online training and learning.
12. Design and Fabricate Automatic Soap and Water Dispensers-In the FY 2020/2021 the Board commits to Design and Fabricate Automatic Soap and Water Dispensers in line with Covid-19 Prevention and Control measures.
13. Design and Fabricate Automatic Sanitizer Dispensers-In the FY 2020/2021 the Board commits to Design and Fabricate Automatic Sanitizer Dispensers in line with Covid-19 Prevention and Control measures.
14. Project Completion Rate In the FY 2020/2021 the Board commits to implement and complete all its projects as detailed below;

#### **Vision 2030 Flagship Programmes/Projects**

##### **(a) Construct Multipurpose Block.**

In the FY 2020/2021 the Board commits to construct phase 1 of the Multipurpose Block comprising a canteen and Ladies Hostel to 30% to enhance access and factor in social distance.

**(b) Construct Hostel**-In the FY 2020/2021 the Board commits to construct the Mens' Hostel to 100% completion level to enhance access. This entails construction of third and fourth floor.

**(c) Construct Mechanical Workshop Phase 2**-In the FY 2019/2020 the Mechanical Workshop was constructed up to ground floor slab level which was 12 % of the building. In the FY 2020/2021 the Board commits to construct a further 15% of the Mechanical Workshop which is up to second floor slab level.

The Institution has full compliance with statutory requirements i.e. NSSF, NHIF and PAYE. (Recently acquired certificate of compliance from KRA while registering the Institute driving school course. The Institution has no material arrears in statutory and other financial obligations.

#### **Statement of Strategic Intent by the Board of Governors and Management.**

In carrying out our duties, we intend to put all our efforts towards contributing effectively and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030, keeping in mind the specific priorities of the Paramount Chief Kinyanjui Technical Training Institute. We will also pay special attention to implementation of Post COVID-19 Recovery Strategies and Plans. Bearing in mind the imperative of inclusivity, we will implement the following Strategic Intentions during the Financial Year:

1. To enhance competitiveness to ensure that graduates fit in the labour market.
2. To enhance competitiveness to ensure that graduates fit in the labour market.
3. To empower the community by providing scholarship programmes in collaboration with institute partners

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- . 4. To manufacture/fabricate products that meets all regulatory standards for use by Kenyans and the East African region.
5. To implement guidelines from the Ministry of Education on the Covid-19 Response and Recovery Plans to control and curb the spread of Covid-19 among the Institute' stakeholders.

**VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY**

**REPORT ON DONATION AND TREE PLANTING ACTIVITY HELD ON 11<sup>TH</sup> OCTOBER, 2019 AT OLOOLUA PRIMARY SCHOOL**

Since the beginning, trees have furnished us with two of life's essentials, food and oxygen. As we evolved, they provided additional necessities such as shelter, medicine, and tools. Today, their value continues to increase and more benefits of trees are being discovered as their role expands to satisfy the needs created by our modern lifestyles.

Trees are an important part of every community. Our streets, parks, playgrounds and backyards are lined with trees that create a peaceful, aesthetically pleasing environment. Trees increase our quality of life by bringing natural elements and wildlife habitats into urban settings. We gather under the cool shade they provide during outdoor activities with family and friends. Many neighborhoods are also the home of very old trees that serve as historic landmarks and a great source of town pride. Using trees in cities to deflect the sunlight reduces the heat island effect caused by pavement and commercial buildings

Trees control climate by moderating the effects of the sun, rain and wind. Leaves absorb and filter the sun's radiant energy, keeping things cool in summer. Trees also preserve warmth by providing a screen from harsh wind. In addition to influencing wind speed and direction, they shield us from the downfall of rain, sleet and hail. Trees also lower the air temperature and reduce the heat intensity of the greenhouse effect by maintaining low levels of carbon dioxide. Both above and below ground, trees are essential to the eco-systems in which they reside. Far reaching roots hold soil in place and fight erosion. Trees absorb and store rainwater which reduce runoff and sediment deposit after storms. This helps the ground water supply recharge, prevents the transport of chemicals into streams and prevents flooding. Fallen leaves make excellent compost that enriches soil. Many animals, including elephants, koalas and giraffes eat leaves for nourishment. Flowers are eaten by monkeys, and nectar is a favorite of birds, bats and many insects. Animals also eat much of the same fruit that we enjoy. This process helps disperse seeds over great distances. Of course, hundreds of living creatures call trees their home. Leaf-covered branches keep many animals, such as birds and squirrels, out of the reach of predators.





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The main reason we like trees is because they are both beautiful and majestic. No two are alike. Different species display a seemingly endless variety of shapes, forms, textures and vibrant colors. Even individual trees vary their appearance throughout the course of the year as the seasons change. The strength, long lifespan and regal stature of trees give them a monument-like quality. Most of us react to the presence of trees with a pleasant, relaxed, comfortable feeling. In fact, many people plant trees as living memorials of life-changing events.

