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OFFICE OF THE AUDITOR-GENERAL

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REPORT

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ON

NAROK WEST TECHNICAL  
TRAINING INSTITUTE

FOR THE YEAR ENDED  
30 JUNE, 2024







**Narok West TTI**  
Technological Empowerment

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# **NAROK WEST TECHNICAL TRAINING INSTITUTE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30<sup>TH</sup> JUNE, 2023**

**(AMMENDED)**

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



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## 1. Acronyms & Glossary of Terms

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

**II. Key Institute Information and Management**

**(a) Background information**

The Institute was incorporated/ established under the Technical, Vocational Education and Training Act on 21<sup>st</sup> December, 2016 through registration by Technical, Vocational Education and Training Authority registration number TVETA/PUBLIC/TVC/0050/2016. The Board of Governors (BoG) was appointed on 20<sup>th</sup> November, 2017 and the first group of students admitted in February, 2018. The Institute is domiciled in Kenya. The institute is under the Ministry of Education. Currently, we have four departments: Engineering, Business Studies, Applied Technology and ICT.

**(b) Principal Activities**

Our principal activity is Technical, Vocational Education and Training as per the Technical, Vocational Education and Training Act, 2003. Our vision is to be a centre of excellence in the provision of TVET training and an agent of community development. Our mission is to develop competent and innovative human resource for sustainable development. Our strategic objectives are:

- (i) To impart knowledge, skills and attitudes to trainees in order to gain entrepreneurship and problem-solving skills for the world of work;
- (ii) To expand the Institute’s infrastructure and equipment;
- (iii) To widen and strengthen the Institute’s financial base;
- (iv) To improve Institutional governance and quality management.

**(c) Key Management**

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

- Board of Governors (BOG)
- Principal
- Deputy Principal
- Accountant

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Principal	<b>David K. Maru</b>
2.	Deputy Principal	<b>James Kinara Basweti</b>
3.	Registrar (s)	<b>Jane Chepkogei</b>
4.	Dean of students	<b>Samuel Rotiken</b>
5.	Head of Finance	<b>Jane R. Koila</b>

**(e) Fiduciary Oversight Arrangements**

- The Board of Governors (BOG) has overall oversight responsibility.

**(f) Narok West Technical Training Institute Headquarters**

P.O. Box 1150-20500,  
Narok, KENYA.  
8 Km from the Narok-Bomet Road along the old Maasai Mara Road

**(g) Narok West Technical Training Institute Contacts**

Telephone: (254) 701-807 410  
E-mail: narokwesttti@gmail.com  
Website: www.narokwestti.ac.ke

**(h) Narok West Technical Training Institute Bankers**

Kenya Commercial Bank  
P.O. Box 406-20500,  
Narok, Kenya




**(i) Independent Auditors**




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



**(j) Principal Legal Adviser**

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


### III. The Board of Governors

No.	Member/ Director	Details
1.	 MR. FRANCIS OLE KOROS	<p><b>Date of Birth:</b> 1972</p> <p><b>Qualifications:</b> Bachelor of Education (Arts), UON</p> <p><b>Experience:</b> Over 20 years as a teacher, 12 of them Principal. 8 Years as the Chairman of Public Service Board, Narok County.</p>
2.	 MRS. MARGARET MUGA NYAKUNE	<p><b>Date of Birth:</b> 1<sup>st</sup> January 1957</p> <p><b>Qualifications:</b> Masters in Entrepreneurship</p> <p><b>Experience:</b> Over 30 years as a Technical Teachers Trainer at KTTC. Retired as the HoD - Business Department at KTTC</p> <p><b>Chair, Education, Training and Research committee</b></p>
3.	 MS. SHIRLEY LEKEN TOME	<p><b>Date of Birth:</b> 16<sup>th</sup> July, 1992</p> <p><b>Qualifications:</b> Bsc in Financial Engineering from JKUAT, CFA level 1</p> <p><b>Experience:</b> Serves as a finance officer from Feb 2017 to date</p> <p><b>Chair, Finance, Governance and Development Committee</b></p>

<p>4.</p>	 <p>DR. KENNEDY OKONG'O</p>	<p><b>Date of Birth:</b> 16<sup>th</sup> April, 1982</p> <p><b>Qualifications:</b> Phd in Information Systems, Masters in Information Systems and Bsc in Geomatic Engineering &amp; Information Systems</p> <p><b>Experience:</b> 14 years' experience in ICT policy formulation, implementation, monitoring and evaluation.</p> <p><b>Chair, Audit, Risk and Compliance Committee</b></p>
<p>5.</p>	 <p>MR. SHADRACK KIMANZI MUSEE</p>	<p><b>Date of Birth:</b> 18<sup>th</sup> November 1972</p> <p><b>Qualifications:</b> Masters in Geographic Information Systems, UON</p> <p><b>Experience:</b> Over 12 years in installation of software, GIS systems and remote access technology like the remote automatic weighbridges.</p> <p><b>Member, Finance, Governance and Development Committee</b></p>
<p>6.</p>	 <p>MR. JACKSON RIMOINE MAITAI</p>	<p><b>Date of Birth:</b> 1994</p> <p><b>Qualifications:</b> Bachelor of Science in IT, JKUAT</p> <p><b>Experience:</b> 6 years as IT expert in various organizations</p> <p><b>Member, Audit, Risk and Compliance Committee</b></p>

<p>7.</p>	 <p>Mrs. Ruth M. Mounde,                  (PS SDTVET Alternate Board                  Member)</p>	<p><b>Date of Birth:</b></p> <p><b>Qualifications:</b> Master’s Degree in Education, Bachelor’s Degree in Education, a certificate in Strategic Leadership Development Program and Senior Management Course.</p> <p><b>Experience:</b>                  Ruth is a Deputy Director in the State Department for Technical Vocational Education and Training (TVET), the Directorate of Vocational Education and Training (VTE).</p> <p><b>Member, Education, Training and Research committee and Finance, Governance and Development Committee</b></p>
<p>8.</p>	 <p>MR. DAVID KIPYEGON MARU</p>	<p><b>Date of Birth:</b> 2<sup>nd</sup> November, 1974</p> <p><b>Qualifications:</b> Bachelor of Education (Technology Education) specializing in Electrical and Electronics Technology.</p> <p><b>Experience:</b> Taught electricity and computer studies at Sacho High School from 2001 to 2004, taught at Rift Valley Institute of Science and Technology (RVIST) from 2004 to 2017. Served as the Institute timetable, Performance Contract (PC) coordinator, Head of Department (HOD) of electrical department and then Deputy Principal (Academic Affairs). Currently serving as the Principal, Narok West Technical Training Institute from 22<sup>nd</sup> June, 2017 to date.</p>

IV. Management Team

No.	Member/ Director	Details
1.	 <p>MR. DAVID KIPYEGON MARU B. Ed. (Tech. Ed)</p>	<p><b>Principal:</b></p> <p><b>Qualifications:</b> Bachelor of Education (Technology Education) specializing in Electrical and Electronics Technology.</p>
2.	 <p>James Kinara Basweti B. Ed (Arts) M. Ed.</p>	<p><b>Deputy Principal:</b></p> <p><b>Qualifications:</b> Masters in Education and Bachelor of Education (Arts) specializing in Management.</p>
3.	 <p>Jane Chepkogei Bsc (IT)</p>	<p><b>Registrar:</b></p> <p><b>Qualifications:</b> Bachelor of Science in Information Technology (IT), Advanced Diploma in Technology Education, Diploma in Information Technology (IT).</p>

4.	 <p>Samuel Rotiken Bsc (Tourism)</p>	<p><b>Dean of Students:</b></p> <p><b>Qualifications:</b> Bachelor of Tourism Management, Advanced Diploma in Technology Education and Diploma in Tourism Management.</p>
	 <p>JANE RESIATO KOILA B. Com. (Finance) CPA (K)</p>	<p><b>Finance Officer:</b></p> <p><b>Qualifications:</b> Bachelor of Commerce (Finance) and Certified Public Accountant (CPA-K).</p>

## V. Chairman's Statement

Narok West Technical Training Institute's main twin-workshop single storey building was completed and handed over on 16<sup>th</sup> December, 2016. The Institute was then registered with the Technical and Vocational Education and Training Authority (TVETA) as number TVETA/PUBLIC/TVC/0050/2016 in line with the Technical, Vocational Education and Training Act (2003) on 16<sup>th</sup> December, 2016 and the first Board was appointed on 20<sup>th</sup> November, 2017 and inaugurated on 15<sup>th</sup> December, 2017.

