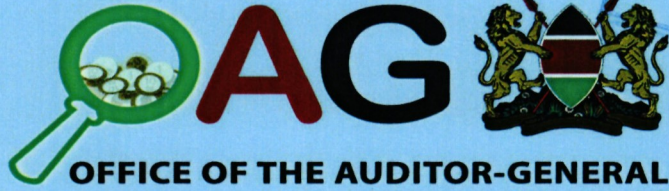



REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

 THE NATIONAL ASSEMBLY PARLIAMENT BUILDING	
DATE: 23 MAR 2022	DAY: WED (pm)
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CLERK-AT THE-TABLE: M. W. W.	

OF

THE AUDITOR-GENERAL

ON

KISIWA TECHNICAL TRAINING INSTITUTE

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



MINISTRY OF EDUCATION
KISIWA TECHNICAL TRAINING INSTITUTE
Knowledge and Skills for better life
P. O. BOX 657 – 50200, BUNGOMA (KENYA)
Cell Phone: 0110 096 090/0784 240 895
Email:kisiwainstitute@yahoo.com, Website: www.kisiwatech.ac.ke



**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET),
NATIONAL POLYTECHNIC OR TEACHER TRAINING COLLEGE
*KISIWA TECHNICAL TRAINING INSTITUTE***

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2020 .**

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

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KEY KISIWA TECHNICAL INFORMATION AND MANAGEMENT

(a) Background information

Kisiwa Technical Training Institute, registration number MOHEST/PC/1144/09, under the Ministry of Education, Science and Technology was formally registered as East Bukusu Kisiwa Youth Club of the Elgon Nyanza District on 27th November, 1961 by the Kenya Youth Club Association and the first Courses were; Shoe making, Carpentry and Masonry and the founder members were Dominick Wetang'ula and Sylvester Kituyi with the objective of preparing the youth for self-reliance and employment. Over the years, the institute has gone through different phases: In 2006 it acquired an exam centre, on 7th December, 2008 the Technical Training Institute was launched and the first Principal was posted in May, 2009 (Mr Sabulei K. Moses); First admission was done in September, 2009. Currently it has 54 PSC Lecturers, 107 B.O.M Lecturers and 59 workers and support staff. The institute is located to the Eastern slopes of Kabuchai hills in West Nalondo Location, Bungoma central sub-county. It is situated on 17 acres of land with Title deed. The student enrolment as per now stands at 3100 Students. The institution is managed by Board of Governors made up of the Chairman, Secretary, County Director of Education (TVET), and other seven professionals.

(b) Principal Activities

The Principal's mandates of the Institute are to;

1. To promote positive corporate image;
2. To enhance capacity in TVET and research;
3. To inculcate entrepreneurial culture in trainees;
4. To improve institutional corporate governance; and
5. To promote strategic collaboration and linkages with industry and other institutions.

Our Vision

To be a world class institution in Innovation, Science and Technology, Engineering and Industrial Development.

Our Mission

To provide Quality and Market Oriented Technical and Scientific Training, Research and Services for Socio-Economic Prosperity.

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

Our Motto

Knowledge and Skills for better life

Quality Policy

Kisiwa Technical Training Institute is committed to produce knowledgeable, skilled, innovative and responsible manpower in Entrepreneurship, Research, Science and Technology to meet the changing needs of industry and society.

To meet this commitment, the Institute shall comply with all applicable requirements and continually improve on her effectiveness by implementing a Quality management System based on ISO 900:2015.

The Institute shall review this quality policy and established quality objectives on annual basis to ensure continuing suitability.

(c) Key Management

The *Kisiwa Technical* day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Mr. Michael Musuya
2.	Deputy Principal Administration	Mr Charles Opiyo
3.	Deputy Principal Academics	Mrs Magero Makaka
4.	Head of Finance	Mr Moses Fwamba
5.	Head of Procurement	Mrs Rose Wasike
6.	Registrar	Mr. Jacob Oloo Olwa
7.	Dean of Students	Mr Moses Sichangi Barasa

(e) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- *Audit committee activities*
- *Development partner oversight activities*
- *Other oversight activities*

KEY KISIWA TECHNICAL INFORMATION AND MANAGEMENT (Continued)

(f) Kisiwa Technical Headquarters

P.O. Box 657-50200

Along Sikata-Kimilili Road

Bungoma, KENYA

(g) Kisiwa Technical Contacts

Telephone: +254 0110 096 090

Email: kisiwainstitute@yahoo.com or principal@kisiwatech.ac.ke

Website: www.kisiwatech.ac.ke

(h) Kisiwa Technical Bankers

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

Nairobi, Kenya

2. Commercial Banks

i. KCB Bank Ltd

- Development – 1114283916

- 2jijiri – 1179849035

- Recurrent – 1114215865

ii. Co-operative Bank of Kenya – 1129290592000

iii. Diamond Trust Bank

- Exam A/C – 412510005

- Saving A/C – 5412510001

(i) Independent Auditors

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30TH JUNE 2020

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112 City Square 00200




Nairobi, Kenya

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

THE BOARD/BOARD OF GOVERNORS

<p>1.</p>  <p>JUDY NEKOYE</p>	<p>Judy Nekoye was born in 1/6/1969. She Joined in 2017 as a member of Board of Governors. She is the Chairperson of the Board. She is a holder of Bachelor’s Degree in business management with 23 years working experience in Banking and Financial Management. Currently works with Kenya Commercial Bank as the Senior Branch Manager of Bungoma</p>
<p>2.</p>  <p>ZENAH JEPCHIRCHIR AHMED</p>	<p>Zenah Jepchirchir Ahmed was born in 22/08/1981. She Joined in January as a member of Board of Governors. She is a Holder of Bachelor of Commerce (BCOM) Accounting Option. She holds a Certified Public Accountant CPA (K) and has worked in an NGO FOR 7 years. Has 10yrs experience in accounting. Member of Rotary Club.</p>
<p>3.</p>  <p>MS. MARTHA WEKESA</p>	<p>Martha Wekesa was born on 4/06/1966. Joined in 13th January 2020 as a member of Board of Governors. She is a career civil servant currently serving as the Bungoma County Director TVET and represents the Principal Secretary, State Department of Vocational and Technical Training in the Governing Council from 2015 to date. She has previously worked at the Ministry of Education headquarters from 2011 to 2015. She has a Master’s degree in Food Science and Technology, Strategic Leadership Development Program. She has trained in the Senior Management Course. She has previously worked under TSC from 1997 to 2010. She has PGDE from Maseno University.</p>
<p>4.</p>  <p>JORIM GUYA</p>	<p>Jorim Okeyo Guya was born in 20/09/1958. He joined in 13th January 2020 as a member of Board of Governors. He holds Bed (Hons) in Education Management university of South Africa. He is a retired Principal Ramogi Institute of Advanced Technology for 9 years.</p>