Trees help record the history of your family as they grow and develop alongside you and your kids. We often make an emotional connection with trees we plant or become personally attached to the ones that we see every day. These strong bonds are evidenced by the hundreds of groups and organizations across the country that go to great lengths to protect and save particularly large or historic trees from the dangers of modern development. How many of your childhood memories include the trees in your backyard or old neighborhood? The sentimental value of a special tree is simply immeasurable.



PC KINYANJUI TECHNICAL TRAINING INSTITUTE has committed itself over and over again in making an impact in our society. Through the commitments under the National Cohesion and Values we were honoured to donate 200 trees to Oloolua Primary School in Kajiado County. This is a government public school that has 2500 students under the able leadership of Mrs Irene Mwenda.

## **PC KINYANJUI TECHNICAL TRAINING INSTITUTE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

It was quite a rainy day but this did not stop our 51 participants from carrying out this activity. The staff, Red Cross Chapter, Environmental Club shown a lot of passion to make an impact in the lives of the young children who are the leaders of tomorrow. The institute donated 200 seeds, 50 of them being fruit trees i.e. mangoes, oranges, and avocado trees. Others included indigenous trees that will not only improve the environment but also add shade and beauty to the school.

We are not only planted trees but had a session with the students to inspire them to pursue their academic excellence and we had our student's leaders as a model to the children. They gave them words of encouragement not only to achieve academic dreams but also pursue talents and dreams.

#### **What is the impact?**

Children learn more through imitation than in mere words. The passion they had as they planted the trees gave us the pride and dignity that a generation is being changed. We believe that the fruit trees will provide nutrition value to the young children and save the school few coins in buying some of the needed fruits especially for the play group. PC Kinyanjui community is committed to do more in impacting the society in different dimensions.

#### **National Values**

The children were encouraged to be patriotic and love their nation and their school. They should adhere to the rule of law and uphold discipline, integrity and seek after unity for the great future.



**Conclusion**

On behalf of the National Cohesion and Values Committee, Red Cross Chapter, Environmental Club I take this opportunity in thanking the Principal, Mr. Waititu for the overwhelming support given to us in ensuring the success of this noble activity.

Cheers to Ooloolua Primary School, through the leadership of Mrs Irene Mwenda for opening the gates for us to work with you and your staff.

Lastly and not least, I thank the PC Kinyanjui staff, students for making this day memorable.

BLESSINGS

STELLA MUSYOKI

CHAIR-NATIONAL COHESION AND VALUES

**PC KINYANJUI TECHNICAL TRAINING INSTITUTE**  
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## **IX. REPORT OF THE BOARD OF GOVERNORS**

The members of the Board who served during part of this year are shown on page v, vi, vii, viii & ix. During the year the previous directors (seven) retired and eight new ones were appointed with effect from March 2020.

### **Principal activities**

The principal activities of the entity that enable the institution to produce graduates who are knowledgeable, skilled and equipped with positive attitude that will enable them to cope with challenges of the fast changing world are;

- Provide a conducive environment for teaching and learning.
- Promote leadership by providing opportunities for students' representation in clubs and classes
- Provide adequate training materials.
- Adhere to the Government regulations and policies.
- Ensure syllabus coverage by optimizing and time utilization.
- Ensure all industrial attaches are posted and assessed.
- Ensure standard evaluation through continuous assessment tests and examination.
- Conduct annual staff performance appraisal.
- Ensure prompt payments for supplies and services.
- Remain updated on modern technology by facilitating in services courses and industrial attachments for the staff.
- Make the institution a center of interest for all through enhanced publicity, high levels of performances, quality service and integrity.
- Improve the rate of conveying information adequate communication channels.
- Provide timely response to all enquiries.
- Provide quarterly and annual performance reports to the Ministry of Education Science and Technology.

### **Results**

The results of the entity for the year ended June 30 2020 are set out on page 1 to page 26

**X. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the council members to prepare financial statements in respect of PC Kinyanjui Technical Training Institute, which give a true and fair view of the state of affairs of the Institution at the end of the financial year 2019/2020 and the operating results of the Institution for that year. The council members are also required to ensure that the Institution keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institution. The council members are also responsible for safeguarding the assets of the Institution.

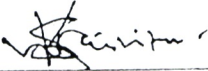
The council members are responsible for the preparation and presentation of the Institution's financial statements, which give a true and fair view of the state of affairs of the Institution for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) 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 Institution; (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 Institution; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for the Institution'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 ( TVET Act) – entities should quote applicable legislation as indicated under). The council members are of the opinion that the Institution's financial statements give a true and fair view of the state of Institution's transactions during the financial year ended June 30, 2020, and of the Institution's financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the Institution, which have been relied upon in the preparation of the Institution's financial statements as well as the adequacy of the systems of internal financial control.