The Board consisted of the following members:

1. Mr. Francis Ole Koros - Chairman
2. Mrs. Margaret N. Muga - Member representing Leadership and Management
3. Miss. Malvine S. Nkoitoi - Member representing Financial Management
4. Mr. Shadrack K. Musee - Member representing Technology
5. Mr. Stanley K. Riamit - Member representing Industry
6. Eng. Alice Mutai - Member representing Engineering
7. Mr. Jackson R. Maitai - Member representing ICT
8. Miss. Everline Korsai - Member representing the Governor, Narok County
9. Mrs. Olivia A. Odongo - County Director Technical, Vocational Education and Training (Representing the PS)
10. Mr. David K. Maru - Principal/Secretary

On 10<sup>th</sup> January, 2018, the Board held a meeting and approved the admission of the first group of students. The first Board helped the Institute to sign a four-year Memorandum of Understanding (MOU) with Maasai Mara Wildlife Conservancies Association (MMWCA) covering 1<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2021. The project provides partial scholarships to students who are children of land owners in the conservancies. This helped to grow the student population greatly.

The Board also sought assistance from the Narok West National Government Constituency Development Fund (NG-CDF) which funded the construction of three blocks of pit latrines: a block of three latrines and a urinal for male students, a block of

three latrines for female students and a block of two pit latrines for staff at a total cost of Ksh. 800,000.

Projects completed during the term of the first Board are the construction of the makeshift kitchen, pit latrine and bathrooms for students. Then there was construction of the pit latrines by Narok West NG-CDF, a kitchen, an agricultural machinery shade, a fence around the main building complete with a gate and the roof water harvesting with three 10,000 litre tanks.

The term of the first Board ended on 20<sup>th</sup> November, 2020. The second Board was appointed on 3<sup>rd</sup> November, 2022 and inaugurated on 4<sup>th</sup> February, 2022. The new Board consisted of the following members:

1. Mr. Francis Ole Koros - Chairman
2. Mrs. Margaret N. Muga - Member representing Leadership and Management
3. Miss. Shirley L. Tome - Member representing Financial Management
4. Mr. Shadrack K. Musee - Member representing Technology
5. Dr. Kennedy Okong'o - Member representing Industry
6. Mr. Jackson R. Maitai - Member representing ICT
7. Mrs. Olivia A. Odongo - County Director Technical, Vocational Education and Training (Representing the PS)
8. Mr. David K. Maru - Principal/Secretary

The members representing Engineering and the Governor of Narok County are yet to be appointed. The new Governor of Narok H. E. Hon. Patrick Ole Ntutu has already undertaken to nominate somebody immediately the new PS-VTT is appointed and vetted.

The Board held its first meeting on 25<sup>th</sup> March, 2022 where the 2021/2022 FY budget estimates and quarterly financial reports were presented. This gave the Board a good opportunity to compare estimates and actuals since the FY was nearly over. The great disparity between actuals and estimates was noted and attributed to the failure to receive operational grants of Ksh. 2,000,000 and the missing of student population estimates.

In the 2022/2023 Financial year Board held its first meeting on 1<sup>st</sup> August, 2022 where the Finance, Governance and Development committee of the Board met and looked at the 2022/2023 Budget estimates and the procurement plan. Then on 5<sup>th</sup> August, 2022 the full Board met and approved the 2022/2023 Budget estimates and the procurement plan.

The Training, Education and Research committee of the Board held a meeting on 6<sup>th</sup> March, 2023 where they looked at the 2023-2028 Strategic Plan, Quality Assurance Policy and Industrial Attachment and Internship Policy. The Finance, Governance and Development committee of the Board held a meeting on 7<sup>th</sup> March, 2023 and looked at the Financial Management Policy, the Human Resource Policy and Procedures Manual, Credit and Debt Policy and the Fees Policy.

The Board held a retreat from 10<sup>th</sup> and 11<sup>th</sup> March, 2023 at the G&G Hotel, Talek town in the serene Maasai Mara game reserve. During the retreat, members were able to approve the 2023-2028 Strategic Plan, the Board Charter and twelve (12) policies.

The 2022/2023 duration has not been without challenges. Some of these challenges include a lack of a hostel quarters which has been the major issue in growth of the student population. Also, there is no reliable source of water. The Institute depends on roof water harvesting supplemented by water fetched from the community borehole which is about 3 km away thus very expensive. The Institute also did not receive the full capitation funds leading to a lot of financial challenges thus the Board was unable to meet each quarter as required.

The Institute has endeavoured to achieve its core objective of provision of quality Technical, Vocational Education and Training to its students. Despite the challenges, the Institute has worked hard to overcome them. We are optimistic that before the end of the term of this Board, we shall accomplish a lot in the development of the Institute.

## **VI. Report of the Principal**

Narok West Technical Training Institute (TTI) is one of the sixty (60) new technical institutions built under Vision 2030 flagship projects by the Government through the Ministry of Education and National Government Constituency Development Committee (NG-CDF). Construction of the main twin-workshop single storey building was completed and handed over on 16<sup>th</sup> December, 2016.

The Institute is registered with the Technical and Vocational Education and Training Authority as number TVETA/PUBLIC/TVC/0050/2016 in line with the Technical, Vocational Education and Training Act (2003) on 16<sup>th</sup> December, 2016 and the first Board was appointed on 20<sup>th</sup> November, 2017 and inaugurated on 15<sup>th</sup> December, 2017. On 10<sup>th</sup> January, 2018, the Board held a meeting and approved the admission of the first group of students. The first students were admitted on 19<sup>th</sup> February, 2018. The second Board was appointed on 3<sup>rd</sup> November, 2021, their letters were received in January, 2022 and they were inaugurated on 4<sup>th</sup> February, 2022.

The Institute has continued to grow in student population reaching the current 321 as per the table below:

<b>Period</b>	<b>Student Population Statistics</b>		
	<b>Male</b>	<b>Female</b>	<b>Total</b>
November, 2018	9	11	<b>20</b>
June, 2019	38	16	<b>54</b>
September, 2019	67	28	<b>95</b>
January, 2020	82	34	<b>116</b>
February, 2021	96	69	<b>165</b>
September, 2021	145	91	<b>236</b>
June, 2022	157	102	<b>259</b>
September, 2022	169	107	<b>276</b>
January, 2023	164	133	<b>297</b>
June, 2023	173	148	<b>321</b>

The Institute has the following staff statistics:

Staff Category	Staff Population Statistics		
	Male	Female	Total
Public Service Commission (PSC) trainers	10	5	15
Board of Governors (BOG) trainers	4	3	7
Support staff	6	3	9

### INFRASTRUCTURE AND PROJECTS COMPLETED:

#### 1. **Main Administration with Twin Workshop Building:**

The main building was completed and handed over on 16<sup>th</sup> December, 2016. It contains two workshops, eight classrooms, a staffroom, ICT room, Drawing room, 4 blocks of ablution blocks and a total of 9 offices. The building was done through the mentorship of Keroka Technical Training Institute (TTI). In order to start the Institute, we converted the four ground floor classrooms into hostels.

Currently, the rooms are now classes though we face a shortage of classrooms.

Also, the washrooms are not being used due to lack of water for flashing.

2. **Supply of Agricultural Engineering equipment** – this were supplied by the Government of Kenya (GOK) and comprises of five tractors, an assortment of implements, mechanical machines including two conventional lathes and a milling machine and assorted spare parts.

3. **Supply of ICT equipment** - this were supplied by the GOK and comprises of 20 computers, 10 UPS's, 2 projectors with screens, 3 laptops and 3 printers.

4. **Supply of furniture** - this were supplied by the GOK and comprises of office tables and chairs, a fireproof safe, cabinets and a complete 10-seater boardroom facility.

5. **Construction of pit latrines** – The Narok West National Government Constituency Development Fund (NG-CDF) funded the construction of three blocks of pit latrines: a block of three latrines and a urinal for male students, a block of three latrines for female students and a block of two pit latrines for staff at a total cost of Ksh. 800,000.