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020




<p>5.</p>  <p>SIGAK PETER MUDOGO</p>	<p>Sigak Peter was born in 24/1/1971. He Joined in 2016 as a member of Board Of Governors. He holds a BSC (Survey & Photogrammetry) NBI, PCDE (Maseno), MLE (H. Green) UK, MISK Reg surveyor, and a life member of Red cross.</p>
<p>6.</p>  <p>DAISY NABALAYO WAKOLI</p>	<p>Daisy Nabalayo was born in 2/4/1984. She Joined in 2017 as a member of Board of Governors. She is an Advocate of the High Court of Kenya of 8 years standing. She has Bachelor of Law (University of Nairobi) and currently working with Wekesa and Simiyu Advocates, previously worked with Masinde & co Advocates and Kilonzo &co. Advocates.</p>
<p>7.</p>  <p>MARTIN RICHARD WAMALWA</p>	<p>Wamalwa Richard was born in 28/05/1974 He joined in 13th January 2020 as member of Board Of Governors. He has masters in Monitoring and Evaluation GGPA 4.29, Post Graduate Diploma in Monitoring and Evaluation, has MBA Business Administration and also BSc Project and Management. He is currently working at Austrian Development Agency (ADA) incorporated to the water and sanitation sector. (Uganda).</p>

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020




<p>8.</p>  <p>DR. NICHOLAS KIPKURUI KIGET</p>	<p>Dr. Nicholas Kiget was born in 10/10/1976. He joined in 13th January 2020 as a member of Board of Governors. Holder of Doctorate Degree in Information Technology, MSc. in IT, Post Graduate Diploma in Education, and BSc. Computer Science and Statistics. In addition he has CCNA, MCP, and ICT policy and Strategy certifications. A member of Internet Society, Association of Computing Machinery (ACM), Kenya Institute of Management (KIM), and Kenya Association of Computing Professionals (KACP). He has experience of over 15 years in ICT and Academic fields having worked for Teachers Service Commission, Masinde Muliro University of Science and Technology, Nandi County and currently a Lecturer in Moi University.</p>
<p>9.</p>  <p>JOSEPH WAKOLI WAMBATI</p>	<p>Joseph Wambati was born in 5/11/1969. Joined in 19th June 2020 as a member of Board of Governors. He is currently the Head, Business Transformation Office (corporate services) KRA. In addition, he has MSc. (MIT Management of Technology) JKUAT/Sunderland university (UK), BSc (Hons) Maths & Computer Science Moi University.</p>
<p>10.</p>  <p>MICHAEL MUSUYA</p>	<p>Michael Musuya was born in 8/8/1963. He joined in 15th December 2017 as Secretary of the Board of Governors. He has a Diploma in Electrical Engineering, Diploma in Technical Education, Higher Diploma in Electrical/Electronic Engineering, Pre MSC Certificate from Egerton University and currently pursuing MSC in Industrial Engineering System and Management at Egerton University. Holds also Certificate in Strategic Leadership Development Programme (SLDP) from Kenya school of Government.</p>

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

MANAGEMENT TEAM

<p>1.</p>  <p>MICHAEL MUSUYA PRINCIPAL</p>	<p>Michael Musuya was born in 8/8/1963. He joined in 15th December 2017 as Secretary of the Board of Governors. He has a Diploma in Electrical Engineering, Diploma in Technical Education, Higher Diploma in Electrical/Electronic Engineering, Pre MSC Certificate from Egerton University and currently pursuing MSC in Industrial Engineering System and Management at Egerton University. Holds also Certificate in Strategic Leadership Development Programme (SLDP) from Kenya school of Government.</p>
<p>2.</p>  <p>CHARLES OPIYO DEPUTY PRINCIPAL ADMINISTRATION</p>	<p>Charles Opiyo was born 10/07/1965. He in Joined Kisiwa TTI on September 2019 as Deputy Principal Administration following appointment by the Public Service Commission (PSC). Prior to joining Kisiwa TTI, He served as deputy Dean of Students and as the Dean of Students of Kisumu Polytechnic. He later joined Mawego TTI where he served as the Director of the Town campus.</p>
<p>3.</p>  <p>MAGERO MAKAKA DEPUTY PRINCIPAL ACADEMICS</p>	<p>Magero Makaka was born in 29/12/1968. She Joined Kisiwa January 2020 as the Deputy Principal Academics. Worked in RVTTI for 15 years. Under RVTTI served as Chair of Disciplinary committee. Guidance and counselling. Age: 51 years Qualifications: Bed Science (Maths and Chemistry).</p>