Nothing has come to the attention of the council members to indicate that the Institution 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 Institution's financial statements were approved by the Board on 23rd Sept 2020 and signed on its behalf by:

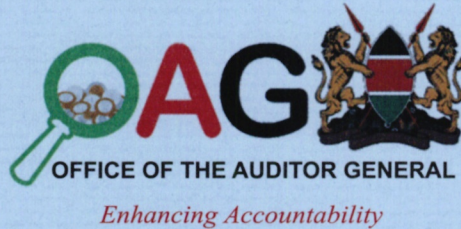
  
Sammy W. Kamau  
Secretary BOG/Principal

  
Dr. Mary Clare Kidenda  
Chair of the Board

 23/9/2020  
Dr. Gladys W. Bunyasi  
Finance Committee Chair

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON PC KINYANJUI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2020**

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of PC Kinyanjui Technical Training Institute set out on pages 1 to 27, which comprise the statement of the financial position as at 30 June, 2020, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 the PC Kinyanjui Technical Training Institute as at 30 June, 2020, and of its financial performance and cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and complies with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012

#### **Basis for Qualified Opinion**

##### **Ownership and Valuation of Property, Plant and Equipment**

The statement of financial position and as disclosed in Note 24 to the financial statements reflects property, plant and equipment balance of Kshs.805,998,976 as at 30 June, 2020. Included in this balance is land valued at Kshs.320,000,000 for which the Institute does not have a title deed. Also, included in the statement of financial position under property, plant and equipment are various assets amounting to Kshs.805,998,976 whose valuation reports were not provided for audit review.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.805,998,976 as at 30 June, 2020 could not be confirmed.

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

### **Emphasis of Matter**

#### **Contingency Asset**

The statement of financial position and as disclosed in Note 15(b) to the financial statements reflects a contingency asset amount of Kshs.13,850,070 which relates to cheques which were forged in the financial years 2011/2012 to 2013/2014. The Institute filed the case for misappropriation of funds at the Kibera Court which is ongoing. The likelihood of recovery of this amount, though disclosed has not been analysed in the financial statements by Management

My Opinion is not modified in respect of this matter.

#### **Key Audit Matters**

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

#### **Other Matter**

#### **Budget Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amount of Kshs.277,073,045 and Kshs.271,173,033 respectively resulting to an under-collection of Kshs.5,900,012 of the budget. Management attributed the under collection of revenue of Kshs.5,900,012 to a reduction of the Government's capitation to the Institute.

Similarly, the Institute incurred expenditure of Kshs.209,086,398 against an approved expenditure budget of Kshs.277,073,045 resulting to an under-expenditure of Kshs.67,986,647 of the budget. The underperformance affected the planned activities and may have impacted negatively on service delivery to the stakeholders and the public.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else

has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Regional Diversity**

A review of the Institute's staff data as at 30 June, 2020 revealed that out of 41 members of the staff, 20 are from one ethnic community. This accounted for 49% of the staff. This was an increase by 4% from the review conducted during the 2018/2019 financial year. The Management has mentioned that this is a historical issue. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

The Management is therefore in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter 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 overall governance were not effective.

#### **Basis for Conclusion**

##### **Lack of Approved Risk Management Policy**

A review of the Institutes policies revealed that the Institute does not have approved risk management policy strategies and risk register to mitigate against risk. It was, therefore, not clear how the Management handles risk exposures. This is in contravention of Regulation 165 (1)(a and b) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that 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.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Institute's ability in continuing to as a going concern, 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 cease operations.

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

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

Those charged with governance are responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how the 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**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in

compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**12 October, 2021**

**PC KINYANJUI TECHNICAL TRAINING INSTITUTE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

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

	Notes	2019-2020	2018-2019
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – Operational grants		38,386,679	20,281,550
Transfers from the National Government – Development grants		5,094,500	29,264,505
<b>Subtotal</b>	6	<b>43,481,179</b>	<b>49,546,055</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	227,691,854	191,141,736
<b>Revenue from exchange transactions</b>		<b>227,691,854</b>	<b>191,141,736</b>
<b>Total revenue</b>		<b>271,173,033</b>	<b>240,687,791</b>
<b>Expenses</b>			
Use of goods and services	8	23,673,003	26,316,194
Employee costs	9	22,685,686	24,969,237
Depreciation & Amortization Expense	10	48,464,636	44,490,896
Repairs and maintenance	11	7,087,745	8,552,626
General expenses	12	110,246,803	90,889,819
Grants & Subsidies paid	17	15,986,717	11,647,503
Finance costs	13	369,412	364,275
<b>Total expenses</b>		<b>228,514,001</b>	<b>207,230,550</b>
<b>Net Surplus for the year</b>		<b>42,659,032</b>	<b>33,457,241</b>

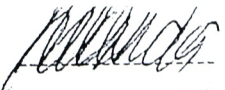
The notes set out on pages 7 to 27 form an integral part of the Annual Financial Statements.