6. **Construction of a Kitchen** – this comprises of a kitchen area and a store made of metal bars and corrugated iron sheets. It was funded by Government capitation and grants saved during the March – October, 2020 lockdown at a cost of Ksh. 78,120.
7. **Construction of a shade for agricultural engineering implements** – This is made up of corrugated iron sheets with weld mesh walls. It was funded by Government capitation and grants saved during the March – October, 2020 lockdown at a cost of Ksh. 142,942.00
8. **Construction of a fence around the main building with a gate** - The fence encompasses the main building compound and the amenities. The fence is made of metal poles (hollow section G16 2 by 2 inches), steel wire (3 strands) and chain link around the whole area. The gate is made of 1½ by 1½ inches hollow section G16 metal bars welded together. The gate is also branded. It was funded by Government capitation and grants saved during the March – October, 2020 lockdown at a cost of Ksh. 222,650.
9. **Installation of roof water harvesting** – The Institute has a total of three 10,000-liter plastic tanks for roof water harvesting using gutters though not all the roof runoff is collected since the gutters don't cover the whole roof. However, this water has not been sufficient nor reliable since it is rain dependent.
10. **Fencing the Institute land** – this was done in the 2021/2022 FY using funds from the Income Generating Activities (IGA) specifically sale of maize to the neighbouring secondary school.

#### **ACHIEVEMENTS:**

1. **Growth in student population** – student numbers have grown steadily from 20 in November, 2018 to 321 in June, 2023 despite a lack of a hostel.
2. **Growth in staff numbers** – the Institute received 4 trainers from the PSC in September, 2019, 4 trainers in February, 2020 and 6 trainers in January, 2021.
3. **Partnership with the Maasai Mara Wildlife Conservancies Association (MMWCA)** – The Institute signed a four-year Memorandum of Understanding (MOU) with MMWCA covering 2018 to 2021. MMWCA provided partial

scholarships to students who are children of land owners in the conservancies while Narok West Technical Training Institute ensures that they acquire the knowledge, skills and attitudes to ensure they can take advantage of the opportunities in the Maasai Mara ecosystem area. So far students have benefitted from the partial sponsorship as follows:

YEAR	MALE		FEMALE		TOTAL
	No.	Perc.	No.	Perc.	No.
2018	8	57.14%	6	42.86%	14
2019	62	78.48%	17	21.52%	79
2020	22	61.11%	14	38.89%	36
2021	38	38.38%	61	61.62%	99
<b><u>TOTAL</u></b>	<b><u>130</u></b>	<b><u>57.02%</u></b>	<b><u>98</u></b>	<b><u>42.98%</u></b>	<b><u>228</u></b>

4. **Farming activities** – the Institute has a 20-acre piece of land of which about 5 acres comprises main compound and the football field. All the remaining land is under cultivation of maize, beans, vegetables, fruits trees and cow peas. In August, 2022 we harvested 164 bags each of 90Kg of maize. At the time of writing this report (August, 2023), we are we harvesting maize from 18 acres of land.
5. **Trees planted** – We planted about 50 trees in 2017-2018; 800 tree seedlings in June, 2019; 400 tree seedlings donated by the Narok West NG-CDF in November, 2019; 300 tree seedlings donated by the Ministry of Energy in January, 2020; 750 tree seedlings donated by the Narok Kenya Defence Forces (KDF) in March, 2020 and over 1,500 trees and fruit trees in 2021. In 2022/2023 we planted mainly flowers.
6. **Re-painting of the main building** – we have repainted the main building to take care of ware and tare, beautification and branding with the Institute official colours: orange and blue.
7. **Fencing of the Institute land** – in the 2021/2022 FY we were able to construct a fence using cedar posts and five strands of wire around the whole Institute land using funds from the sale of maize produce.

8. **Scholarships from Narok County Government** – in the 2022/2023 FY the Institute benefited from a sponsorship of 80 students by the County Government of Narok where they paid Ksh. 18,750 for each of the students giving a total of Ksh. 1,500,000. The Governor, H. E. Patrick Ole Ntutu has undertaken to fully sponsor the identified needy students throughout their studies thus the parents/guardians do not pay anything.

#### CHALLENGES AND PROPOSED SOLUTIONS:

1. **No students' hostel:** Lack of a hostel quarters has been the major issue in growth of the student population. A number of students are hosted at the Nkorkorri trading centre which is about 4 km away. To solve the challenge, we talked to a neighbour who did hostels for 150 students but they are already full. The second phase is not yet complete. We look forward to being able to raise enough funds from our Income Generating Activities (IGA) to be able to construct hostels. We have also petitioned the new Narok County Government to assist in constructing the hostels.
2. **No reliable source of water:** The Institute depends on roof water harvesting supplemented by water fetched from the community borehole which is about 3 km away. This has been a major challenge especially with the increasing student population. We did a proposal for a borehole and the Central Rift Valley Water Works Development Agency (CRVWDA) – formerly Rift Valley Water Services Board (RVWSB), approved it. They did the hydrological survey on 11<sup>th</sup> September, 2021 but were unable to sink the borehole in the 2020/2021 FY due to financial constraints. In the 2022/2023 FY, we have asked the new Narok County Government to assist in drilling a borehole for us. The Governor has committed to include it in the 2023/2024 County Integrated Development Plan (CDIP).
3. **Lack of land registration documents** – the Institute land was donated by the community from the 300-acre community land. However, the community land has not been properly demarcated and registered. The process of its demarcation and registration is ongoing thus we have been unable to register the Institute land given the original land must be surveyed and demarcated first before land mutation of our parcel

can be undertaken. The community has also agreed to increase the Institute land from the current 20 acres to 50 acres and the demarcation and mutation process is ongoing.

4. **Assets Valuation yet to be done** - The Institute received agricultural engineering equipment, ICT equipment and supply of furniture from the Ministry of Education but the value of the same was not provided. Efforts to get the information have born no fruits. Our plans to have them valued by either a private or a government valuer have also not been successful due to lack of funds. This is still a challenge.

5. **Less Capitation Funds Received** – The Institute received quarter one capitation of Ksh. 995,000 on 24<sup>th</sup> October, 2022 being Ksh. 5,000 per student for 199 validated students. This was a shortfall of Ksh. 2,500 per student thus a total deficit Ksh. 497,500. We also received quarter two capitation of Ksh. 996,000 on 26<sup>th</sup> January, 2023 being Ksh. 4,000 per student for 249 validated students. This was a shortfall of Ksh. 3,500 per student thus a total deficit Ksh. 871,500. We received quarter three capitation of Ksh. 996,000 on 29<sup>th</sup> June, 2023 being Ksh. 4,000 per student for 249 validated students. This was a shortfall of Ksh. 3,500 per student thus a total deficit Ksh. 871,500. Also, our quarter 3 validated population was 326 but quarter 2 validated population of 249 was used which was 77 students less. Quarter 4 capitation has not been received to date. This has really hampered our operations.

**VII. Statement of Performance against Predetermined Objectives**

The Institute has four strategic pillars and objectives within its strategic plan. These strategic objectives are as follows:

1. To impart knowledge, skills and attitudes to trainees in order to gain entrepreneurship and problem-solving skills for the world of work;
2. To improve the Institute's infrastructure;
3. To improve Institutional governance and quality management.

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

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Training	To impart knowledge, skills and attitudes to trainees in order to gain entrepreneurship and problem-solving skills for the world of work	- Student population - Exam results	- Student admission - Training - Exams - Industrial attachment	- Student population has grown from 6 in February, 2018 to 321 in June, 2023 - We started with 4 courses but currently have 18 courses offered - Always had over 60% pass rate - All student required to go for industrial attachment
Infrastructure development	To expand the Institute's infrastructure and equipment;	- Infrastructure development - Training equipment - Inventory	- Construction - Purchase of equipment and materials	- Main building completed in December, 2016 - Bathrooms, pit latrines, Fence, gate, shade and kitchen constructed
Quality Management	To improve Institutional governance and quality management	- Management objectives and outcomes - Performance contract targets and evaluation report	- Setting objectives and targets - Implementing the set objectives - Monitoring and evaluation	- Annual PC targets set - PC implemented - Management documents and policies available for training, administration and student affairs

**VIII. Corporate Governance Statement**

The Board held one full Board meeting, one retreat and three committee meetings in the 2022/2023 FY. This was due to financial constraints occasioned by the deficits in capitation funds

The first Board and the current Board have been able to carry out and achieve the following outcomes as summarized in the table below:

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

YEAR	MEETING DATE	MAIN AGENDA	OUTCOMES	COMMENTS
2017	15-12-2020	- Inauguration - Appointment of account signatories and opening of bank accounts	Successfully completed	Institute became operational
2018	10-1-2018	- Admission workplan - Approval of courses - Approval of management documents - Student mobilization strategies	The documents including budget, fee's structure, rules and regulations, academic policy and admission documents were approved and are still in use to date. On 5-2-2018 we admitted 6 students and by end of term in 30-3-2018 we had 12 students.	Admission of students was successful
	20-7-2018	- CDF project - 2018/2019 FY Budget estimates	The CDF project comprising of pit latrines were approved for construction using labour contract thus increase from two blocks of 2-door to three blocks of 9-doors. The budget estimates were approved and implemented successfully.	Project was completed successfully with no queries from the National NG-CDF auditors.
2019	25-1-2019	- Report on Institute progress - Plans for 2019	Progress in terms of students, staff, projects and financial reports were discussed and 2019 plans for the same were set. This led to student population moving from 14 to 101 in 2019.	
	16-6-2019 (Special)	- Student's interruption of Hon. MP's movement	This was a special meeting after students interrupted Hon. Tongoyo's movement.	The matter was resolved amicably and the MP is currently friend of the Institute.