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

<p>4.</p>  <p>OLOO OLWA JACOB REGISTRAR</p>	<p>Oloo Jacob was born in 9/05/1968. He is currently Registrar of Kisiwa TTI. He has been in the institution since June 2011 and has served as a trainer and examination officer until the year 2017. He is a holder of higher national Diploma in the entrepreneurship Development. A part from the office of the registrar he is the chairperson of Ombudsman (Public Complaint Committee.)</p>
<p>5.</p>  <p>BARASA SICHANGI MOSES DEAN OF STUDENTS</p>	<p>Barasa Sichangi was born in 7/07/1962. Joined Kisiwa TTI in August 2016 and was appointed as deputy HOD Agriculture department in May 2018 and later appointed as Dean of Students in July 2019. He holds a Diploma in Food Technology (JKUAT), BSc in Food Science (Egerton) and completed MSc in Food Science (Egerton). He is currently also teaching Agricultural subjects in department.</p>
<p>6.</p>  <p>CPA FWAMBA SANGURA MOSES FINANCE OFFICER</p>	<p>Moses Fwamba was born in 12/2/1987. He is the current Finance officer of Kisiwa TTI. He holds a Bachelors Of Commerce Finance and a fully certified public accountant of Kenya. He has previously worked with Chelebei Secondary School, St. Luke's Boys High School as Accountant, Bokoli boys as school bursar.</p>

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

CHAIRPERSON'S STATEMENT

On behalf of The Board of Governors of Kisiwa Technical Training Institute, I am pleased to present the annual report for the financial year 2019/20. I am proud to be associated with the dynamic team at the institution. Kisiwa Technical Training Institute remains committed to all its stakeholders in executing its mandate as outlined in the 2015-2019 Strategic Plan.

Financial performance

During the FY 2019/20 the institute recorded better financial performance. This is attributed to Government capitation and increased HELB sponsorship due to increase in student enrolment. Due to prudent financial management, we were able to meet our entire financial obligation particularly payment of creditors.

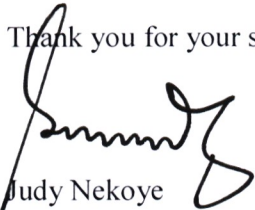
Challenges

Among the challenges facing Kisiwa Technical Training Institute is acute shortage of classrooms, hostels, administration offices and workshops. The Ministry's target is that the institute should have an enrolment of 5000 students by the year 2022. With an increased number of students, these challenges have to be addressed beforehand to accommodate the large numbers. We, therefore, appeal to the government to help us alleviate this problem.

Mentoring institution

Kisiwa Technical Training Institute is mentoring Chebuyusi Technical Training Institute, Sirisia Technical Training Institute, Butula Technical Training Institute and Mt. Elgon Technical Training Institute which are government funded projects. On behalf of this Board of Governors, I extend my sincere gratitude to the Navakholo CDF and Sirisia CDF for their financial support towards these projects. My sincere gratitude also goes to The Board of Governors of Kisiwa Technical Training Institute, the Principal and the entire management team, our staff members, students and all our stakeholders for their commitment and support to this institution. I am optimistic that the institute is set for a prosperous future.

Thank you for your support.



Judy Nekoye

Chairperson

Board of Governors

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

REPORT OF THE PRINCIPAL

Dear stakeholders, I would like to state that FY 2019/20 has been a year of relative success, challenging but fruitful. The Kisiwa Technical Training Institute 2018-2023 Strategic Plan places technology and innovation at the apex of the factors crucial for learning and teaching in the 21st century. During the year 2019/20 we partitioned ICT to create the Third computer laboratory. We procured more computers and printers to equip the ICT department. We addressed the shortage of furniture satisfactory by fabricating and procuring enough furniture for learners. During the financial year we purchased two driving school vehicles and 2 motorcycles for the driving school. Five staffs were also trained as ToTs for the driving school.

Nevertheless, we increased internet bandwidth and improved IT network and equipment, this has seen the institution have facilities with more internet connectivity to cater for both staff and students. Other achievement made during the year was the installation CCTV in the institute which has enhanced security in the compound. Due to the increased student population, the institute purchased another 45 seater bus.

Mentoring institutions.

Kisiwa Technical Training Institute is mentoring Chebuyusi Technical Training Institute, Sirisia Technical Training Institute, and Butula Technical Training Institute And Mt. Elgon Technical Training Institute. By the end of the FY 2019/20 Sirisia Technical Training Institute And Chebuyusi Technical Training Institute were 98% and 97% level of completion respectively. On behalf of the board of governance, i extend my gratitude to Navakholo CDF and Sirisia CDF for their financial support towards the projects.

ISO 9001:2015 Certification & Audit.

During the financial year under review, the management system certification audit was done by the KEBS body. Our Strategic Plan is the key direction that remains our guiding blue print and our emphasis based on the pillars. Therein our collective efforts will make us and our collective efforts will help actualize this dream of the institute, serving society and the world.

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30TH JUNE 2020

I wish to convey my gratitude to all staff both academic and non-academic and students who together are
leading form to our collective dream.

Thank you



Michael N. Musuya

Principal

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

CORPORATE GOVERNANCE STATEMENT

The members of board have committed themselves to the service of Kisiwa Technical Training Institute and to uphold the tenets of good corporate governance by being innovative, transparent, accountable, persons of integrity, socially responsive, as well as promote excellence and exercise fairness in all their dealings.

The Board of Governance

The Board of Governance consists of nine members inclusive of the Principal as the secretary. The Board of Governance members and their meeting attendance are indicated below;

NO.	NAME	ANNUAL				
		DATE	DATE	DATE	DATE	
		17/8/19	31/01/20	8/2/20	29/05/20	25/06/20
1.	Judy Nekoye	✓	✓	✓	✓	✓
2.	Daisy Wakoli	✓	✓	✓	✓	✓
3.	Jorim Guya	✓	✓	✓	✓	
4.	Martha Wekesa	✓	✓	✓	✓	✓
5.	Nicholas Kiget	✓	✓	✓	✓	✓
6.	Peter Mudogo	✓	✓	✓	✓	✓
7.	Zenah Jepchirchir	✓	✓	✓	✓	✓
8.	Martin Wamalwa	✓	✓	✓	✓	
9.	Michael Musuya	✓	✓	✓	✓	✓

The biographies of the Board Members are published on page vi-vii. These Board Members possess a broad range of skills, qualifications and experiences required to direct the affairs of the Institute.