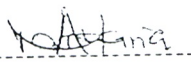
PC KINYANJUI TECHNICAL TRAINING INSTITUTE  
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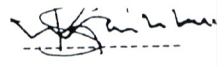
2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2019-2020 Kshs	2018-2019 Kshs
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	14	124,896,137	11,428,035
Receivables from exchange transactions			
Student debtors	15(a)	31,053,467	59,586,370
Contingency	15(b)	13,850,070	13,850,070
<b>Total Current Assets</b>		<b>169,799,674</b>	<b>84,864,475</b>
<b>Non-current assets</b>			
Plant, Property & Equipment	24	805,998,976	825,426,579
<b>Total assets</b>		<b>975,798,650</b>	<b>910,291,054</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	18	78,804,900	10,525,588
<b>Total current Liabilities</b>		<b>78,804,900</b>	<b>10,525,588</b>
<b>Non-current liabilities</b>			
			-
<b>Total liabilities</b>		<b>78,804,900</b>	<b>10,525,588</b>
<b>Net Assets</b>		<b>896,993,750</b>	<b>899,765,466</b>
<b>Reserves</b>			
Accumulated Surplus		146,151,471	103,492,439
Capital fund		750,842,280	796,273,027
<b>Total net assets and liabilities</b>		<b>896,993,750</b>	<b>899,765,466</b>

The Financial Statements set out on pages 1 to 26 were signed on behalf of the Institute Board of Governors by:

  
Chair of Board of Governors  
Dr. Mary Clare Kidenda

  
Finance Officer  
Alice N Macharia  
ICPAK No- Assoc-2133  
Date... 28/09/2020

  
Principal  
Sammy K Waititu

Date... 28/09/2020

Date... 28/09/2020

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**3. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE**  
**2020**

	<b>Accumulated Surplus</b>	<b>Capital Fund</b>	<b>Total</b>
<b>At July 1, 2019</b>	<b>103,492,439</b>	<b>750,842,279</b>	<b>854,334,718</b>
Surplus for the period	42,659,032	0	42,659,032
<b>At June 30,2020</b>	<b>146,151,471</b>	<b>750,842,279</b>	<b>896,993,750</b>

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**4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

		2019-2020	2018-2019
	Note		Kshs
<b>Cashflowsfromoperatingactivities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants	6	43,481,179	49,546,055
Renderingofservices- Fees from students	7	198,429,875	131,555,366
Student prepayments	18	78,304,900	0
<b>Total Receipts</b>		<b>320,215,954</b>	<b>181,101,421</b>
<b>Payments</b>			
Compensationofemployees	9	22,685,686	24,969,237
Use of goodsandservices	8	23,673,003	20,522,196
Repairs & Maintenance	11	7,087,745	8,183,716
Financecost	13	369,412	364,275
General Expenses	12	111,538,291	86,654,579
Grantsandsubsidiespaid	17	15,986,717	11,647,503
<b>Total Payments</b>		<b>181,340,853</b>	<b>152,341,506</b>
<b>Netcashflowsfromoperatingactivities</b>		<b>138,875,101</b>	<b>28,759,915</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	16	25,406,999	39,306,229
<b>Netcashflows from investingactivities</b>		<b>25,406,999</b>	<b>39,306,229</b>
<b>Cashflowsfromfinancingactivities</b>			
<b>Netincrease/(decrease)incashandcash equivalents</b>		<b>113,468,102</b>	<b>(10,546,314)</b>
Cashandcashequivalentsat1JULY 2019		11,428,035	21,974,349
<b>Cashandcashequivalentsat30 JUNE 2020</b>	14	<b>124,896,137</b>	<b>11,428,035</b>

**NOTE**

The above cash flow is prepared through the direct method.

PC KINYANJUI TECHNICAL TRAINING INSTITUTE  
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5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR  
THE YEAR ENDED 30 JUNE 2020

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020
	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from other Govt entities Govt grants	95,609,045	0	95,609,045	43,481,179	52,127,866
Rendering of services- Fees from students	175,864,000	5,600,000	181,464,000	227,691,854	(46,227,854)
<b>Total income</b>	<b>271,473,045</b>	<b>5,600,000</b>	<b>277,073,045</b>	<b>271,173,033</b>	<b>5,900,012</b>
<b>Expenses</b>					
Compensation of employees	30,600,000	0	30,600,000	22,685,686	7,914,314
Use of Goods and services	27,918,000	0	27,918,000	23,673,003	4,244,997
Finance costs	500,000	50,000	550,000	369,412	180,588
Purchase of PPE	85,612,457	0	85,612,457	29,037,033	56,575,424
Repair and Maintenance-	6,500,000	2,000,000	8,500,000	7,087,745	1,412,255
General expenses	109,117,800	3,550,000	112,667,800	110,246,803	2,420,998
Grants and subsidies paid	11,224,788		11,224,788	15,986,717	(4,761,929)
<b>Total expenditure</b>	<b>271,473,045</b>	<b>5,600,000</b>	<b>277,073,045</b>	<b>209,086,398</b>	<b>67,986,647</b>
<b>Surplus for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62,086,635</b>	<b>147,773,318</b>

**NOTES TO STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020**

**Transfer from other govt entities Govt grants:** The institute received capitation of ksh21,555,000 as opposed to the budgeted capitation of ksh42,000,000. The institute also received mechanical construction grants of ksh5,094,500 as opposed to the budgeted ksh20,000,000. The institute never received any dedicated fund balance of June 2019 of ksh18,784,044.42 which was budgeted in this financial year.

**Rendering of services- fees from student;** there was an increase in student enrolment in the institute as compared to the last financial year and also NYS Sponsored student current fees and arrears were all cleared during this financial year by the sponsor.