YEAR	MEETING DATE	MAIN AGENDA	OUTCOMES	COMMENTS
	16-8-2019	- 2019/2020 budget estimates - Stakeholder's meeting	The budget was approved and implemented successfully but the stake holders meeting was never held due to lack of funds.	Approved budget implemented successfully
2020	26-6-2020 (Held online)	- Report on students - Report on staff -Financial status	Due to lack of funds, the Board had not met from August, 2019 to June, 2020. Therefore, the Board appreciated the developments on student population, staff numbers and the current financial status.	Institute operating well
	15-07-2020	- The 2020/2021 FY budget - Plans for reopening in September, 2020	The budget estimates were approved and projects towards reopening were approved. The Institute was able to reopen on 2 <sup>nd</sup> November, 2020 as per the letter by the PS, VTT.	Projects approved – fence, gate, shade, kitchen, tables, water tanks and COVID-19 measures put in place.
	27-11-2020	- Projects - COVID-19 measures - 2020/2021 Q1 FY report - End of the BOG's term report	The completed projects were inspected and members were presented with the project documents. The COVID-19 measures in place were discussed and approved as amended, the 2020/2021 quarter 1 financial report was approved and the end of BOG's term report was presented and approved with amendments.	The meeting was held 7 days after the term of the Board expired after being postponed earlier due to unavoidable circumstances.
	4-02-2022	- Inauguration of the New Board	Successfully completed	The members were ready to

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

				embark on the work ahead
2022	25-03-2022	- Institute Status Report - The 2021/2022 FY Budget Estimates - Strategic Plan for 2022-2027	The Board was informed of the developments in the Institute from 20 <sup>th</sup> November, 2020 when the term of the first Board expired to 4 <sup>th</sup> February, 2022 when they were inaugurated. The also looked at the 2021/2022 FY budget estimates and approved them though the FY was far much gone. The process of development of the Strategic Plan was laid down.	The Board appreciated the management for operations in the period without a Board though development of the strategic plan was delayed.
	29-06 to 1-07-2022	- Board Induction	Members were trained on their role as the Board members with respect to the Institute management, Ministry, financial management, procurement, human resource, resource mobilization, corporate management, legal status among others.	Facilitators from the Ministry of Education
2022-2023	1/8/2022	- Finance, Governance and Development committee	The committee interrogated the 2022/2023 Budget estimates and the procurement plan	The documents were looked at from a technical perspective and enriched.
	5/8/2022	- 2022/2023 Budget estimates and the procurement plan	The 2022/2023 Budget estimates and the procurement plan were approved.	The documents were approved
	6/3/2023	- Training, Education and Research committee	The committee looked at the 2023-2028 Strategic Plan, Quality Assurance Policy and Industrial Attachment and Internship Policy.	The documents were looked at from a technical perspective and enriched.

	7/3/2023	- Finance, Governance and Development committee	The committee looked at the Financial Management Policy, the Human Resource Policy and Procedures Manual, Credit and Debt Policy and the Fees Policy.	The documents were looked at from a technical perspective and enriched.
	10 to 11/3/2023	- Two-day Board retreat to approve the 2023-2028 Strategic Plan and Institute Policy Framework	The 2023-2028 Strategic Plan, the Board Charter and twelve (12) policies were discussed and approved as amended.	The committees presented their outcomes and the full board approved the documents as amended

## **IX. Management Discussion and Analysis**

In the 2022/2023 financial year (FY), the Institute received quarter I, II and III capitation funds totalling up to Ksh. 2,987,000 but the quarter IV capitation was not received. The Institute closed the 2022/2023 FY with Ksh. 259,842 in the bank account and Ksh. 4,930 in cash. The amount in the bank at the close of the FY was high because we received Ksh. 996,000 as quarter III capitation fees on 29<sup>th</sup> June, 2023. The Institute was able to close the FY with **zero pending bills.**

The Institute was able to complete the fence around the main building with a gate for controlling the Institute land comprising of cedar posts and five strands of wire. This really helped protect our maize, beans, vegetables and trees from the neighbours' cattle.

The Institute was greatly affected lack of funds given that we received less funds per quarter which was budgeted for but not received. Also, there was no quarter four capitation. The Institute was only able to meet some of its key expenditure items in order to ensure service delivery to its main clients: the students was not hampered. However, no major expenditure and development projects could be undertaken.

The Institute has complied with laid down statutory obligations including deducting and paying Pay-As-You-Earn (PAYE) to the Kenya Revenue Authority (KRA), National Hospital Insurance Fund (NHIF) and National Social Security Fund (NSSF). This were deducted and paid on time for the whole financial year. The Institute was also able to negotiate, vet and sign the 2022/2023 FY performance contract as per Government guidelines. Reporting to various organs is done on quarterly basis while the main evaluation is done annually.

The major risks facing the Institute especially in the post COVID-19 era is the reduction in student population given the poor financial status of our main stakeholders – the parents. Our location in the Mara means that most of our parents/guardians are dependent on tourism activities. Due to the pandemic, most of them were unable to pay their institute fees. Also, our partner the Maasai Mara Wildlife Conservancies Association (MMWCA) has had to turn its attention to supporting conservancies to pay game wardens to ensure animals are taken care of given that the conservancies have zero income in the absence of tourists. Also, the MMWCA contract ended on 31<sup>st</sup> December, 2022 thus we are now fully dependent on the parents and government capitation. This means that their support to the students is rather reduced. Our Income Generating Activities (IGA) mainly vegetables, beans and maize suffered due to the unfavourable weather this FY.

## X. Environmental and Sustainability Reporting Statement

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

1. **Sustainability strategy and profile** – The Institute has established the Mara region, Kilgoris and Conservancy areas as a primary catchment in student mobilization with the other areas of Narok west and south areas as secondary catchment areas. We have entered into agreements with a neighbour in provision of accommodation to the students. The partnership with Maasai Mara Wildlife Conservancies Association (MMWCA) covering 1<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2021 ensured that all students whose parents are land owners in the conservancy areas receive Ksh. 9,000 as partial sponsorship for tuition fees in their first term in the Institute. After that, they get government capitation and apply for HELB loans. The Institute has also invested in Income Generating Activities (IGA) including farm activities (beans, maize and vegetables), leasing agricultural equipment and offering short courses specifically computer packages. In the 2022/2023 we have received 80 students sponsored by the Narok County Government which will go a long way in ensuring the Institute is able to run its procedures and processes.
2. **Environmental performance** – the institute has planted about 50 trees in 2017-2018; 800 tree seedlings in June, 2019; 400 tree seedlings donated by the Narok West NG-CDF in November, 2019; 300 tree seedlings donated by the Ministry of Energy in January, 2020; 750 tree seedlings donated by the Narok Kenya Defence Forces (KDF) in March, 2020 and over 1,500 trees and fruit trees in 2021. In 2022/2023 FY we concentrated on planting flowers and a few fruit trees.
3. **Employee welfare** – The Institute practices a non-discrimination policy in hiring of staff. This is done competitively with the vacancies being advertised widely. All the applicants are analysed and a few competitively shortlisted then invited for interviews under the BOG. During the 2022/2023 FY, the institute used this procedure to advertise, shortlist and interview for a Procurement Officer and a Finance Officer. The process was successful and one new staff was employed as the procurement officer and the Accountant successfully promoted to the Finance Officer.  
The Institute has fifteen (15) Public Service Commission (PSC) trainers: ten (10) males and five (5) females giving a gender ratio of 66.67% to 33.33% being male to female ratios. The trainers under BOG are seven (7) with four (4) males and three (3) females thus a 57.14% to 42.86% male to female gender ratio. The support staff under BOG are nine (9) with six (6) males and three (3) females thus a 66.67% to 33.33% male to female gender ratio. The staff are appraised annually for both PSC and BOG staff. The students and staff are taken through safety procedures and use of fire appliances.
4. **Market place practices:**
  - a) **Responsible competition practice** – the institute has a policy on zero tolerance to corruption which is clearly displayed and all students informed from time to time to report any form of corruption to the Principal who chairs the corruption prevention committee.