Board Responsibilities

The board undertakes the following responsibilities;

1. The BoG is the governing body of the Institute through which the Institute acts and undertakes the following;

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

- a) Administers the property and funds of the Institute in a manner and for the purposes which promotes the interest of the Institute; but the Board of Governance does not charge or dispose of immovable property of the Institute except in accordance with the procedures laid down by the Government of Kenya;
 - b) Receives, on behalf of the Institute, donations, endowments, gifts, grants or other moneys and make disbursements there from to the Institute or other bodies or persons;
 - c) Provides for the welfare of the staff and students of the Institute;
 - d) May enter into association with other universities, Institute's or other institutions of learning, whether within Kenya or otherwise, as the Board of Governance may deem necessary and appropriate; and
 - e) May, after consultation with the Academic Board, make regulations governing the conduct and discipline of the students of the Institute.
2. All documents, other than those required by law to be under seal, made on behalf of the Board of Governance, and all decisions of the Board of Governance may be signed under the hand of the Chairman, the Principal or any other members of the Board of Governance generally or specifically authorized by the Board of Governance in that behalf.
 3. Ensures that a proper management structure is in place and that the structure functions to maintain corporate integrity, reputation and responsibility.
 4. Monitors and evaluates the implementation of strategies, policies, and management criteria and plans of the Institute.
 5. Constantly reviews the viability and financial sustainability of the Institute, and does so once every year.
 6. Ensures that the Institute complies with all the relevant laws, regulations, governance practices, accounting and auditing standards.

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

Board of Governance Committees

The Board of Governance Committees facilitate decision-making to assist the Board of Governance in the execution of its duties, powers and authority, however delegation of authority to the Committees does not in any way mitigate or dissipate the discharge by the Board of Governance of its duties and responsibilities. Board of Governance Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Board of Governance.

In the financial year 2019/2020 the Board of Governance approved the following committees;

1. AUDIT, RISK AND COMPLIANCE COMMITTEE

Membership is as below listed:

NO.	NAME	ANNUAL			
		DATE	DATE	DATE	DATE
1.	Martin Richard Wamalwa				
2.	Daisy Wakoli				
3.	Internal Auditor				

Mandate

1. To Examine.

- Compliance with labour laws and regulations.
- Compliance with security, health and safety regulations.
- Compliance with Government of Kenya (GoK) Policy.
- Compliance with Board of Governors Policy.
- Compliance with established professional standards.
- Compliance with ISO guidelines and standards.
- Compliance with contractual obligations and statutory requirements.
- Compliance with approved Procurement Plan and Budget.

2. To evaluate.

- Achievement of targets and as set in the strategic and work plan.
- The application of ethical standards and core values in the pursuit of vision goals.
- Overall efficiency and effectiveness.
- Financial records and reporting.
- Benefits of the use of technology.
- Application of the value for money principles and due diligence measures.
- The benchmarking standards being applied in each area of operation.
- The cost of doing business.
- The level of utilization of existing capacity all round
- Achievement of revenue targets.
- The level of financial discipline.
- Risk associated with non- optimal stock levels.
- Risk associated with non – compliance with statutory and contractual obligations.
- Cash in transit systems.
- Relations with and levels of satisfaction of key stakeholders.
- Spread and diversification of risks.
- Litigation risks and costs.
- And to identify insurable and no insurable risks.

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

2. STRATEGY, FINANCE AND DEVELOPMENT COMMITTEE

Membership is as below:

NO.	NAME	4 TH QUARTER			
		DATE	DATE	DATE	DATE
		16/04/2020	7/5/2020		
1.	Zenah Jepchirchir	✓	✓		
2.	Nicholas Kiget		✓		
3.	Martha Wekesa				
4.	Michael Musuya	✓	✓		
5.	Peter Mudogo		✓		

Mandate

1. Oversight of annual operating plan and budget development including recommendation to the management for Board s approval.
2. Oversight of the structure with assistance of staff to develop the fee structure.
3. To ensure the solvency of the Institute – finance mobilization.
4. To safeguard the Institute assets.
5. To ensure the effective and efficient use of resources.
6. To ensure that the funds provided by GoK and any other funding body are used in accordance with the terms and conditions specified.
7. To ensure that financial control systems are in place and are working effectively.
8. To facilitate the preparation of the Institute Strategic Plan for Board approval.
9. To identify and recommend to the Board the Institutes internal auditors.
10. Ensuring accurate and timely report to the Board on all administrative and financial issues.
11. Implementation and supervision of Institutions projects and other Institute projects (internal and external).
12. Ensure compliance with all statutory and labour laws in management of staff.
13. Mentor other training institutions on behalf of GoK.

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

MANAGEMENT DISCUSSION AND ANALYSIS
SECTION A

The entity's operational and financial performance

Development Grants

The Institute expected to collect Kshs. 4,303,623.93 from the Government of Kenya in the FY 2019/2020 for infrastructure development to be utilized to settle pending bill for ICT CUM LIBRARY constructed.

Financial Performance

In the quarter under review the incomes were Kshs. 187,037,213.00 while expenditure was Kshs. 228,192,067.00. This resulted to a deficit of Kshs. 41,154,854.00

SECTION B

Entity's compliance with statutory requirements

In the year under review Kisiwa TTI complied with all the statutory obligations

SECTION C

Key projects and investment decisions the entity is planning/implementing

Kisiwa Technical Training Institute is constructing engineering complex at a cost of Kshs. 54,098,050.00. The project is to be funded by GoK/Development partner/KISIWA TTI.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

a) COVID-19 PREPAREDNESS



DRIVING SCHOOL



KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

REPORT OF THE BOARD/BOARD OF GOVERNORS

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

Principal activities

The principal activities of the Kisiwa Technical are,

1. To enhance capacity in TVET and research;
2. To inculcate entrepreneurial culture in trainees;
3. To improve institutional corporate governance; and
4. To promote strategic collaboration and linkages with industry and other institutions

BOARD/BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page vi-viii.

Auditors

The Auditor General is responsible for the statutory audit of the *Kisiwa Technical* in accordance with Article 229 of the Constitution of Kenya and the **Public Audit Act 2015** or Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *Kisiwa Technical* for the year/period ended June 30, 2019 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

Mr. Michael Musuya

Board of Governance Secretary

Bungoma

Date:.....

STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES

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

The board members are responsible for the preparation and presentation of the *Kisiwa Technical's* financial statements, which give a true and fair view of the state of affairs of the *Kisiwa Technical* for and as at the end of the financial year (period) ended on June 30, 2019. 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 *Kisiwa Technical*; (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 *Kisiwa Technical*; (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 *Kisiwa Technical's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*) – *entities should quote applicable legislation as indicated under*). The board members are of the opinion that the *Kisiwa Technical's*

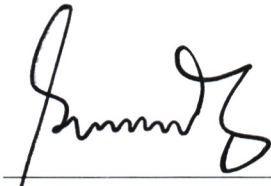
KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

financial statements give a true and fair view of the state of *Kisiwa Technical's* transactions during the financial year ended June 30, 2020, and of the *Kisiwa Technical's* financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the *Kisiwa Technical*, which have been relied upon in the preparation of the *Kisiwa Technical'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 *Kisiwa Technical* 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 Kisiwa Technical Institute's financial statements were approved by the Board on _____ and signed on its behalf by:



Chair of the Board



Secretary of the Board

REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kisiwa Technical Training Institute set out on pages 1 to 20, which comprise of the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kisiwa Technical Training Institute as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

Lack of a Complete and Detailed Assets Register

As reported in the previous year, the statement of financial position reflects property, plant and equipment with a net book value of Kshs.516,634,810 as at June, 2020 as disclosed in Note 17. However, review of the Institute's asset register revealed that land valued at Kshs.23,023,000 out of the reported cost of Kshs.35,275,000 and buildings valued at Kshs.138,894,248 lacked key details like parcel number, lease hold terms, maintenance contracts, area and dates of acquisition.

Further, furniture and fittings, computers, plant and equipment with a historical value of Kshs.420,897,055 lacked important details like unique identification numbers, date of acquisition and the supplier details.

In addition, the Management of the Institute had not undertaken asset valuation and the reported values were informed by the historical costs as inherited from the defunct Kisiwa Youth Polytechnic.

In the circumstances, it was not possible to ascertain the accuracy, completeness and existence of the property, plant and equipment with the net book value of Kshs.516,634,810 as at 30 June, 2020.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kisiwa 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.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Issues

In the audit of the previous year, issues were raised under Report on the Financial statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Further, the Management has not indicated the measures taken to address the outstanding issues as necessary and whether they were deliberated.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Presentation of the Financial Statements

The financial statements for the year under review provided for audit did not include the progress on follow up of prior year auditor's recommendations contrary to the Public Sector Accounting Standards Board (PSAB) template as issued.

Consequently, the financial statements were not prepared in accordance with the prescribed format.

2. Stalled Works at Engineering Complex

The statement of financial position as at 30 June, 2020 as disclosed in Note 17 to the financial statements reflect property, plant and equipment balance of Kshs.516,634,810 which includes work in progress totalling Kshs.14,042,994 incurred by the Institute to put up an engineering complex.

Review of project documents provided indicated that the contract was awarded to a local firm to at a cost of Kshs.54,098,050 with an expected completion date of 14 October, 2018 with cumulative payments of Kshs.14,042,994 by the end of the period under review.

However, physical verification conducted in the month of February, 2021 revealed that the building remained incomplete and the contractor was not on site. Management did not provide evidence of any extension of the contract period in line with the provisions of Section 139(1 & 2) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer of a procuring entity, on the recommendation of an evaluation committee, to approve the request for the extension of contract period accompanied by a certificate from the tenderer.

In view of the foregoing, it is not possible to confirm whether the public funds amounting to Kshs.14,042,994 used on the projects were applied in an effective way and whether value for money can be assured.

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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management, and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Governors

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing, and extent of the compliance work are limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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

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


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

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

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the technical institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 February, 2022

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

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	1	66 800 152	37 651 550
Total Revenue from non-exchange transactions		66 800 152	37 651 550
Revenue from exchange transactions			
Rendering of services- Fees from students	2	109 502 461	160 797 008
Sale of goods	3	8 204 186	4 365 208
Rental revenue from facilities and equipment	4	2 530 414	3 670 700
Other income	5	-	47 500
Revenue from exchange transactions		120 237 061	168 880 416
Total revenue		187 037 213	206 531 966
Expenses			
Use of goods and services	6	2 900 054	3 269 800
Employee costs	7	24 406 555	18 913 226
Remuneration of directors	8	2 237 400	1 470 000
Depreciation and amortization expense	9	67 218 034	60 142 864
Repairs and maintenance	10	5 223 207	5 595 837
General expenses	11	125 369 927	101 697 569
Finance costs	12	836 890	836 890
Total expenses		228 192 067	191 926 186
Net Surplus for the year		(41 154 854)	14 605 780

The notes set out on pages 13 to 19 form an integral part of the Annual Financial Statements.

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

V. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	13	49 036 968	19 271 873
Receivables from exchange transactions	14	82 410 450	58 176 380
Receivables from non-exchange transactions	15	35 295 000	31 695 000
Inventories	16	2 504 394	1 913 359
Total Current Assets		169 246 812	111 056 612
Non-current assets			
Property, plant and equipment	17	516 634 810	559 638 483
Intangible assets	18	2 088 000	1 950 000
Total Non-current Assets		518 722 810	561 588 483
Total assets		687 969 622	672 645 095
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	1 863 988	3 379 002
Provisions		4 136 865	2 908 819
Payments received in advance	21	31 089 956	9 827 227
Total Current Liabilities		37 090 809	16 115 048
Non-current liabilities			
Borrowings	22	5 211 163	7 199 790
Total Non-current liabilities		5 211 163	7 199 790
Total liabilities		42 301 972	23 314 838
Capital and Reserves			
Reserves		603 907 792	603 907 792
Accumulated surplus		(26 549 074)	14 605 780
Capital Fund		68 308 932	30 816 685
Total Capital and Reserves		645 667 650	649 330 257
Total Liabilities and Capital & Reserves		687 969 622	672 645 095

The Financial Statements set out on pages 13 to 19 were signed on behalf of the Institute Board/ Board of Governors by:

Chairperson Board of Governors

Date.....