**PC KINYANJUI TECHNICAL TRAINING INSTITUTE**

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**Compensation of employee;** Due to corona virus pandemic which led to the closure of all education institutions, all the part time lecturers under BOG Teaching were not paid for the period that they did not teach from march 2020 since they are paid based on number of hours worked.

**Use of Good and services:** As result of the Corona virus pandemic the institute was closed hence the spending on training materials reduced.

**Finance costs:** As a result of closure of the institute due to corona virus pandemic there was reduction on the institute spending hence reduced payment which results to bank charges.

**Purchase of PPE;** The budget had development grants of ksh20, 000,000 for mechanical workshop construction and only 5,094,500 was received for it during the financial year. The institute had also huge arrears from NYS Sponsored student which they settled at end or the 4<sup>th</sup> quarter hence the institute had scarce resources to perform BOG projects. Also as a result of institute closure due to corona virus pandemic the institute was left with limited resources for budgeted project developments.

**6. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

PC Kinyanjui Technical Training Institute is established by and derives its authority and accountability from section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institution’s principal activity is Training.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. 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 Institution’s accounting policies.

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

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

**3. ADOPTION OF NEW AND REVISED STANDARDS**

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020**

<b>Standard</b>	<b>Impact</b>
<b>IPSAS 40:</b> Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2019</b> The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3(applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

**PC KINYANJUI TECHNICAL TRAINING INSTITUTE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)**

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020.**

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b></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 entity'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"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity;</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 entity's financial performance, financial position and cash flows.</p>

**iii. Early adoption of standards**

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

#### **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a) Revenue recognition**

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

###### **Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

###### **ii) Revenue from exchange transactions**

###### **Rendering of services**

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

##### **b) Budget information**

The original budget for FY 2019/2020 was approved by the Council or Board on **19/06/2019**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of **Kes.5,600,000** on the FY 2019/2020 budget following the Council/ Board's approval.

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

## **PC KINYANJUI TECHNICAL TRAINING INSTITUTE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

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 **viii** of these financial statements.

#### **c) Property, plant and equipment**

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

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

The Entity does not create or maintain reserves in terms of specific requirements.

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

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

#### **f) Related parties**

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

#### **g) 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

## **PC KINYANJUI TECHNICAL TRAINING INSTITUTE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

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.

#### **h) Comparative figures**

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

#### **i) 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, 2020.

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

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

### **Estimates and assumptions**

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

### **Useful lives and residual values**

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

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

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**6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
<b>Unconditional grants</b>		
Operational grant		5,956,550
Operational grant-Capitation in arrears	12,831,679	
Operational grant-Capitation	21,555,000	12,825,000
Operational grant -Ngong TVC	3,000,000	1,500,000
Operational grant-Emurua Dikir TTI	1,000,000	
	<b>38,386,679</b>	<b>20,281,550</b>
<b>Conditional grants</b>		
Mentored Institutions grant-Emurua Dikir		14,030,985
Mentored Institutions grant-Kajiado North		10,139,020
Mechanical workshop grant	5,094,500	5,094,500
Resource Centre		-
Sewerage		-
	<b>5,094,500</b>	<b>29,264,505</b>
<b>Total government grants and subsidies</b>	<b>43,481,179</b>	<b>49,546,055</b>

**7 RENDERING OF SERVICES**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
<b>Fees from students</b>		
Tuition fees	127,868,241	74,687,461
Practical Fee	3,911,339	4,481,444
Examination fees & student clearance account	41,058,921	42,023,677
Library fees	0	1,182,679
Facilities and materials	22,300,396	45,418,047
Income Generating Activities	29,712,077	23,348,428
Other Income	2,840,879	0
<b>Total revenue from rendering of services</b>	<b>227,691,854</b>	<b>191,141,736</b>

Other Income consist of student fees of Ksh 2,279,000 and Ksh 561,879 from Emurua Dikir TTI and Ngong TVC respectively paid into our Bank accounts.

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**Note**

1. FY 2018-2019 actual amount received was 131,555,366 while student debtors stood at Ksh 59,556,370 totalling to 191,141,736.
2. FY 2019-2020 actual amount received was 196,638,387 while student debtors stood at Ksh31,053,467 totalling to 227,691,854

**Tuition Fee;** The fee paid directly for teaching and training materials.

**Practical Fee;** Fee paid by Food & Beverage departments for materials used in the department for practical.

**Examination fees & student clearance accounts:** These are fees paid and received in the institution and channelled to respective parties e.g. exam fee paid to KNEC, student council etc.

**Library fee:** This fee is paid for maintenance and additional of library books.

**Facilities and materials;** The fee is paid for accommodation and improvement of Institute facilities and savings used to build new structures for training.

**Income Generating Activities:** The income is generated out of short courses offered, hire of facilities, disposal of idle assets, production of items and meals programme to students.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
Tuition & Training Materials	23,673,003	25,325,754
Canteen Renovation		38,860
Automation of Library		120,320
Driving School		247,890
Upgrade of Power System		33,050
<b>Total good and services</b>	<b>23,673,003</b>	<b>26,316,194</b>

**NOTE**

FY 2018/2019 had a total cost incurred and paid of Ksh 20,522,196 and pending bills (creditors) of Ksh 5, 793, 999, totalling to Ksh 26,316,194.

**9 EMPLOYEE COSTS**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
BOG Non-Teaching Staff salaries	14,385,321	12,698,004
BOG Teaching staff salaries	7,942,930	12,271,233
Gratuity payment	357,435	
<b>Employee costs</b>	<b>22,685,686</b>	<b>24,969,237</b>

**10 DEPRECIATION AND AMORTIZATION EXPENSE**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
Building	19,502,775	19,502,775
Motor Vehicle	1,782,444	1,256,667
Furniture & Fitting	919,680	597,829
Computers	5,983,130	2,979,628
Property, plant and equipment	20,276,607	20,153,997
<b>Total depreciation and amortization</b>	<b>48,464,636</b>	<b>44,490,896</b>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	KShs	KShs
Property	4,144,360	5,633,506
Vehicles	995,848	381,707
M.I.S-Computers and accessories	689,090	524,320
CCTV Maintenance	76,700	181,560
Road Maintenance	88,500	1,831,533
Equipment & machinery	938,617	
Furniture & fittings	154,630	
<b>Total repairs and maintenance</b>	<b>7,087,745</b>	<b>8,552,626</b>

**NOTE**

FY 2018/2019 had a total cost incurred and paid of Ksh8,183,716 and pending bills (creditors) of Ksh 368,910 totalling to Ksh 8,552,626.

12 GENERAL EXPENSES

Description	2019-2020	2018-2019
		KShs
Advertising	3,653,643	3,160,028
Education Tours	523,360	176,760
Library bks&E-Library	1,777,001	1,145,603
Student Activity	2,792,312	3,167,754
Consultancy & Litigation	50,000	482,788
Internet	1,670,311	2,208,452
Electricity	1,332,312	1,533,648
Fuel and oil	1,081,539	917,562
Insurance-students	287,500	737,500
Graduation Day	826,365	3,274,203
Income Generating Activities	20,474,823	18,675,085
Postage & Telephone	1,532,299	1,463,150
Printing and stationery	3,075,769	4,534,061
Student Welfare	910,368	1,248,351
Boarding Equipment & Stores	321,610	1,348,750
Security costs	2,936,150	2,411,684
Caution	600	6,500
Fee Refund	554,618	714,888
HELB Refund	83,299	146,190
Medical Expenses	841,802	942,855
Uniforms Students	0	334,500
Staff Welfare	2,506,527	2,402,473
Staff Uniform	20,237	39,810

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Staff Development	1,446,028	240,254
Awards & Motivation	1,091,640	570,720
Insurance-M/V & Fixed Assets	443,753	537,361
Sanitary Services	417,540	182,167
Newspaper	178,260	150,240
BOG & Committee Allowance	1,596,916	3,794,901
Shows & Exhibition	794,070	448,900
Cleaning Materials	917,549	1,502,837
Duty Travel-Local	4,030,535	3,837,202
Duty Travel-Intern	271,755	451,084
Seminars & Workshop	2,582,196	1,062,350
Research & Innovation	1,164,050	2,354,030
Attachment	1,833,400	1,147,400
External Exams	36,001,691	19,882,927
Ngong TVC	4,750,026	2,128,387
ISO	305,014	178,080
Performance Contract	733,625	628,474
Audit Fees	500,000	500,000
Water & Drainage system	0	219,910
Emurua Dikir TTI operational expenses	3,936,310	
<b>Totalgeneralexenses</b>	<b>110,246,803</b>	<b>90,889,819</b>

**NOTE**

FY 2018/2019 had a total cost incurred and paid of Ksh 86,654,579 and pending bills (creditors) of Ksh 4,235,240 totalling to Ksh 90,889,819.

**13 FINANCE COSTS**

Description	2019-2020	2018-2019
	KShs	KShs
Bank Charges	368,812	364,275
MPESA charges	600	
<b>Totalfinancecosts</b>	<b>369,412</b>	<b>364,275</b>

**14 CASH AND CASH EQUIVALENTS**

Description	2019-2020	2018-2019
	KShs	KShs
Current account	124,896,137	11,428,035
<b>Totalcashandcashequivalents</b>	<b>124,896,137</b>	<b>11,428,035</b>

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

Financial institution	Account number	2019-2020	2018-2019
		KShs	KShs
a) Current account			

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Kenya Commercial bank	1209950898	509,285	659,865
Equity Bank,	0630272454874	267,263	(1,114,743)
Co-op-Fund acc	01129081445700	84,079,919	(330,622)
Co-op-DevAcc	01139081068501	19,383,889	11,224,859
Student Welfare Acc	01100029240600	67,232	67,232
Co-op-Main Acc	01120081068500	20,066,639	513,394
<b>Sub- total</b>		<b>124,374,227</b>	<b>11,019,985</b>
<b>b) Others(specify)</b>			
cash in hand		521,910	408,050
<b>Sub- total</b>		<b>521,910</b>	<b>408,050</b>
<b>Grand total</b>		<b>124,896,137</b>	<b>11,428,035</b>