The management takes a politically neutral stand and no political activities are allowed within the Institute. Staff and students are encouraged to participate in sporting and gaming activities where fair competition and respect for competitors is taught and practiced.

- b) Responsible Supply chain and supplier relations** – The Institute has maintained good working relationship with its suppliers by paying them promptly as per the invoices and delivery notes.
- c) Responsible marketing and advertisement** – The Institute markets its services through fliers, radio, visiting the community during market days, word of mouth and social media.
- d) Product stewardship** – the institute has put in place a customer service charter with mechanisms for customer complaints and compliments. This ensures that customers receive services promptly and in case of any complaints they can present them in a confidential and clearly laid out manner.
- e) Corporate Social Responsibility / Community Engagements** - The Institute is located within the Maasai Mara ecosystem area and has signed a Memorandum of understanding (MOU) with the Maasai Mara Wildlife Conservancies Association (MMWCA) so as to partner in the provision of technical skills to youths from the Mara area. Through the partnership, a total of 228 youths received or are in the process of receiving employable technical skills. The Institute also works closely with the local administration – the DCC, ACC’s and chiefs in student admission, security issues, registration of voters and sporting activities for community youth teams and schools. The Institute also assist youths from the locality by allowing them to use the institute sports facilities. They also get to play against the institute teams and with each other at no cost. The students also carry out clean up exercises in the local market centres.

## XI. Report of the Board of Governors

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

### Principal activities

The principal activity of the Institute is provision of technical training.

### Results

The results of the Institute for the year ended 30<sup>th</sup> June, 2023 are set out on page 1.

### Board of Governors

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

### Auditors

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

By Order of the Board



.....  
Secretary of the Board,  
Narok.

Date: 28<sup>th</sup> April, 2025



## **XII. Statement of Board of Governor's Responsibilities**

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

The Board members are responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes:

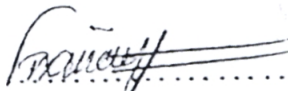
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute;
- (iii) Designing,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

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

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

### **Approval of the financial statements**

The Institute's financial statements were approved by the Board on **28<sup>th</sup> July, 2023** in the Board meeting held the same day.

  
.....  
Mr. Francis Ole Koros,  
**Chairperson of the Board**



  
.....  
Mr. David K. Maru,  
**Accounting Officer/Principal**

# REPUBLIC OF KENYA

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## REPORT OF THE AUDITOR-GENERAL ON NAROK WEST TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2024

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Narok West Technical Training Institute set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution

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*Report of the Auditor-General on Narok West Technical Training Institute for the year ended 30 June, 2024*

of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Narok West Technical Training Institute as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013 (Revised 2014).

## **Basis for Qualified Opinion**

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

The statement of statement of financial performance amount of Kshs.12,500,000 in respect of transfers from other National Government entities. However, the statement of comparison of budget and actual amounts revealed a balance of Kshs.6,999,091 resulting to an unexplained and unreconciled variance of Kshs.5,500,909.

The statement of cash flows reflects a comparative amount of Kshs.13,918,360 in respect of total receipts. However, the previous year's audited financial statements reflect a balance of Kshs.11,918,360 resulting to an unexplained and unreconciled variance of Kshs.2,000,000. Further, statement reflects a comparative balance of Kshs.264,772 in respect of cash and cash equivalents as at 30 June, 2023. However, the recomputed amount is Kshs.5,592,430 resulting to unexplained and unreconciled variance of Kshs.5,327,658.

In addition, the statement reflects comparative balances of Kshs.3,113,214 and Nil amount in respect of use of goods and services and repairs and maintenance respectively. However, Notes 9 and 12 to the financial statements reflect balances of Kshs.3,103,214 and Kshs.10,000 resulting to unexplained and unreconciled variances of Kshs.10,000 respectively.

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

### **2. Undisclosed Use of Goods and Services Expenses**

The statement of financial performance reflects use of goods and services of an amount of Kshs.12,754,439 and as disclosed in Note 9 to the financial statements. However, review of the supporting documents including expenditure schedules and payment vouchers revealed that expenditure totaling Kshs.346,320 was not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the use of goods and services amount of Kshs.12,754,439 could not be confirmed.

### **3. Unsupported Receivables from Exchange Transactions Balance**

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.2,680,000 in respect of student debtors, as disclosed in Note 14 to the financial statements. However, the student ledgers provided were not supported with the ageing analysis and therefore, it was not possible to ascertain the periods that the debts have been outstanding. In addition, it was not possible to determine recoverability of the outstanding debts.

In the circumstances, the accuracy and completeness of the current portion of receivables from exchange transactions balance of Kshs.2,680,000 could not be confirmed.

### **4. Property, Plant and Equipment and Intangible Assets**

#### **4.1 Lack of Ownership Documents**

The statement of financial position reflects property, plant and equipment balance of Kshs.12,617,896 and as disclosed in Note 17 to the financial statements. Review of the Institute records revealed it is built on a twenty (20) acres piece of land that was donated by the community. However, the institute has not obtained the title deed for the land. Further capital expenditure projects have been made on the land without certainty of ownership.

#### **4.2 Non-Disclosure of Fixed and Intangible Assets in the Financial Statements**

Review of the Institute's fixed assets registers and supporting documents revealed that agricultural machinery with a historical cost of Kshs.1,153,482 was donated to the Institution under the Kenya/China TVET project Phase II through circular reference number MOE/DTE/6/5/1 VOL.XVIII(37) dated 24th November 2022. The cost of the machinery was not disclosed in the financial statements. Further, the Institute procured an Enterprise Resource Planning (ERP) system at a contract sum of Kshs.1,950,000 and paid an amount of Kshs.400,000 during the year. Similarly, the cost of the system which was not disclosed as intangible assets in the financial statements.

In addition, the buildings, land, furniture, software and other assorted equipment with unknown value, highlighted in the assets register, have not been disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.12,617,896 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgeting Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual comparable basis of Kshs.28,818,350 and Kshs.23,197,077 respectively resulting to an underfunding of Kshs.5,621,273 or 19% of the budget. Further, the statement reflects that the Institute spent an amount of Kshs.18,021,460 against actual receipts of approved budget of Kshs.23,197,077 resulting in an under absorption of Kshs.5,175,617 or 22% of the actual receipts.

The under-funding and under absorption affected the planned activities of the Institute and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to communicate in my report.

### **Other Matter**

#### **Unresolved Prior Year Matters**

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

### **Other Information**

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

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

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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**

#### **Non-compliance with the Law on Ethnic Composition**

The statement of financial performance reflects an amount of Kshs.4,812,681 in respect of employee costs as disclosed in Note 10 to the financial statements. Review of the human resource records revealed that the Institute has forty-eight (48) staff out of which more than one-third were from one ethnic community. This is contrary to Section 7 (1) and (2) of the National Cohesion and Integration Act, 2008 which stipulate that all public establishments shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Lack of an Approved Staff Establishment**

Review of the human resource documents revealed that the Institute had forty-eight (48) staff comprising of twenty-nine (29) public service commission trainers, one (1) Board of Governors employed trainer and eighteen (18) support staff. However, the Institute did not

have an approved staff establishment to determine optimality of staff in the different cadres of staff. This was contrary to Section B.2 (1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which requires every public entity to prepare human resource plans based on comprehensive job analysis to support achievement of goals and objectives in their strategic plans.