Finance Officer

ICPAK No: 26611

Date.....

Principal

Date.....

VI. STATEMENT OF CHANGES IN NET ASSET/FOR THE YEAR ENDED 30TH JUNE 2020

	Revaluation reserve	Retained earnings	Capital/		Total
			Development Grants/Fund		
Balance b/f as at July 1, 2018	603 907 792	-	-	-	603 907 792
Total comprehensive income		14 605 780			14 605 780
Capital/Development grants received during the year			2 547 250		2 547 250
Capital Grants for Sirisia TVC			7 918 260		7 918 260
Capital Grants for Navakholo TVC			20 351 175		20 351 175
Balance c/d as at June 30, 2019	603 907 792	14 605 780	30 816 685		649 330 257
Balance b/f as at July 1, 2019	603 907 792	14 605 780	30 816 685		649 330 257
Capital Grants for Navakholo TVC			1 000 000		1 000 000
Capital Grants for Sirisia TVC			16 492 247		16 492 247
Capital Grants for Mt. Elgon TVC			20 000 000		20 000 000
Total comprehensive income		(41 154 854)			(41 154 854)
Balance c/d as at June 30, 2020	603 907 792	(26 549 074)	68 308 932		645 667 650

Note:

1. For items that are not common in the financial statements, the Kisiwa Technical should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.

VII. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE 2020

		2019-2020	2018-2019
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	1	66 800 152	37 651 550
Rendering of services- Fees from students	2b	96 814 298	69 214 088
Sale of goods	3	8 204 186	4 365 208
Rental revenue from facilities and equipment	4	2 530 414	3 670 700
Other income, rentals and agency fees	5	1 181 866	47 500
Total Receipts		175 530 916	114 949 046
Payments			
Use of goods and services	6	(2 900 054)	(3 269 800)
Compensation of employees	7	(24 406 555)	(18 913 226)
Remuneration to Gorvernors	8	(2 237 400)	(1 470 000)
Repairs & Maintenace	10	(5 223 207)	(5 595 837)
General Expense	11b	(124 096 974)	(100 231 927)
Finance cost	12	(836 890)	(836 890)
Total Payments		(159 701 080)	(130 317 680)
Net cash flows from operating activities		15 829 836	(15 368 634)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(21 568 361)	(15 223 555)
Net cash flows used in investing activities		(21 568 361)	(15 223 555)
Cash flows from financing activities			
Capital Development Grants		37 492 247	30 816 685
Repayment of borrowings		(1 988 627)	(1 988 627)
Net cash flows used in financing activities		35 503 620	28 828 058
Net increase/(decrease) in cash and cash equivalents		29 765 095	12 226 744
Cash and cash equivalents at 1 July 2019		19 271 873	7 045 129
Cash and cash equivalents at 30 June 2020		49 036 968	19 271 872
Cash and cash equivalents as per the Balance Sheet		49 036 968	19 271 873

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

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

	Budget	Actual	Variance	Budget	Actual	Variance	Explanation of material variance
	31/03/2020	31/03/2020		Cumulative to date	Cumulative to date		
Revenue	Shs	Shs	Shs	Shs	Shs	Shs	%
Rendering of services							
Tuition fee	71,451,611.00	51,551,928.00	(19,899,683.00)	71,451,611.00	104,376,717.00	32,925,106.00	46.08
Administrative income	41,413,389.00	55,931,091.00	14,517,702.00	41,413,389.00	71,925,896.00	30,512,507.00	73.678
Accommodation	2,671,200.00	1,792,100.00	(879,100.00)	2,671,200.00	2,471,914.00	(199,286.00)	-7.461
Bus Hire	110,000.00	58,500.00	(51,500.00)	110,000.00	58,500.00	(51,500.00)	-46.82
Total income	115,696,200.00	115,696,200.00	115,696,200.00	115,696,200.00	178,833,027.00		
Expenses							
Personal Emoluments	25,614,661.00	18,856,430.00	6,758,231.00	25,614,661.00	24,406,555.00	1,208,106.00	4.7165
BOG Allowances	2,880,000.00	1,317,100.00	1,562,900.00	2,880,000.00	2,237,400.00	642,600.00	22.313
RMI	6,000,000.00	4,093,821.00	1,906,179.00	6,000,000.00	5,223,207.00	776,793.00	12.947
Administrative Expenses	81,201,539.00	61,140,054.00	20,061,485.00	81,201,539.00	87,667,307.00	(6,465,768.00)	-7.963
Total expenditure	115,696,200.00	85,407,405.00	30,288,795.00	115,696,200.00	119,534,469.00		
Surplus for the period	-	23,926,214.00	(36,651,376.00)	-	59,298,558.00		

Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPS:AS 24.14
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPS:AS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

IX. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL INFORMATION

Kisiwa Technical Training Institute is established by and derives its authority and accountability from **TVET Act, 2013**. The Kisiwa Technical is wholly owned by the Government of Kenya and is domiciled in Kenya.

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 Kisiwa Technical's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Early adoption of standards

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

4. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Kisiwa Technical 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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

ii) **Revenue from exchange transactions**

Rendering of services

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

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

Sale of goods

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

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 2018/2019 was approved by the Board on *21st July 2018*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Kisiwa Technical upon receiving the respective approvals in order to conclude the final budget.

The Kisiwa Technical'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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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

c) Property, plant and equipment

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

d) 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.

e) Research and development costs

The Kisiwa Technical expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Kisiwa Technical 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.

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.

i) Inventories

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

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

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

i) 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 the Kisiwa Technical.

j) Provisions

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

Where the Kisiwa Technical 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.