**15. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

**(a) Student debtors**

Description	2019-2020	2018-2019
		KShs
Student Debtors	31,053,467	59,586,370
<b>Totalreceivables</b>	<b>31,053,467</b>	<b>59,586,370</b>

**(b) Contingency**

Description	2019-2020	2018-2019
	KShs	KShs
<b>TOTAL</b>	<b>13,850,070</b>	<b>13,850,070</b>

**16. PURCHASE OF PPE AND INTANGIBLE ASSETS**

Description	2019-2020	2018-2019
Sewerage System		4,998,793
Men's Hostel		29,120,468
Fence		752,050
Students Biometric System		1,615,060
Institute Gate		2,612,298
Mechanical w/shop-Construction	23,691,102	335,000
Motor vehicles	846,443	
Furniture and Fittings	612,872	
Computers & Accessories	3,069,216	
Plant and Equipment	817,400	
<b>TOTAL</b>	<b>29,037,033</b>	<b>39,433,669</b>

**17. GRANTS AND SUBSIDIES PAID**

Description	2019-2020	2018-2019
	KShs	KShs
Mentored Institution-Emurua Dikir TTI	15,986,717	5,670,000
Mentored Institution-Kajiado North TTI		5,977,503

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<b>Total</b>	<b>15,986,717</b>	<b>11,647,503</b>
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**18. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
		<b>KShs</b>
Trade creditors	0	10,025,588
Audit Fee	500,000	500,000
Student Prepayments	78,304,900	
<b>Total</b>	<b>78,804,900</b>	<b>10,525,588</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**19 FINANCIAL RISK MANAGEMENT**

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

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

**(i) Credit risk**

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from students debtors who are not able to clear fee balances in time and from Government grants and capitation which is not received in the Financial Year in which they have been budgeted for.

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

	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30 June</b>				
Receivables from exchange transactions	31,053,467	xxx	xxx	xxx
Receivables from non-exchange transactions	-	xxx	xxx	xxx
Bank balances	124,896,137	xxx	xxx	xxx
<b>Total</b>	<b>155,949,604</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

**FINANCIAL RISK MANAGEMENT (Continued)**

**(i) Credit risk (continued)**

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

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

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

**(ii) Liquidity risk management**

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2020</b>				
Trade payables	-	0	-	0
Audit Fee	-	500,000	-	500,000
<b>Total</b>	-	<b>0</b>	-	<b>0</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**20 RELATED PARTY BALANCES**

**Nature of related party relationships**

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, Board of Governors, the Government and the public.

**Government of Kenya**

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Parents/Guardian
- iv) Sponsors
- v) The Public
- vi) Key management;
- vii) Board of directors;

	2019-2020	2018-2019
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Grants from the Government</b>		
Grants from National Govt	43,481,179	49,546,055
<b>Total</b>	<b>43,481,179</b>	<b>49,546,055</b>

**21 CAPITAL COMMITMENTS**

Capital commitments	2020-2021	2019-2020
	Kshs	Kshs
Authorised for Upgrade of Power System	3,000,000	5,000,000
Boardroom Furniture	0	2,000,000
Mentored Institution	0	11,224,788
Construction of Mechanical Workshop	15,000,000	30,000,000
Construction of Mechanical Workshop-Phase 2	15,000,000	
Additional Computers	7,000,000	
Automation of Library	0	500,000
Installation of CCTV	0	500,000

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ISO	1,200,000	1,000,000
Performance Contracting	1,500,000	1,000,000
Men's Hostel Phase III-3 <sup>rd</sup> & 4 <sup>th</sup> Flr	25,000,000	-
M.I.S System & Turnstiles full height	6,000,000	
Asset valuation	4,000,000	
Institute Finance Manual	1,700,000	
Institute Risk Policy	1,300,000	
Canteen Construction	15,000,000	15,000,000
Road Improvement	-	1,000,000
Additional Official Car	8,000,000	7,000,000
Institute bus	12,000,000	12,000,000
Ladies Hostel	15,000,000	13,612,457
<b>Total</b>	<b>130,700,000</b>	<b>100,837,245</b>

**EVENTS AFTER THE REPORTING PERIOD**

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

**22 ULTIMATE AND HOLDING ENTITY**

The entity is a Semi- Autonomous Government Agency under the Ministry of State Department of Vocational and Technical Education.. Its ultimate parent is the Government of Kenya.

**23 Currency**

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

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**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

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

**Guidance Notes:**

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

Chairman of the Board

Date.....

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**APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY**

**Projects**

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

<b>Project title</b>	<b>Project Number</b>	<b>Donor</b>	<b>Period/ duration</b>	<b>Donor commitment</b>	<b>Separate donor reporting required as per the donor agreement (Yes/No)</b>	<b>Consolidated in these financial statements (Yes/No)</b>
I. Construction of Mechanical Workshop	-	Government	N/A	0	n/a	Yes

**Status of Projects completion**

	<b>Project</b>	<b>Total project Cost</b>	<b>Total expended to date</b>	<b>Completion % to date</b>	<b>Budget</b>	<b>Actual</b>	<b>Sources of funds</b>
1	Construction of Mechanical Workshop	200,000,000	24,026,102	12%	15,000,000	NIL	Government Grants
2	Construction of Men's Hostel Phase II	25,000,000	0	0	25,000,000	NIL	Institute savings

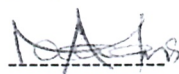
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 APPENDIX III: INTER-ENTITY TRANSFERS

	ENTITY NAME:			
	Break down of Transfers from the State Department of Vocational and			
	FY 2019/2020			
a.	Recurrent Grants			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
		10 <sup>th</sup> July 2019	12,825,000	FY 2018/2019
		17 <sup>th</sup> July 2019	6,679	FY 2018/2019
		29 <sup>th</sup> July 2019	2,000,000	FY 2019/2020
		18 <sup>th</sup> Oct 2019	7,117,500	FY 2019/2020
		13 <sup>th</sup> May 2020	1,000,000	FY 2019/2020
		13 <sup>th</sup> May 2020	1,000,000	FY 2019/2020
		10 <sup>th</sup> June 2020	14,137,500	FY 2019/2020
		6 <sup>th</sup> July 2020	10,777,500	FY 2019/2020
		<b>Total</b>	<b>46,864,179</b>	
b.	Development Grants			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
		8 <sup>th</sup> July 2019	5,094,500	FY 2018/2019
		<b>Total</b>	<b>5,094,500</b>	

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

Finance Officer  
 PC Kinyanjui TTI

Sign



Head of Accounting Unit  
 Ministry of Education

Sign-----

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**24. PROPERTY, PLANT AND EQUIPMENT**

	Land	Building	W.I.P	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	TOTAL
Cost	Shs			Shs	Shs	Shs	Shs	Shs
At 1 July 2019	320,000,000	390,055,490	335,000	6,283,333	3,985,529	14,898,142	134,359,981	869,917,475
Additions	-	0	23,691,102	846,443	612,872	3,069,216	817,400	29,037,033
Disposals	-	0	0	0	0	-	-	0
Transfers/adjustments	-	0	0	0	0	0	-	0
<b>At 30 June 2020</b>	<b>320,000,000</b>	<b>390,055,490</b>	<b>24,026,102</b>	<b>7,129,776</b>	<b>4,598,401</b>	<b>17,967,358</b>	<b>135,177,381</b>	<b>898,954,508</b>
<b>Depreciation and impairment</b>								
At 1 July 2019	-							
Depreciation	-	19,502,775	0	1,256,667	597,829	2,979,628	20,153,997	44,490,896
Impairment	-	0	0	0	0	0	0	0
Disposals	-	0	0	0	0	0	0	0
At 30 June 2019		19,502,775	0	1,256,667	597,829	2,979,628	20,153,997	44,490,896
<b>Depreciation and impairment</b>								
At 1 July 2020	-							
Depreciation	-	19,502,775	0	1,782,444	919,680	5,983,130	20,276,607	48,464,636
Impairment	-	0	0	0	0	0	0	0
Disposals	-	0	0	0	0	0	0	0
At 30 June 2020	-	19,502,775	0	1,782,444	919,680	5,983,130	20,276,607	48,464,636
<b>Net book values</b>								
<b>At 30 June 2019</b>	<b>320,000,000</b>	<b>370,552,716</b>	<b>335,000</b>	<b>5,026,666</b>	<b>3,387,700</b>	<b>11,918,514</b>	<b>114,205,984</b>	<b>825,426,580</b>
<b>At 30 June 2020</b>	<b>320,000,000</b>	<b>351,049,941</b>	<b>24,026,102</b>	<b>4,090,665</b>	<b>3,080,892</b>	<b>9,004,600</b>	<b>94,746,777</b>	<b>805,998,976</b>

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount – KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
	as per bank statement				Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	10 <sup>TH</sup> July2019	Recurrent	12,825,000	Yes	-	-	-	-	12,825,000
Ministry of Education	17 <sup>th</sup> July 2019	Recurrent	6,679	Yes	-	-	-	-	6,679
Ministry of Education	18 <sup>th</sup> Oct 2019	Recurrent	7,117,500	Yes	-	-	-	-	7,117,500
Ministry of Education	10 <sup>th</sup> Jun 2020	Recurrent	14,437,500	Yes	-	-	-	-	14,437,500
Ministry of Education	29 <sup>th</sup> July 2019	Recurrent	2,000,000	Yes					2,000,000
Ministry of Education	6 <sup>th</sup> Dec 2019	Development	5,094,500	Yes					5,094,500
Ministry of Education	28 <sup>th</sup> April 2020	Recurrent	1,000,000	Yes	-	-	-	-	1,000,000
Ministry of Education	29 <sup>th</sup> April 2020	Recurrent	1,000,000	Yes	-	-	-	-	1,000,000
<b>Total</b>			43,481,179	Yes	-	-	-	-	43,481,179