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

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

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

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

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

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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting

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*Report of the Auditor-General on Narok West Technical Training Institute for the year ended 30 June, 2024*

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

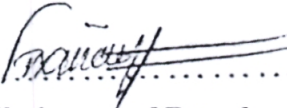
**Nairobi**

**11 July, 2025**

**XIV. Statement of Financial Performance for the year ended 30 June 2023**

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	9,650,000	7,625,000
Grants from donors and development partners		-	-
Transfers from other levels of government		-	-
Public contributions and donations		-	-
		<b>9,650,000</b>	<b>7,625,000</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	3,954,960	6,755,173
Sale of goods	8	673,400	189,000
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Other income		-	-
<b>Revenue from Exchange transactions</b>		<b>4,628,360</b>	<b>6,944,173</b>
<b>Total Revenue</b>		<b>14,278,360</b>	<b>14,569,173</b>
<b>Expenses</b>			
Use of goods and services	9	3,103,214	6,471,254
Employee costs	10	3,531,032	3,613,512
Board Expenses	11	636,114	413,000
Depreciation and amortization expense		-	-
Repairs and maintenance	12	10,000	139,686
Contracted services		-	-
Grants and subsidies		-	-
Finance costs		-	-
<b>Total Expenses</b>		<b>7,280,360</b>	<b>10,637,452</b>
<b>Other Gains/(Losses)</b>			
Gain on sale of assets		-	-
Unrealized gain on fair value of investments		-	-
Impairment loss		-	-
<b>Total Other Gains/(Losses)</b>		<b>-</b>	<b>-</b>
<b>Net surplus for the year</b>		<b>6,998,000</b>	<b>3,931,721</b>

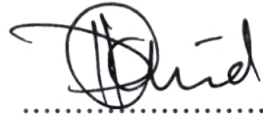
The Financial Statements set out on pages 1 to 44 were signed by:

  
.....  
Chairman of Board

Date: 28<sup>th</sup> April, 2025

  
.....  
Finance Officer  
ICPAK No: 30718

Date: 28<sup>th</sup> April, 2025

  
.....  
Principal

Date: 28<sup>th</sup> April, 2025

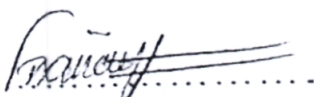


**XV. Statement of Financial Position as at 30<sup>th</sup> June 2023**

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	13	264,772	957,065
Current portion of receivables from exchange transactions	14	1,678,350	1,478,360
Receivables from non-exchange transactions	15	5,663,000	3,277,500
Inventories		-	-
Investments		-	-
<b>Non-Current Assets</b>		-	-
Long term receivables from exchange transactions		-	-
Investments		-	-
Property, plant, and equipment	16	-	-
Intangible assets		-	-
Investment property		-	-
<b>Total Assets</b>		<b>7,606,122</b>	<b>5,712,925</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions		-	-
Refundable deposits from customers	17	74,000	64,000
Current provisions		-	-
Finance lease obligation		-	-
Current portion of borrowings		-	-
Deferred income		-	-
Employee benefit obligation	18	2,857	2,800
Payments received in advance		-	-
			<b>66,800</b>
<b>Non-Current Liabilities</b>		<b>76,857</b>	
Finance lease obligation		-	-
Deferred income		-	-
Non-Current Employee Benefit Obligation		-	-
Non-Current Provisions		-	-
Borrowings		-	-

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Service Concession Liability		-	-
Deferred Tax Liabilities		-	-
<b>Total Liabilities</b>		<b>76,857</b>	<b>66,800</b>
<b>Net Assets</b>		-	-
Reserves		-	-
Accumulated Surplus		12,644,125	5,646,125
Capital Fund		-	-
<b>Total Net Assets and Liabilities</b>		<b>12,720,982</b>	<b>5,712,925</b>

The Financial Statements set out on pages 1 to 44 were signed by:



Chairman of Board

Date: 28<sup>th</sup> April, 2025



Finance Officer

ICPAK No: 30718

Date: 28<sup>th</sup> April, 2025



Principal

Date: 28<sup>th</sup> April, 2025



Narok West Technical Training Institute  
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XVI. Statement of Changes in Net Asset for the year ended 30 June 2023

Description	Students Debtors	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
<b>At July 1, 2022</b>		-	-	<b>1,714,404</b>	-	<b>1,714,404</b>
Revaluation gain		-	-	-	-	-
Fair value adjustment on quoted investments		-	-	-	-	-
Total comprehensive income		-	-	<b>3,931,721</b>	-	<b>3,931,721</b>
Capital/development grants received during the year		-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings		-	-	-	(-)	-
<b>At June 30, 2022</b>	-	-	-	<b>5,646,125</b>	-	<b>5,646,125</b>
<b>At July 1, 2023</b>				<b>5,646,125</b>	-	<b>5,646,125</b>
Revaluation gain		-	-	-	-	-
Fair value adjustment on quoted investments		-	-	-	-	-
Total comprehensive income		-	-	<b>6,998,000</b>	-	<b>4,638,000</b>
Capital/development grants received during the year		-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings		-	-	-	-	-
<b>At June 30, 2023</b>		-	-	<b>12,644,125</b>	-	<b>10,284,125</b>

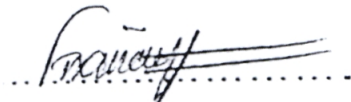
## XVII. Statement of Cash Flows for the year ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other government entities/govt. Grants	6	9,650,000	3,277,500
Public contributions and donations		-	-
Rendering of services- fees from students	7	3,594,960	6,466,855
Sale of goods	8	673,400	189,000
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Other income		-	-
<b>Total Receipts</b>		<b>13,918,360</b>	<b>9,933,355</b>
<b>Payments</b>			
Compensation of employees	10	3,531,032	3,613,455
Use of goods and services	9	3,113,214	6,471,254
Board expenses	11	636,114	413,000
<b>Total Payments</b>		<b>7,280,360</b>	<b>10,497,699</b>
		<b>6,638,000</b>	<b>(564,344)</b>
<b>Adjusting for working capital changes</b>			
Increase in receivables		(5,337,715)	-
Increase in payables		10,057	-
<b>Net movement in working capital</b>		<b>(5,327,658)</b>	<b>-</b>
<b>Net Cash Flows from operating activities</b>		<b>(689,658)</b>	<b>(564,344)</b>
<b>-Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Deposits receipts		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>(689,658)</b>	<b>(564,344)</b>
Cash and Cash equivalents as at 1 JULY, 2022		<b>954,430</b>	<b>1,518,774</b>
<b>Cash and Cash equivalents at 30 JUNE 2023</b>		<b>264,772</b>	<b>954,430</b>

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

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The Financial Statements set out on page 1 to 44 were signed by:



Chairman of Board

Date: 28<sup>th</sup> April, 2025



Finance Officer

ICPAK No: 30718

Date: 28<sup>th</sup> April, 2025



Principal

Date: 28<sup>th</sup> April, 2025



Narok West Technical Training Institute  
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XVIII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2023

Description	Original budget 2022-2023 Kshs	Actual or comparable basis 2022-2023 Kshs	Expenditure (Difference) 2022-2023 Kshs	Variance Direction 2022-2023 %	Comments
Revenue					
Transfers from other government entities and government grants	7,650,000	3,988,000	3,662,000	47.87%	Capitation received was less and no Quarter 4 at all. (See Note 1 below)
Public contributions and donations	-	-	-	-	
Rendering of services- fees from students	12,720,000	3,594,960	9,125,040	71.74%	1. The budgeted number of student was not achieved due to lower admission numbers 2. Ksh. 1,678,350 in receivables (See Note 2 below)
Sale of goods	-	673,400	-673,400	-	
Finance income	-	-	-	-	
Other income	1,528,350	-	1,528,350	100.00%	
Gains on disposal, rental income and agency fees	-	-	-	-	
<b>Total Income Expenses</b>	<b>21,898,350</b>	<b>8,256,360</b>	<b>13,641,990</b>	<b>62.30%</b>	Capitation and Fees not received as per budget. (See Note 1 & 2 below)
Compensation of employees and directors	4,192,068	4,167,146	24,922	4.90%	

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Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference	Explanatory notes
Use of goods and services	17,706,282	-	17,706,282	3,113,214	14,593,068	62.66%	Lower revenues led to lower expenses (See Note 3 below)
Total Expenditure	21,898,350	-	21,898,350	7,280,360	14,617,990	66.75%	Lower revenues led to lower expenses (See Note 3 below)
Surplus For the Period	-	-	-	976,000	-	-	

**Explanatory notes:**

- 1. Transfers from other government entities and government grants (47.87%)** - We did not receive the full capitation funds for quarters 1, 2 and 3 while quarter 4 was not received at all. Also, all artisan students without KCSE were not funded by the government through capitation.
- 2. Rendering of services - fees from students (71.74%)** – We did not achieve the student population planned for in the budget. We budgeted for 600 students but we could only mobilize 321 students in the financial year. Also, all students were not able to pay all their fees.
- 3. Use of goods and services (62.66%)** – Since we were unable to attain 100% revenues as per budget, we could only spend what we received thus our expenses were lower than the budgeted amount since it was a balanced budget.

**XIX. Notes to the Financial Statements**

**1. General Information**

Narok West Technical Training Institute is established by and derives its authority and accountability from Technical, Vocational Education and Training Act, 2003. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is technical 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 Institute's accounting policies.

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2024.