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FOR THE YEAR ENDED 30TH JUNE 2020

k) Nature and purpose of reserves

The Kisiwa Technical creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

The Kisiwa Technical provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Kisiwa Technical pays fixed contributions into a separate Kisiwa Technical (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.

n) 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.

i) Related parties

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Service concession arrangements

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The Kisiwa Technical 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, the Kisiwa Technical 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, the Kisiwa Technical also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

k) 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.

l) Comparative figures

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

m) 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, 2019.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS
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- The condition of the asset based on the assessment of experts employed by the Kisiwa Technical
- 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

The annual depreciation rates in use are:

Building 2%

Furniture, plant and equipment 12.5%

Motor Vehicles 25%

Computers 33.3%

Library books 20%

Freehold land is not depreciated as it is deemed to have an infinite life

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Operational grant	66,800,152	37,651,550
Total Government grants and subsidies	66,800,152	37,651,550

2 (a) RENDERING OF SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Tuition fees	37,576,565	62,364,461
Activity fees	2,918,926	4,853,800
Examination fees	18,210,503	14,977,181
Library fees	3,038,800	5,087,900
Administrative income	9,445,200	11,132,350
RMI	5,478,993	7,943,700
Robotics, Tvet fair and Automation	4,667,000	7,806,000
Student ID	892,950	1,239,306
Student Union	1,423,562	2,357,700
Attachment and insurance	4,769,722	7,837,200
Local transport and travel	2,846,800	4,807,850
Personal Emolument	18,233,440	30,389,560
Total Rendering of Services	109,502,461	160,797,008

(b) Rendering of Services-Tuition Inflows

	2019-2020	2018-2019
	KShs	KShs
Rendering of Services-Tuition Fee Recognised in the Statement of Financial Performance	109,502,461	160,797,008
Add:-		
Increase in prepaid fees/Tuition Fee to be Earned in Future But Received During the Year	22,075,238	9,827,227
Less:-		
Increase in Revenue Receivable/ Student Debtors/Income Earned During the Year But Not Received	(30,721,442)	(66,806,328)
Non-Cash Item-Increase in provision for bad debts	(441,959)	(2,908,819)
Increase in Receivable from Non Exchange Transaction/Income Earned During the Year But Not Received	(3,600,000)	(31,695,000)
Amount Recognised in the Statement of Cashflows	96,814,298	69,214,088

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FOR THE YEAR ENDED 30TH JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 SALE OF GOODS

Description	2019-2020	2018-2019
	KShs	KShs
Catering services	1,736,456	2,901,778
Production Unit	5,770,960	811,080
Farm Income	696,770	652,350
Total Sale of goods	8,204,186	4,365,208

4 RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	2019-2020	2018-2019
	KShs	KShs
Bus hire	58,500	138,200
Boarding fees	2,471,914	3,532,500
Total rentals	2,530,414	3,670,700

5 OTHER INCOME

Description	2019-2020	2018-2019
	KShs	KShs
Income from Sale of Tender		47,500
Total other income	-	47,500

6 USE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Electricity Water & Conservancy	2,900,054	3,269,800
Total good and services	2,900,054	3,269,800

7 EMPLOYEE COSTS

Description	2019-2020	2018-2019
	KShs	KShs
Salaries and wages	24,406,555	18,913,226
Total Employee costs	24,406,555	18,913,226

8 REMUNERATION OF DIRECTORS

Description	2019-2020	2018-2019
	KShs	KShs
Chairman's Honoraria	470,000	153,000
Directors emoluments	1,767,400	1,317,000
Total director emoluments	2,237,400	1,470,000

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FOR THE YEAR ENDED 30TH JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment	64,572,034	59,492,864
Intangible assets	2,646,000	650,000
Total depreciation and amortization	67,218,034	60,142,864

10 REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	KShs	KShs
RMI	5,223,207	5,595,837
Total Repairs and Maintenance	5,223,207	5,595,837

11 (A) GENERAL EXPENSES

Description	2019-2020	2018-2019
	KShs	KShs
Tuition	27 131 797	23 108 153
Local Transport and Travel	2 955 902	3 134 065
Attachment, Insurance & Medical	2 310 542	1 472 821
Library	124 070	1 105 124
Activity	3 652 399	2 633 874
Administrative	6 472 583	8 338 339
Student Union	1 308 970	1 152 779
Boarding	3 167 263	3 511 995
Robotics & Tvet Fare	5 025 662	3 743 001
Examination	17 268 260	11 362 680
Production Unit	121 125	881 070
Bursary Expanse	30 000	-
HELB	529 341	-
Kissa S H G	1 851 425	-
New Strategic Plan	612 250	-
Student ID	308 120	-
Stationery	1 811 259	-
Capacity Building, Seminars, & Workshops/Training	908 040	-
Salary Advance	-	87 000
Catering Expense	5 517 861	7 288 698
Tender	35 000	112 438
KRA	2 955 945	-
Bus Expense	367 200	-
Farm	2 008 490	855 709
Refund	234 508	831 504
Application Fees	-	3 000
Perfomance Contract/Iso	1 663 226	213 120
Advertismet/Marketing	1 382 002	643 850
Bank Charges	-	40 095

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FOR THE YEAR ENDED 30TH JUNE 2020

Increase in Provision for Bad Debts	441 957	2 908 819
Mt. Elgon	16 869 853	-
Navakholo	1 329 990	20 351 175
Sirisia	16 974 887	7 918 260
Total general expenses	125 369 927	101 697 569

(B) General Expenses

Description	2019-2020	2018-2019
	KShs	KShs
General Expenses-Amount Recognised in the Statement of Financial Performance	125 369 927	101 697 569
Add:-		
Increase in inventory	591 035	1 913 359
Less		
Trade Payables	(1 863 988)	(3 379 002)
Amount Recognised in the Statement of Cashflows	124 096 974	100 231 927

12 FINANCE COSTS

Description	2019-2020	2018-2019
	KShs	KShs
Borrowings (amortized cost)*	836,890	836,890
Total finance costs	836,890	836,890

13 CASH AND CASH EQUIVALENTS

Description	2019-2020	2018-2019
	KShs	KShs
Cash at hand	269,074	358,829
Current account	48,767,894	18,587,991
Mpesa	-	325,053
Total cash and cash equivalents	49,036,968	19,271,873

a) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENT

Financial Institution	Account Number	2019-2020	2018-2019
		KShs	KShs
Cooperative Bank (Main Account)	1129290592	9,180,332	6,950,351
KCB (Operation Account)	1114212865	6,239	142,215
KCB (2jiajiri Account)	1179849035	36,253,808	10,381,470
KCB (Development Account)	1114213916	3,132,463	187,431
Diamond Trust Bank (Examination Account)	5412510001	195,052	926,524
Sub-total		48,767,894	18,587,991
Others			
MPESA (PAYBILL)		0	325,053
Cash at hand		269,074	358,829
Sub-total		269,074	683,882
TOTAL		49,036,968	19,271,873

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Student debtors	82,410,450	58 176 380
Provision for Doubtful Debts	(4,120,523)	(2 908 819)
Total receivables	78,289,927	55 267 561

15 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Transfers from other govt. entities	35,295,000	31,695,000
Total current receivables	35,295,000	31,695,000

16 INVENTORIES

Description	2019-2020	2018-2019
	KShs	KShs
Consumable stores & central store	625,081	431,615
Health Unit stores	446,015	33,637
Applied and Medical Sciences Lab	1,250,000	674,553
Food & Beverage Store	80,328	
Catering stores	102,970	773,554
Total Inventories	2,504,394	1,913,359

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17 PROPERTY, PLANT AND EQUIPMENT

Cost	Freehold Land		Motor vehicles		Furniture and fittings		Computers		Buildings		Library Books		Plant and equipment		Capital Work in progress		Total	
	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs		KShs
At 1 st July 2018	35,275,000	5,300,000	8,164,000	4,836,000	138,894,248	4,722,050	400,000,000	6,716,494	603,907,792									
Additions			3,343,480	3,978,600			574,975	7,326,500	15,223,555									
At 30 th June 2019	5,275,000	5,300,000	11,507,480	8,814,600	138,894,248	4,722,050	400,574,975	14,042,994	619,131,347									
Depreciation and Impairment																		
Depreciation during the Year	-	1,325,000	1,438,435	2,935,262	2,777,885	944,410	50,071,872	-	59,492,864									
At 30 th June 2018	-	1,325,000	1,438,435	2,935,262	2,777,885	944,410	50,071,872	-	59,492,864									
Net Book Values																		
At 30 th June 2019	35,275,000	3,975,000	10,069,045	5,879,338	136,116,363	3,777,640	350,503,103	14,042,994	559,638,483									
At 30 th June 2018	35,275,000	5,300,000	8,164,000	4,836,000	138,894,248	4,722,050	400,000,000	6,716,494	603,907,792									
At 1 st July 2019	35,275,000	5,300,000	11,507,480	8,814,600	138,894,248	4,722,050	400,574,975	14,042,994	619,131,347									
Additions		20,207,841			1,360,520				21,568,361									
At 30 th June 2019	35,275,000	25,507,841	11,507,480	8,814,600	140,254,768	4,722,050	400,574,975	14,042,994	640,699,708									
Depreciation and Impairment																		
At 1 st July 2019	-	1,325,000	1,438,435	2,935,262	2,777,885	944,410	50,071,872	-	59,492,864									
Depreciation	-	6,376,960	1,438,435	2,935,262	2,805,095	944,410	50,071,872	-	64,572,034									
At 30 th June 2020	-	7,701,960	2,876,870	5,870,524	5,582,980	1,888,820	100,143,744	-	124,064,898									
Net Book Values																		
At 30 th June 2020	35,275,000	17,805,881	8,630,610	2,944,076	134,671,788	2,833,230	300,431,231	14,042,994	516,634,810									
At 30 th June 2019	35,275,000	3,975,000	10,069,045	5,879,338	136,116,363	3,777,640	350,503,103	14,042,994	559,638,483									

KISIWA TECHNICAL TRAINING INSTITUTE ANNUAL & FINANCIAL STATEMENTS FOR
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

18 INTANGIBLE ASSETS-SOFTWARE

Description	2019-2020	2018-2019
	KShs	KShs
Cost		
At beginning of the year	2,600,000	2,600,000
Additions	2,784,000	
Cost end of the year	5,384,000	2,600,000
Amortization and impairment		
At beginning of the year	650,000	
Amortization	2,646,000	650,000
Amortization at end of the year	3,296,000	650,000
NBV	2,088,000	1,950,000

19 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

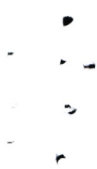
Description	2019-2020	2018-2019
	KShs	KShs
Trade payables	1,863,988	1,974,703
Third-party payments(Contractors Retention Money)		1,404,299
Total trade and other payables	1,863,988	3,379,002

20 PAYMENTS RECEIVED IN ADVANCE

Description	2019-2020	2018-2019
	KShs	KShs
Student Fees	31 089 956	9,827,227
	31,089,956	9,827,227

21 BORROWINGS

Description	2019-2020	2018-2019
	KShs	KShs
Borrowings – Non-current portion		
Commercial bank Loans	5,211,163	7,199,790
Total Non-current portion	5,211,163	7,199,790



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THE YEAR ENDED 30TH JUNE 2020

APPENDIX III: INTER-KISIWA TECHNICAL TRANSFERS

Break down of Transfers from the State Department, Ministry of Education				
FY 2019/2020				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Kisiwa TTI	17/7/2019	80,151.60	2019/2020
	Kisiwa TTI	10/7/2019	31,695,000	2019/2020
		18/10/2019	17,580,000	2019/2020
		10/06/2020	17,445,000	2019/2020
		Total	66 800 152	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Navakholo TVC	28/4/2020	1,000,000	2019/2020
	Sirisia TVC	28/4/2020	1,000,000	2019/2020
	Kisiwa TTI	Total	2,000,000	
		Total	68,800,152	

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

Finance Manager
Kisiwa Technical T I

Sign -----

Head of Accounting Unit
Ministry of Education

Sign-----