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

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b> 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 Narok West Technical Training Institute's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <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 Narok West Technical Training Institute's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p>Narok West TTI has adopted use of the formats and templates provided to ensure classification and modelling is standardised.</p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b> The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that Narok West Technical Training Institute provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Narok West Technical Training Institute;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Narok West Technical Training Institute's financial performance, financial position and cash flows.</li> </ol>

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Standard	Effective date and impact:
	Narok West TTI has adopted the standard since it endeavours to be an agent of community change.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Narok West TTI follows government procedures as far as borrowing is concerned. In the 2022/2023 FY, the Institute did not borrow any money.</p>
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p> <p>Narok West TTI adopted the reporting template as provided by the IPSAS Board.</p>
IPSAS 43	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that</p>

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

Standard	Effective date and impact:
	<p>lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of Narok West Technical Training Institute.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>Narok West TTI did not have any existing or new leases in the 2022/2023 FY.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

**iii. Early adoption of standards**

Narok West Technical Training Institute did not early-adopt any new or amended standards in year 2023.

#### 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 Narok West Technical Training Institute 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

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

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

###### Sale of goods

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

###### Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

###### Dividends

Dividends or similar distributions must be recognized when the shareholder's or Narok West Technical Training Institute's right to receive payments is established.

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

**Rental income**

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

b) Budget information

The original budget for FY 2022/2023 was approved by the Board on 5<sup>th</sup> August, 2022. No Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented page 5 of these financial statement.

c) Taxes

*Current income tax*

Narok West Technical Training Institute is exempt from paying taxes as per the *Income Tax Act*.

*Sales tax/ Value Added Tax*

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

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

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

Notes to the Financial Statements (Continued)

**d) Investment property**

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 5 years.

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

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

**e) Property, plant and equipment**

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

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**f) Leases**

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

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

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

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

**g) Intangible assets**

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

**h) Research and development costs**

Narok West Technical Training Institute's expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Narok West Technical Training Institute can demonstrate:

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

*Financial assets*

*Initial recognition and measurement*

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

*Loans and receivables*

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

*Held-to-maturity*

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

*Impairment of financial assets*

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

*Financial assets (Continued)*

*Impairment of financial assets (Continued)*

- The debtors or a Narok West Technical Training Institute debtor are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

*Financial liabilities*

*Initial recognition and measurement*

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. Narok West Technical Training Institute determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

*Loans and borrowing*

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

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

j) Inventories

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

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

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

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**Inventories (Continued)**

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

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

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of Narok West Technical Training Institute.

**k) Provisions**

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

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

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

***Contingent liabilities***

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

***Contingent assets***

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

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**l) Nature and purpose of reserves**

Narok West Technical Training Institute creates and maintains reserves in terms of specific requirements.

**m) Changes in accounting policies and estimates**

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

**n) Employee benefits**

**Retirement benefit plans**

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

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

**o) Foreign currency transactions**

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

**p) Borrowing costs**

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

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**q) Related parties**

Narok West Technical Training Institute regards a related party as a person or Narok West Technical Training Institute with the ability to exert control individually or jointly, or to exercise significant influence over Narok West Technical Training Institute, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

**r) Service concession arrangements**

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

**s) Cash and cash equivalents**

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

**t) Comparative figures**

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

**u) Subsequent events**

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

**Notes to the Financial Statements (Continued)**

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of Narok West Technical Training Institute'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. Narok West Technical Training Institute 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 Narok West Technical Training Institute. 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 Narok West Technical Training Institute
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

**Provisions**

No provisions were made in the Financial Year 2022/23.

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2023-2022	2021-2022
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	7,650,000	2,000,000
Operational Grant	2,000,000	5,625,000
Other Grants		
	<b>9,650,000</b>	<b>7,625,000</b>
<b>Conditional Grants</b>	-	-
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
<b>Total Government Grants and Subsidies</b>	<b>9,650,000</b>	<b>7,625,000</b>

(a) Transfers from other Government entities (Categorized)

Name Of The Narok West Technical Training Insitute Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2021-2022
			Kshs	Kshs	Kshs
Ministry of Education -State Department of Vocational and Technical Training	9,650,000	-	9,650,000	9,650,000	7,625,000
<b>Total</b>	<b>9,650,000</b>	<b>-</b>	<b>9,650,000</b>	<b>9,650,000</b>	<b>7,625,000</b>

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Notes to the Financial Statements (Continued)

7. Rendering of Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Fees	963,000	1,293,000
Activity Fees	128,400	172,400
Industrial Attachment Fees	642,000	-
Examination Fees	802,260	-
Library Fees	160,500	215,500
Facilities and Materials	738,300	5,010,273
Registration Fees	160,500	64,000
Others ( <i>Specify</i> ) – Student Meals	-	-
<b>Total Revenue from The Rendering of Services</b>	<b>3,594,960</b>	<b>6,755,173</b>

8. Sale of Goods

Description	2022-2023	2021-2022
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	673,400	189,000
Cafeteria sales	-	-
Other	-	-
<b>Total Revenue from Sale of Goods</b>	<b>673,400</b>	<b>189,000</b>

Notes to the Financial Statements (Continued)

9. Use of Goods and Services

	2022-2023	2021-2022
Teaching and learning materials	1,273,088	860,750
Industrial attachment costs	-	49,500
Electricity	213,703	136,298
Water	-	-
Security	-	-
Professional and consultancy services	-	-
Subscriptions	-	-
Advertising	-	178,832
Examination fees	-	789,610
Audit fees	-	-
Catering, conferences, and delegations	-	-
Travelling and accommodation	611,335	1,175,517
Fuel and oil	132,000	195,188
Insurance	-	-
Legal expenses	-	-
Licenses and permits	-	-
Postage	-	-
Printing and stationery	-	-
Hire charges	-	-
Rent expenses	-	-
Skills development levies	-	-
Telephone expenses	-	-
Internet expenses	-	-
Training expenses	-	-
Other (Admin expenses, Activity, Medical, Insurance, Student union, IDs, Student Meals, Bank charges, Development and IGA)	873,088	3,085,559
<b>Total good and services</b>	<b>3,103,214</b>	<b>6,471,254</b>

Notes to the Financial Statements (Continued)

10. Employee Costs

Description	2022-2023	2021-2022
	KShs	KShs
Salaries and wages	3,531,032	3,613,512
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
<b>Employee Costs</b>	<b>3,531,032</b>	<b>3,613,512</b>

11. BOARD EXPENSES

Description	2022-2023	2021-2022
	KShs	KShs
Board Expenses	636,114	413,000
Other allowances	-	-
<b>Total director emoluments</b>	<b>636,114</b>	<b>413,000</b>

12. Repairs and Maintenance

Description	2022-2023	2021-2022
	KShs	KShs
Property	10,000	139,686
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
<b>Total Repairs and Maintenance</b>	<b>10,000</b>	<b>139,686</b>

Notes To The Financial Statements (Continued)

13. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	KShs	KShs
Current Account	259,842.40	954,430
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Cash in Hand	4,930	2,635
<b>Total Cash and Cash Equivalents</b>	<b>264,772.40</b>	<b>957,065</b>

14. Receivables from Exchange transactions

Description	2022-2023	2021-2022
	KShs	KShs
<b>Current Receivables</b>		
Student Debtors	1,678,350	1,478,360
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	(-)	(-)
<b>Total Current Receivables</b>	<b>1,678,350</b>	<b>1,478,360</b>

15. Receivables from Non-Exchange transactions

Description	2022-2023	2021-2022
	KShs	KShs
<b>Current Receivables</b>		
Capitation Grants*	5,663,000	3,277,500
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	<b>5,663,000</b>	<b>3,277,500</b>

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Notes to the Financial Statements (Continued)

16. Property, Plant and Equipment

	Land and Buildings (KSh)	Motor Vehicles (KSh)	Plant and Machinery (KSh)	Computers (KSh)	Other Assets (Specials) (KSh)	Furniture and Equipment (KSh)	Capital Works in Progress (KSh)	Total (KSh)
At 1 July 2022	-	-	-	-	-	-	-	--
Additions	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Transfers/Adjustments	-	(-)	(-)	(-)	(-)	(-)	(-)	(-)
At 30 <sup>th</sup> June 2023	-	-	-	-	-	-	-	-
<b>Depreciation And Impairment</b>								
At 1 July 2022	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)	(-)	-	(-)
At 30 <sup>th</sup> June 2023	-	-	-	-	-	-	-	-
<b>Net Book Values</b>								
At 30 <sup>th</sup> June 2023	-	-	-	-	-	-	-	--
At 30 <sup>th</sup> June 2022	-	-	-	-	-	-	-	-

Notes to the Financial Statements (Continued)

17. Refundable Deposits from Customers/Students

Description	2022-2023	2021-2022
	Kshs	Kshs
Consumer deposits	-	-
Caution money	74,000	64,000
Other refundable deposits	-	-
<b>Total Deposits</b>	<b>74,000</b>	<b>64,000</b>

18. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other provisions	2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	2,857	-	-	2,857	2,800
<b>Total Employee Benefits Obligation</b>	<b>2,857</b>	<b>-</b>	<b>-</b>	<b>2,857</b>	<b>2,800</b>

19. Financial Risk Management

Narok West Technical Training Institute'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.

Narok West Technical Training Institute's financial risk management objectives and policies are detailed below:

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or

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external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2022</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	--	--	-	--
Bank balances	-	-	-	-
<b>Total</b>	<b>--</b>	<b>--</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**44. Financial Risk Management (Continued)**

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

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

Narok West Technical Training Institute has significant concentration of credit risk on amounts due from

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

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2022</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2023</b>	-	-	-	-
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**(iii) Market risk**

Narok West Technical Training Institute has put in place an internal audit function to assist it in assessing the risk faced by Narok West Technical Training Institute on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

Narok West Technical Training Institute's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

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

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**Notes to the Financial Statements (Continued)**

**a) Foreign currency risk**

Narok West Technical Training Institute has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of Narok West Technical Training Institute's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs Kshs	Other currencies Kshs	Total Kshs
<b>At 30 June 2023</b>			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-		-
Net Foreign Currency Asset/(Liability)	-	-	-

Narok West Technical Training Institute manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**44. Financial Risk Management (Continued)**

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

Description	In Kshs Kshs	Other currencies Kshs	Total Kshs
<b>At 30<sup>th</sup> June 2023</b>			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

**a) Foreign currency sensitivity analysis**

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

Notes to the Financial Statements (Continued)

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>2022</b>			
Euro	10%	-	-
Usd	10%	-	-
<b>2023</b>			
Euro	10%	-	-
Usd	10%	-	-

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**44 Financial Risk Management (Continued)**

(iii) **Market risk (Continued)**

**b) Interest rate risk(continued)**

*Sensitivity analysis*

Narok West Technical Training Institute is a public TVET institution and therefore it is a not for profit organization. It analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

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**Notes To The Financial Statements (Continued)**

**iii) Capital Risk Management**

The objective of Narok West Technical Training Institute's capital risk management is to safeguard Narok West Technical Training Institute's ability to continue as a going concern. The Narok West Technical Training Institute capital structure comprises of the following funds:

Description	2022-2023	2021-2022
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash and Cash Equivalents)	-	-
<b>Gearing</b>	-	-

**20. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

The Government of Kenya is the principal shareholder of the Narok West Technical Training Institute holding 100% of the Narok West Technical Training Institute's equity interest.

**21. Events After the Reporting Period**

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

**22. Ultimate and Holding of Narok West Technical Training Institute**

Narok West Technical Training Institute is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**23. Currency**

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

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XX. Appendices  
Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p><b>Non-disclosure and Ownership of Property, Plant and Equipment:</b> The statement of financial position reflects Nil property, plant and equipment balance. Review of records revealed that the institute had various assets which include land, buildings, furniture, computers and equipment. However, the property, plant and equipment have been valued and disclosed in the financial statements. Further, ownership documents for the land and equipment were not provided for audit. In addition, the fixed assets register was not provided for audit verification. In addition, the Institute received donated equipment worth USD 1,153,482 which have not been disclosed in the financial statements. In the circumstances, the accuracy, completeness and existence of the Nil property, plant and equipment balance could not be confirmed</p>	<p>The Institute land was donated by the community out of the unregistered community land. The demarcation and registration of the community land is still ongoing. Therefore, the cost of the land cannot be determined since the demarcation of the community land and the subsequent mutation then registration of the Institute land is still on going. The computers, furniture and equipment were supplied by the ministry of Education. The cost of the individual items has not been provided. The Ministry provided the cumulative total cost of the Agricultural Machinery Equipment but not the individual item costs.</p>	Partly resolved.	Undetermined.

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		The Institute has had the agricultural machinery valued but the ICT and furniture are yet to be valued.		
2	<p><b>Variiances in the Statement of Financial Performance:</b> The statement of financial performance reflects tuition fees of Ksh. 6,755,173. However, the supporting ledger reflects Ksh. 6,634,250 resulting to an unexplained variance of 120,923. Further, the statement reflects employee costs of Ksh. 3,613,512 while the payrolls reflect Ksh. 3,096,130 resulting to unexplained variance of Ksh. 517,382. In addition, the statement reflects use of goods and services of Ksh. 6,471,254 while the general ledger reflects Ksh. 6,094,664 resulting in unexplained variance of Ksh. 376,590.</p> <p>In the circumstances, the accuracy, completeness of the statement of financial performance could not be confirmed.</p>	<p>The financial reporting in accrual versus reporting in cash basis (actual) was not well understood. Some of the figures given were actual income and expenditure values while the reporting required it to be in accrual basis.</p>	Resolved.	30 <sup>th</sup> September, 2023
3	<p><b>Irregular Cash Purchases:</b> The statement of financial performance reflects use of goods and services of Kshs.6,417,254 as disclosed in Note 10 to the financial statements. The amount includes cash purchases of Kshs.2,233,572. However, the cash purchase were not supported with original Kenya Revenue Authority Electronic Tax Receipt, inspection and acceptance reports, Counter Receipts Note, bin cards and stores ledgers. In addition the</p>	<p>The Institute is located deep in the rural areas. Most of our suppliers do not have KRA electronic tax receipts. The Institute had not employed a qualified Procurement Officer to advice on and carry out the procurement functions. The total</p>	Resolved.	30 <sup>th</sup> September, 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>amount exceeded Ksh. 50,000 threshold reflected in the second schedule. This is contrary to regulation 92(a) on Public Procurement and Asset Disposal Regulations 2020 which states that a procurement entity may use low value procurement method under section 107(b) of the Act where the estimated cost of the goods, works or services being procured per item per financial year is as per threshold matrix in the second schedule.</p> <p>In the circumstances, the Management was in breach of the law.</p>	<p>cost comprises of many items, if looked at from a per item cost, most would be below the Ksh. 50,000 threshold.</p>		
4.	<p><b>Non-compliance with Registration and Licensing of Trainers:</b></p> <p>The statement of financial performance reflects employment costs of Kshs 3,613,512 as disclosed in Note 11 to the financial statement. The amount includes Kshs. 1,529,120 paid to trainers who are not licensed and nor registered by the Board. This is contrary to section 23(1) of the Technical and vocational education and training Act 2013 which requires anyone intending to be a trainer in an Institution to be registered by the Technical Vocational and Education Authority.</p> <p>Therefore, the management was in breach of the law.</p>	<p>All BOG trainers have since been employed by PSC or redesignated as technicians as per the recommendation of TVETA due to the fact that they have low qualification level (NITA Grade I with artisan certificate and the other Craft certificate) yet they very are critical in training practical work! The two are now serving as technicians but with the same remuneration level</p>	Resolved.	30 <sup>th</sup> June, 2024.
5.	<p><b>Failure to develop a Risk Management Policy:</b></p> <p>During the year under review, management did not put in place a risk management policy in place and therefore had no</p>	<p>A Risk Management Policy has been developed and approved by the Board.</p>	Resolved	8 <sup>th</sup> March, 2024.

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>approved processes and guidelines on how to mitigate operational, legal and financial risks. This is contrary to Regulation 165 of the Public Finance Management (National Government) Regulations 2016 which provides for the development of a risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.</p>			



David K. Maru,  
Accounting Officer



Date: 28<sup>th</sup> April, 2025

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Appendix II: Projects Implemented by Narok West Technical Training Institute

Projects

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

Project Number	Project Name	Project Duration	Project Commitment	Separate donor report/ report to the donor/ report to the State Corporation	Completed in the financial year
1					
2					

Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1						
2						
3						

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**Appendix III- Inter-College Transfers Confirmation Letter**

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2023 as indicated in the table below.

Confirmation of amounts received by [Narok West Technical Training Institute] as at 30 <sup>th</sup> June 2023						
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023			Amount Received by [Narok West Technical Training Institute] (KShs) as at 30 <sup>th</sup> June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
<b>Total</b>						

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

**Head of Accountants department Narok West Technical Training Institute:**

Name ..... Sign ..... Date .....

**Appendix IV: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities	Project Expenditures				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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Appendix V: Disaster Expenditure Reporting Template

Date:						
Narok West Technical Training Institute						
Period to which this report refers (FY)	Year	Quarter				
Name of Reporting Officer						
Contact details of the reporting officer:	Email	Telephone				
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments