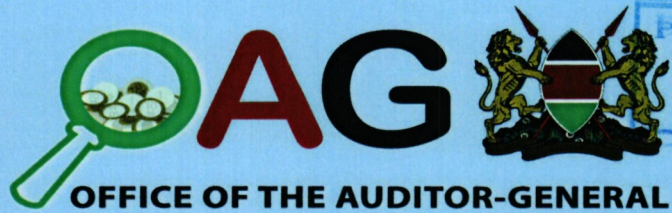


REPUBLIC OF KENYA



PARLIAMENT  
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**REPORT**  
THE NATIONAL ASSEMBLY  
PART 2

DATE: 22 MAR 2022

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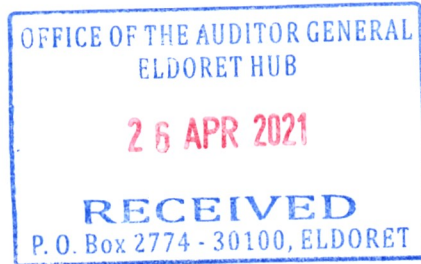
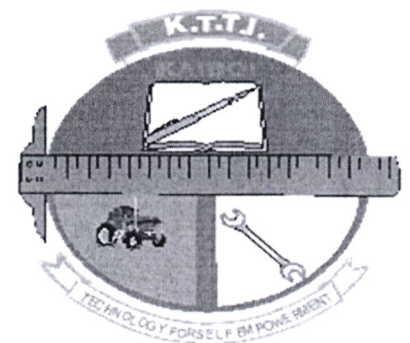
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**THE AUDITOR-GENERAL**

ON

**KAIBOI TECHNICAL TRAINING  
INSTITUTE**

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



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**KAIBOI TECHNICAL TRAINING INSTITUTE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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

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

Kaiboi Technical Training Institute is situated in Nandi County, Kenya. It was established in 1962 as a Trade School by the Roman Catholic Church offering Trade Courses in Carpentry.

The Government of Kenya took over its management in 1969 and turned it into a National Technical School and it started offering Technical Courses leading to Kenya Certificate of Secondary Education (KCSE).

With the introduction of the 8-4-4 system of education, Kaiboi Technical School was changed to a Public Technical Training Institute, a status it has maintained to date. The institute derives its mandate and functions from the Technical and Vocational Education and Training Act, 2013. Currently, it is managed by the Board of Governors under the Ministry of Education.

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

The principal activity of the entity is to offer high quality Technical Training, carry out innovative research and community outreach programmes for sustainable socio-economic development.

Promote and adopt principle of good governance and achieve high quality service delivery aligned to ISO 9001:2015 standards.

#### **Vision**

A world class model in the provision of quality and relevant technical training.

#### **Mission**

To provide quality and relevant technical training responsive to the dynamic market needs.

#### **Strategic Objectives**

- 1) To produce relevant skilled manpower suitable for market needs through training and research;
- 2) To provide technological solutions through Research and Innovations;
- 3) To promote technology transfer to the community and industry;
- 4) To improve on the human, physical and organizational capacity;
- 5) To maintain a competitive edge and corporate image through quality service delivery, good governance and Corporate Social Responsibility activities.

#### **Core Values**

To meet the expectations of our stakeholders, we are committed to the following values: -

- 1) Professionalism,
- 2) Transparency
- 3) Accountability
- 4) Integrity
- 5) Efficiency
- 6) Team Spirit
- 7) Ethical and evidence-based decision-making

KAIBOI TECHNICAL TRAINING INSTITUTE  
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**(c) Key Management**

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

1. Board of Governors
2. Accounting officer/ Principal
3. Deputy principal in charge of Administration
4. Deputy Principal in charge of Academics
5. Registrar
6. Dean of Students
7. Finance Officer
8. Procurement officer
9. Heads of Departments

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Principal	Charles Koech
2.	Deputy Principal administration	James Chirchir
3.	Deputy Principal Academics	Ronald Mujumba
4.	Finance Officer	CPA Jemima Muten
5.	Registrar	Emmy Lagat
6.	Dean of students	James Kiyeny
7.	Procurement Officer	Julia Birech

**(e) Fiduciary Oversight Arrangements**

**The key fiduciary oversight arrangements in the Institute is as follows;**

1. Finance, Infrastructure and General Purpose chaired by Mr. Allan Khaminwa
2. Education, Research and Training chaired by Eng. Wisley Barmosop
3. Audit and Risk Management chaired by Mrs. Emily Ngetich

Other organs carrying out oversight include;

1. Ministry of Education under State Department of Vocational Technical Training Institutions
2. Public Procurement and Oversight Authority
3. Office of the Auditor General

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

**(f) Headquarters & Address**

P.O. Box 937-30100

Eldoret - Kenya

22km off Eldoret – Kapsabet highway, approximately 50 km from Eldoret.

**(g) Contacts**

Telephone :( 254) 734937937/727937937/733659780

E-mail: [kaiboi@kaiboitech.ac.ke](mailto:kaiboi@kaiboitech.ac.ke)/[principal@kaiboitech.ac.ke](mailto:principal@kaiboitech.ac.ke)

Website: <https://www.kaiboitech.ac.ke>

**(h) Entity Bankers**

1) absa Bank

Eldoret branch

P.O BOX 22-30100

ELDORET

2) Kenya Commercial Bank

Eldoret branch

P.O BOX 560- 30100

ELDORET

**(i) Independent Auditors**

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

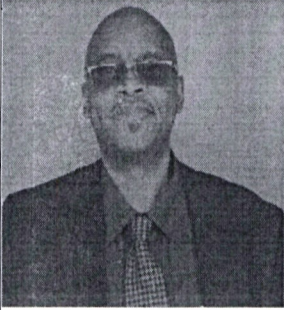


Harambee Avenue

P.O. Box 40112 City Square 00200

Nairobi, Kenya

KAIBOI TECHNICAL TRAINING INSTITUTE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

**2. BOARD OF GOVERNORS**

Board Member	Particulars
 <p>Dr. James Kimeli Sang - BOG Chairman PhD (Moi Uni.) MA (University of Reading UK) B.Ed (Moi Uni)</p>	<p>Dr Sang was born on 09/06/1968. He is the Board's Chairman. He has a wealth of public service experience having been a Principal at Kobujoi Development Training Institute, and a teacher at Kapkoimur Secondary School. He is currently a lecturer at the Moi University Department of Educational Management and Policy Studies, School of Education. He has also Published Several Publication in Education Management. He has a PhD in Educational Administration from Moi University, a M.A in Organization, Planning and Management in Education from the University of Reading-UK and a Bachelor of Education Arts from Moi University.</p>
 <p>PRINCIPAL/BoG SECRETARY</p> <p>Mr.Charles Koech -MED(Moi Uni)BED( Moi Uni)</p>	<p>Born on 22/2/1974. He is the Chief Executive officer of the Institute serving as the Principal and secretary to the Board. He holds a Master of Education (Leadership and policy Education) and Bachelor of Education (Technology education) both from Moi University. Mr. Koech has vast experience in education administration management having served as a Principal for over ten years. He also served as a Deputy Principal, Registrar and HoD Mechanical Engineering. He has undergone various short courses in Education Management and Governance the latest being Senior Management Course by KSG. He has in the past served as KATTI National treasurer, KATTI Rift Valley chair Sports and Recreations and as a Secretary/Treasurer.</p>
 <p>Mr. Gichuru Mutulili -TVET County Director</p>	<p>Born on 3<sup>rd</sup> September 1966, Mr. Mutulili is the Current TVET County Director Uasin Gishu/Nandi /ElgeyoMarakwet region. He is the Ministry's representative in the Board and provides advice and guidelines on Ministry's strategic goals, mandate and policy direction. He holds a Master of Business Administration (Management Information Systems) and a Bachelor of Education Arts (Mathematics and Business Studies). He has vast experience in public service particularly in Education, Financial, Procurement, Project Management and monitoring and evaluation of projects.</p>



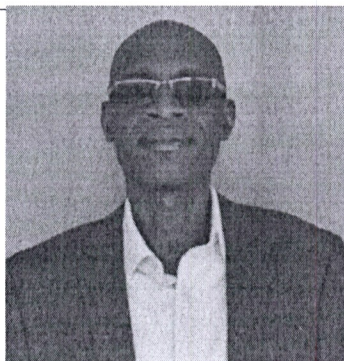
Mr. Philip Koimur  
 B.Sc. (Mt. Kenya Uni.) Dip.(KMTC)

Mr. Koimur was born on 2<sup>nd</sup> Feb. 1975. He is a member of the Finance and Infrastructure sub-committee of the Institutes Board. He is a Medical lab researcher and quality management professional with Technical Knowledge. He holds a Degree in Medical laboratory Sciences from Mt. Kenya University and a Diploma In medical laboratory sciences from KMTC  
 Currently, Mr. Koimur is currently working at the county government of Uasin Gishu at the Uasin Gishu County Referral Laboratory



Mrs Emily Ngetich  
 MBA (Canadian School of Management) BA.  
 (Karnatak Uni) Dip. (Deepak computer center)



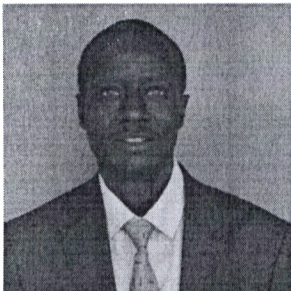
Mrs. Ngetich was born in the year 1973. She is the chairperson of the Audit and Risk Management of the Institute Board sub-committee. She is an Accountant with a wealth of experience in Accounting and management. Currently, she is the Executive Director at Joyful Women Organization.  
 Mrs. Ngetich, has an MBA in Finance from Canadian School of Management, a Bachelor of commerce (Accounting and Income tax) from Karnatak University and a Diploma in Computer Studies from Deepak Computer Center.




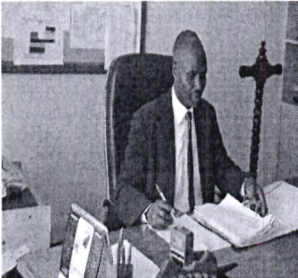


Mr Albert Odhiambo Onyango  
 Bsc. (University of Botswana)

Albert was born on 20<sup>th</sup> May 1984. He is currently a member of Education, Research and Training Sub- committee in the Institute Board. He holds A Bachelor of Science in Computer Science from the University of Botswana. He is also a Cisco Certified Network Administrator (CCNA) from the Computer Science Local Networking Academy-University of Botswana. He also has several Professional and short course certifications. He currently works as a senior assistant Network Administrator at the University of Eldoret.

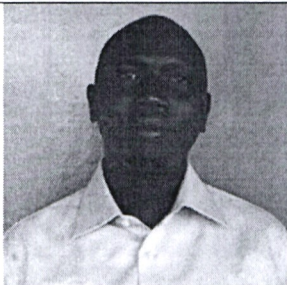

KAIBOI TECHNICAL TRAINING INSTITUTE  
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 <p>Ms. Joan Jepkoech Serem BBM (Moi Uni.) Dip. (Eldoret Polytechnic)</p>	<p>Joan was born on 21<sup>st</sup> January 1976. She is a member of Education, Research and Training sub-committee in the Institute Board. She has a wealth of experience in management &amp; general administration having worked in various organisations including being an Office Manager -Mosop Constituency and a member of Mosop sub county Social Ass. Committee. She is currently the Deputy Manager Mosop Constituency. She is a holder of a Bachelor of Business Management from Moi university and a Diploma in Business Administration from The Eldoret National Polytechnic.</p>
 <p>Mr. Allan Ralph Khaminwa  Bsc. Tech Automotive Engineering (Uni. Of Eastern Africa, Baraton)</p>	<p>Allan was born in the year 1975. He the chairperson of Finance, Infrastructure and General Purpose sub-committee at the Institute Board. He is a holder of a Bachelor of Science Technology from the university of Eastern Africa, Baraton and has a vast knowledge and experience in Motor Vehicle Body works. He is currently working as the Operations Director at Spray Zone Motors.</p>
 <p>Eng. Wisley Barmosop BSC- Agricultural Engineering(EGERTON UNI)</p>	<p>Engineer is the chair Education, Research and Training Committee of the Institute's Board and also serves as a member of Board of Directors Hills Sacco Ltd. Wisley has a Bachelor of Science in Agricultural Engineering from Egerton University. He has a vast experience in Sustainable Agribusiness Production having served as a senior Estate Manager Field Operations at Eastern Produce (K) Ltd. He is currently serving as the Manager Factory Operations Siret Factory.</p>

### 3. MANAGEMENT TEAM

Name of the Staff		Particulars
 Mr. Charles Koech MED(Moi Uni)BED( Moi Uni)		<p>He holds a Master of Education (Leadership and policy Education) and Bachelor of Education (Technology education) both from Moi University. Mr. Koech has vast experience in education administration management having served as a Principal for over ten years and previously served as a Deputy Principal and HoD. He has also served in the KATTI council as the Treasurer.</p>
 Mr. James Chirchir Dip Tech (KTTC)		<p>Mr. Chirchir is currently serving as the Deputy Principal in charge of Administration, Chair of the Institutes Academic Disciplinary committee and a Lecturer of Automotive Engineering. He holds a Diploma of Education (Automotive Engineering) from Kenya Technical Trainers College. He has vast experience in leadership and management having served previously as the Head of Department and Deputy Principal in charge of Academics.</p>
 Mr. Ronald Mujumba BED(UOE) Dip Tech(KTTC)		<p>Ronald is currently serving as the Deputy Principal in charge of Academics Chair Academic Board and a Lecturer of Electrical and Electronics Engineering. He holds a Bachelor of Education Technology from University of Eldoret and a Diploma Technical Education (Electrical Engineering) from KTTC. He has vast experience in leadership and management having served previously as the Dean of students and Sports Officer.</p>
 Ms. Emmy Lagat MED(Moi Uni) BED(Egerton Uni)		<p>Emmy is currently serving as the Registrar, chair Marketing Committee and a lecturer of General Agriculture. She holds a Master of Education (Curriculum Development) from Moi University and Bachelor of Education (Agriculture &amp; Economics) from Egerton University.</p>

KAIBOI TECHNICAL TRAINING INSTITUTE  
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	<p>Mr. Kiyeny is the current Ag. Dean of Students and a lecturer in Mechanical Engineering Department. He is in charge of student's welfare. He holds a Bachelor of Education Technology (Mechanical option) from Moi University and pursuing a Bsc. In Mechanical Engineering at Technical University of Mombasa</p>
<p>Mr. James Kiyeny ( Moi Uni) )BED</p>	<p>Currently serving as the Finance officer, Jemima holds a Master of Business Management (Finance) from University of Eldoret and Bachelor of Commerce (Accounting) from CUEA. She is has CPA(K) and bonafide member of the Institute of Certified Public Accountants of Kenya (ICPAK). She has vast experience in financial management having served as a Finance officer for over five years and previously as an assistant finance officer and accounts clerk</p>
 <p>CPA Jemima Muten MBA (UOE) BCOM(CUEA) CPA(K)</p>	

#### 4. CHAIRMAN'S STATEMENT

It gives me great pleasure to present the 2019/2020 Annual Report to our stakeholders. We are immensely grateful to our staff, students, parents, donors, sponsors and collaborators for their continued commitment and support. Their support motivates and gives us the strength to drive the institution forward, to build on and consolidate the institute's strong profile, good reputation and positive impact. Of particular mention is the increase in student enrolment that registered a big stride through the government initiative in TVET and rigorous marketing. In Kenya, education experts have predicted that the success of economic growth will be hinged on an adequate supply of middle-level technical skills. In an attempt to address this concern, the government has moved to implement the Technical and Vocational Education and Training Act (2013). This has resulted in increased funding for the Technical and Vocational Education and Training Institutions through Capitation, Development Grants and HELB loans and bursaries.

The government's initiative in improving TVET sector brought along several opportunities including increased enrolment, linkages and collaborations. Along these were also high levels of expectations from student community, employees and other stakeholders. The strategic plan being implemented had envisaged to address the emerging challenges and took advantage of existing opportunities. It provides a clear roadmap to the Board of Governors and management during the period 2019-2023 of the institute's development priorities. The Institute continues to make tremendous achievement in fulfilling its mandate by continuing to provide physical and training facilities, employing skilled manpower and automating its operations. It is expected that the government will continue to contribute to the realization of our dreams as we look out to other partners and sources of revenue to fund the planned expansion.

Despite the difficulties that were experienced at the second half of the year due to Covid-19 pandemic, we managed to complete a number of priority projects earmarked during the financial year. We were more encouraged by very good results that the Institute attained in the performance contracting cycle of the previous year. The trainees also posted good results in the TVET fairs. We have put in place quite a number of measures following the directives of both the Ministry of Health and Ministry of Education in regard to Covid-19.

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

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



Dr. James Sang

BOG Chairperson  
Date: March 26, 2021

KAIBOI TECHNICAL TRAINING INSTITUTE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

## 5. REPORT OF THE PRINCIPAL

Kaiboi Technical Training Institute endeavours to offer high quality technical training, carry out innovative research and community outreach programmes for sustainable socio-economic development. This also enables the institute to contribute towards the attainment of our country's Vision 2030 blue print and support the drive in realising the objectives of the National Government's 'Big Four' agenda. The FY 2019/2020 was a significant year as the Government continued to emphasis on TVET sector. It was however disrupted by the outbreak of Covid -19 in the fourth quarter that led to closure of Institutions. The Institute took decisive, immediate actions and deliberate changes to match the dynamics including renovations of facilities. During the financial year, the institute implemented activities towards achievement of the Strategic Plan. Resources were directed to marketing activities to increase student enrolment, infrastructural projects, training, research and ICT activities. Some of the key priority areas implemented in the financial year under review are;

1. Installation of Solar back up system in the Library, Accounts and Registry
2. Purchase of computers, text books and furniture
3. Acquisition of 62 seater bus
4. Institute face lift (laying of Cabros on driveways and extension of perimeter wall
5. Marketing of the Institute's Programmes
6. Construction of first floor of the science and engineering complex( phase two)
7. Rehabilitation of classrooms and offices

Prudent financial management remain top in our agenda. In the financial year 2019/2020, the exchequer contribution totaled to Ksh 125,792,544 for recurrent expenditure purposes as compared with Ksh 99,671,367 in the previous year. Internally generated income of Ksh 152,512,901 collected was from fees, farm and rental income. The Institute recorded an aggregate income of Ksh 278,305,445 during the year while the recurrent expenditure stood at KSh 296,405,917. The Capital development grants received was KSh 3,565,000 directed towards construction of Science and Engineering Complex

On behalf of the Board of Governors, I take this opportunity to thank the National Government for its unequivocal support during the year under review. I also appreciate the financial, material and moral Support of our collaborators, partners and well-wishers during the period. It is because of the co-operation with the National Government through the Ministry of Education, the Board of Governors as well as the mutual cooperation of the Management team, all staff, our students and other stake holders that we ended the year with stability.

It is my desire that we continue working together as a team in the financial year and beyond



Mr. Charles Koech

PRINCIPAL

Date: March 26, 2020

## 6. REVIEW OF KAIBOI TECHNICAL TRAINING INSTITUTE PERFORMANCE FOR FY 2019/2020

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

Kaiboi Technical Training Institute has five strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

Pillar 1: Teaching & Learning

Pillar 2: Physical Infrastructure

Pillar 3: Governance and Management

Pillar 4: ICT

Pillar 5: Finance

The institute develops its annual work plans based on the above five pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The institute achieved its performance targets set for the FY 2019/2020 period for its five strategic pillars, as indicated in the diagram below:

Strategic Pillar No.1	Objective	Key Performance Indicators	Activities	Key achievements		
Teaching & Learning	To produce competent and skilled graduates	Enhance funding for training.	Increase budget allocation for training.			
			Lobby Government for increased funding.	Proposals to partners done		
		Collaboration with the industry.	Engage development partners for funding support	Identify areas of collaboration and probable industries of interest	Industry collaborations	
			Establishing and strengthening collaboration		CDF, KUCCPS, HELB	
			Train 20 staff on basic ICT skills		Trained on AJIRA	
		Integrate ICT in training.	Procure smart boards/other relevant teaching aid solutions		Purchased computers	
			Enhance Institution's communication and visibility Upgrade and update institutional website		Updated website to include eLearning module	
			Constitute a Technical committee to develop/adopt CBET curriculum –		CBET champions have been appointed	
		Develop and implement CBET Curriculum.	Effective and efficient curriculum implementation.	Develop a roll-out plan for the CBET – Three relevant curricula		In progress
				Full/complete curriculum implementation.		continuous
Enhance Academic standards as stipulated in the academic policy.				continuous		
To enhance quality in service delivery		Review and update academic policy		reviewed		
		Implement QMS, review and maintain standards		continuous		

**KAIBOI TECHNICAL TRAINING INSTITUTE  
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			Monitor and evaluate quality assurance standards implementation	continuous
<b>To strengthen collaboration and linkages with industry</b>	Establish and strengthen collaborations and partnerships.		Establishing and strengthening collaboration	Continuous
	Improve on supervision of attachment activities.		Upgrade the MIS include industrial attachment module	achieved
<b>To promote innovation, creativity and research</b>	Promote apprenticeship and internship placement		Develop and implement attachment ,apprenticeship and internship policy	Developed
	Strengthen Research &Development unit.		Create a research and innovation fund	In progress
			Write research funding proposals from donors and NRF	Two proposals done for driving school and for solar equipment
			Provide relevant training and research facilities	Continuous
			Collaborate with research institutions	Collaboration with UOE
			Develop a research and development policy	In progress
			Set-up a business and innovation hub.	In progress
<b>To promote access and equity to training</b>	Inculcate and nurture innovative culture – setting up exhibition.		Design/come-up with a competition and reward best innovations.	In progress
			Set-up a seed capital fund to finance incubation of startups	In progress
				In progress
				In progress
				In progress
				In progress
				In progress
<b>To promote access and equity to training</b>	Provide institutional academic scholarships to SET courses.			Continuous
	Promote gender equity.		Carry out motivational talks in targeted high schools	Continuous
			Develop gender centric initiatives to support either gender e.g sports, hostels allocation	Continuous
	Collaborate with industry and SMEs for training, attachment and internship/apprenticeship.			Continuous
	Market the Institute.		Develop a talent discovery/search programme through events e.g culture week, innovations expo.	Participated in TVET fairs
			Participation in co-curricular activities e.g sports, KATTI events	Participated in TVET fairs
			Advertise through print and electronic media.	advertised

				Visits to secondary schools, attend graduations and public forums	continuous
	<b>To enhance students welfare</b>		Participate in co-curricular activities. Advocate for comprehensive and affordable insurance cover Acquisition of 62 seater institute bus Enhance security – install CCTV Improve recreational facilities Improve students wellbeing - Strengthen counselling	Procure affordable insurance cover Install CCTV cameras. Repair the fields and internal sports arenas Adequately Kit all the teams Increase participation in co-curricular activities Create awareness on HIV/AIDS, Drugs and Substance abuse and facilitate VCTs . Strengthen the counseling unit – proactive Acquire a 62 seater bus	Continuous In place Acquired Continuous Continuous Acquired
<b>Strategic Pillar No.2 Physical Infrastructure</b>	<b>Objective</b> To improve the Institutes' infrastructural facilities		<b>Key Performance Indicators</b> Renovate and rehabilitate existing infrastructure Acquire modern equipment Service and maintain existing equipment To construct Science and Engineering Complex Construction of a shed Fabrication of outdoor benches.	<b>Activities</b> Renovate and rehabilitate existing infrastructure Acquire modern equipment Service and maintain existing equipment To construct Science and Engineering Complex Construction of a shed Fabrication of outdoor benches.	Renovated Acquired mechanical and agricultural equipment continuous Constructed to second floor In place Fabricated 50 pieces
<b>Strategic Pillar No. 3 Governance &amp; Management</b>	<b>Objective</b> Maintain a competitive edge, corporate image and sustainable environment		<b>Key Performance Indicators</b> Adhere and regular review of customer delivery charter. To enhance institutional corporate image.	<b>Activities</b> Review customer service delivery charter Bi-annually. Enforce adherence of service delivery charter. Participate in corporate social activities.	Reviewed Continuous Tree planting and litter collection
<b>Strategic Pillar No.4</b>	<b>Objective</b>		<b>Key Performance Indicators</b> Enhance institutional ICT security. Improve staff to computer ratio to 2: 1	<b>Activities</b> Enhance ICT security – install firewalls etc Develop ICT security policy Implement ISMS based on ISO 27001 Procure 25 additional computer and computer accessories for staff	In progress In progress acquired

KAIBOI TECHNICAL TRAINING INSTITUTE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

		<p>To link the institute to the national fibre optic grid</p> <p>Enhance access to LAN within the institution.</p> <p>Enhance ICT equipment and Systems security measures.</p> <p>Increase ICT literacy</p> <p>Improve the Institutions“ website</p> <p>Enhance Automation of core services in the institute- e.g.students admission, E-learning</p> <p>Integrate ICT into teaching and learning</p>	<p>To link the institute to the national Fibre optic back bone grid</p> <p>Extend LAN services to all offices</p> <p>Boost Wi-Fi coverage</p> <p>Upgrade the Institute“s website</p> <p>Install ERP /Modules</p> <p>Train 20 staff on basic ICT skills</p>	<p>In progress</p> <p>Extended</p> <p>Improved to 5 hot spots</p> <p>Upgraded to include e learning portal</p> <p>In progress</p> <p>Trained on Ajira , autocard</p>
<b>Strategic Pillar No.5 Finance/Funding/Reso urce</b>	<b>Objective</b>  <b>To improve the revenue base and financial capacity of the institute</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	
		Enhance revenue/fees collection	More stringent fees collection	Measures in place
		Lobby the Ministry to increase financial assistance	Increase/augment institute’s funding	continuous
		Implement sound financial management practices	Comply to provisions of PFM act,2012 and Public Procurement Act, 2015	continuous
	<b>To enhance revenue generation and provide quality services and products</b>	Increase revenue generation - establish viable income generating activities(business units)	Set-up a commercial enterprise/directorate	In progress
		Develop viable business proposal – BiG 4 Initiatives	IGA Proposals	In progress
		Promote commercialization of innovations	Patent and Commercialize an innovation annually	Patented some innovations

## 7. CORPORATE GOVERNANCE STATEMENT

### 1. Code of conduct/ responsibilities of board members

Kaiboi Board of Governors relies on the prescription of the TVET Act, 2013 on the description of its responsibilities, functions and structure and ethical conduct.

### 2. Appointment and removal of Board of Governors

The appointment and removal of the Board of Governors is prescribed under the TVET Act, 2013. The appointing authority takes into consideration skills mix in selection to ensure persons with key specialization are included such as ICT, Finance, Technical areas etc. it also factors in gender and ethnic representation as per the Constitution. The current Board of Governors was appointed by the Permanent Secretary Ministry of Education Science and Technology in September 2019 and lapses in September 2021.

### 3. Training

The Board of Governors attended induction training in corporate governance organized by the Ministry through the TVETA in December 2019 and was attended by all members led by the Chairperson.

### 4. Board performance evaluation

There is a formal process for reviewing and evaluation of Boards performance and its committee

### 5. Conflict of interest

Declaration of conflict is maintained in all meetings. A register of conflict of interest is maintained by the institution to record all the declarations

### 6. Board remuneration

The Board are entitled to sitting allowance as prescribed in the Kaiboi TTI Board allowances.

### 7. Succession plan

The current board does not have a succession plan as members appointed were given the same time of tenure. The Institute is in discussion with the parent ministry to stagger appointment of the Board members

### 8. Board meeting attendance

The board holds its meetings at least once every quarter. The same applies to Board Committees. In FY 2019/20, meetings were held as follows;

	Nature of meeting	Ordinary	Special	Total
1	Full Board	4		4
2	Committee- education and research	1		3
	Finance and infrastructure	4		4
3	Special Board	2		2
4	Training	1 undertaken by TVETA		

### 9. Governance Audit

Surveillance audit on implementation of ISO 9001:2015 was undertaken during the year under review by the certifying body, Kenya Bureau of Standards, and we were found to a larger extend to be implementing its requirements.

## 8. MANAGEMENT DISCUSSION AND ANALYSIS

### 1) Financial performance

In the financial year 2019/2020, the exchequer contribution totalled to Ksh 125,792,544 for recurrent expenditure purposes as compared with Ksh 99,671,367 in the previous year. Internally generated income of Ksh 152,512,901 collected was from fees, farm and rental income. The Institute recorded an aggregate income of Ksh 278,305,445 during the year while the recurrent expenditure stood at KSh 296,405,917. The Capital development grants received was KSh 3,565,000 directed towards construction of Science and Engineering Complex.

### 2) Key projects and investment decisions

Capital projects are key to the growth and development of the Institute given its continued expansion and improvement of the required physical facilities to accommodate increasing population. During the year under review, the major projects undertaken included Installation of Solar back up system in the Library and Accounts and Registry, Purchase of computers and text books and furniture, Acquisition of 62 seater bus, Institute Face lift (laying of Cabros and extension of perimeter wall). Marketing of the Institute's Programmes, Construction of first floor of the science and engineering complex (phase two) and Extension of classrooms and offices. Due to Covid- 19 some of the projects earmarked during the financial year were not completed we however, look forward to completing them in the next financial year. The other challenges in implementation include delays in disbursement of funds. The science and engineering complex implementation was phased into four phases to avoid conflicts with contractors and each stage is implemented as soon as funds are available.

### 3) Risks and opportunities

#### Strengths

- Experienced, committed and supportive BoG
- Modern training equipment
- Community good will
- Existence of students' council
- Space for expansion

#### Opportunities

- Diversity of training programmes
- Strategic location-proximity to industries
- Increasing demand for technical education
- Harmonious relationship with the community
- Reliable food and affordable supplies
- Existence of HELB, CDF and other Bursaries
- Partnership with other institutions
- Placement of trainees by KUCCPS

#### The Entities Challenges

- Inadequate PSC trainers
- Inadequate class rooms
- Constraint budgetary allocation
- Delayed disbursement of GOK grants and fees for sponsored students.

**4) Material arrears in financial obligation**

There are no material arrears in financial obligation to the institute.

**5) Compliance with statutory deductions**

The institute complies with all the statutory obligations that include PAYE, NSSF, HELB, NHIF and there is no pending obligation known to the institution in regards to statutory obligation.

**6) Performance contracting**

Performance contract implementation in the financial year 2019/2020 provided an objective assessment of results realized and challenges experienced. The performance contracting objectives were drawn from the Institute's strategic plan and anchored on the Kenya Vision 2030, the Medium Term Plan II and the Sector Performance Standards. The Performance contract for FY 2019/2020 was negotiated by the Board with the ministry of Education and cascaded to all levels of the Institute. A self-evaluation of all activities indicates an achievement possibly in the 'very good' category similar to achievement of the previous cycle of 2018/19. On Absorption of allocated funds indicates an underutilization due to the effects of Covid-19 and disbursement of funds towards the end of the financial year. Minimum 30% of all procurement budget was dedicated to Youth, Women and people living with disabilities.

The institute is implementing ISO 9001:2015. This has uplifted the institute's standards and improved its service delivery.

**7) Students welfare**

The Dean of Students Office is mandated with management of all students' welfare matters. It supports welfare activities through the student council. This activities include election and managing students' council, participation in co-curriculum activities, guidance and counselling and inter religious activities.

## **9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

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

### **1. Sustainability strategy and profile -**

The institutes Strategic Plan 2019/2020 provides for the contribution of attainment of Kenya Vision 2030 and the Governments 'Big Four Agenda'. We take it to be our responsibility to ensure that there is continuous improvement and integration with economic, environmental and social undertaking. We strive to work closely with our clients, suppliers, the local community, partners and other stakeholders.

### **2. Environmental performance**

The environment is one key natural resources of the institution and operationalized through the institutes environmental policy the institute's commitment on reducing environmental impact is through tree planting, proper disposal of waste and maintenance of water catchment area.

### **3. Employee welfare**

The institute follows the guidelines of the public service human resource policy and Kaiboi Technical Training Institute Human Resource manual that stipulates guidelines on recruitment, training and appraisal. We also adhere to the provision of the safety and compliance with Occupational Safety and Health Act of 2007, (OSHA) and have a policy in place that is being implemented.

### **4. Market place practices-**

#### **a) Responsible competition practice.**

The institute brands itself as a corruption free zone and every member of staff is required to sign an integrity pact, provided corruption reporting and complaints boxes and developed code of conduct and whistle blowing policy

#### **b) Responsible Supply chain and supplier relations-** the institute follows the guidelines of Public Procurement Act, 2015 provisions and the Institute charter in handling its suppliers. We have also developed a complaints and compliments structures that provide feedback mechanism.

#### **c) Responsible marketing and advertisement-**the institute markets its programmes in the institute website, print media and visiting secondary schools and participation in core curriculum activities.

#### **d) Product stewardship-** we strive to patent projects of students that have been approved during Tvet Fairs and a number of projects were patented during the year under review.

### **5. Community Engagements-**

The Institute continue to work very closely with the community. In the financial year under review, we undertook a number of CSR activities that include continued support in provision of tea buying centre, use of the playing fields to host both Primary and secondary schools Competitions, provision of clean water by use of water bowser, contribution towards yearly 'Mavuno' and provision of thermos gun for use by the sponsor church during the covid-19 pandemic.

## 10. BOARD OF GOVERNORS

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

### Principal activities

The principal activity of the entity is to offer high quality Technical Training, carry out innovative research and community outreach programmes for sustainable socio-economic development. Promote and adopt principle of good governance and achieve high service delivery work aligned to ISO 9001:2015 standards

### Results

The results of the entity for the year ended June 30, 2020 are set out on page 1 to 47

## BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page VI.

### Auditors

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

By Order of the Board



Board Chairperson  
Date: March 26, 2021

## 11. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the board members to prepare financial statements in respect of the institute, which give a true and fair view of the state of affairs of the institute at the end of the financial year and the operating results of the institute for that year. 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 ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (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 TVET Act) –The board members are of the opinion that the institute's financial statements give a true and fair view of the institute's transactions during the financial year ended June 30, 2020, 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 entity's financial statements were approved by the Board on August 25, 2020 and signed on its behalf by:

Dr. James Sang



March 25, 2021

BoG Chairman

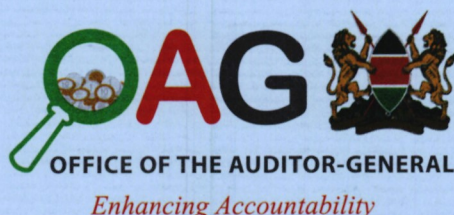
Charles Koech



March 25, 2021

Principal

# REPUBLIC OF KENYA



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

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kaiboi Technical Training Institute set out on pages 1 to 43, which comprise the statement of financial position as at 30 June, 2020, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 the Kaiboi 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 the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

#### Basis for Qualified Opinion

##### 1.0 Unsupported Student and Rent Debtors

As disclosed in Note 28 to the financial statements, the statement of financial position reflects receivables from exchange transactions amount of Kshs.111,252,947 which includes a student debtors' figure of Kshs.122,649,264 (2018/2019: Kshs.59,451,357) and a rent debtors' figure of Kshs.577,109 (2018/2019: Kshs.Nil). The student debtors and rent debtors balances were however not supported by a movement schedule showing the opening balances, additions, amounts paid during the year and the closing balances as at 30 June, 2020.

In addition, a review of an ageing analysis provided in support of the debtors revealed that debts amounting to Kshs.41,621,321 have been outstanding for more than one year. The management has also not provided the strategies that have been put in place to ensure that the debts are recovered in time.

Further, the failure by the Management to receive debt repayments may adversely affect the cash flow of the Institute thereby affecting service delivery to the public.

Consequently, the accuracy, validity and existence of student debtors' figure of Kshs.122,649,264 and rent debtors' figure of Kshs.577,109 as at 30 June, 2020 could not be confirmed.

## **2.0 Inventory – Variance between Stores Ledger Balances and the Stock Take Report**

As disclosed in Note 30 to the financial statements, the statement of the financial position as at 30 June, 2020 reflects an inventory balance of Kshs.3,326,565 . However, an examination of records in support of the inventory figures revealed variances between stores ledger balances and physical stock take report as at 30 June, 2020 amounting to Kshs.447,770.

The accuracy, completeness and validity of the inventory figure of Kshs.3,326,565 for the year ended 30 June, 2020 could therefore not be confirmed.

## **3.0 Missing Details of Refundable Deposits from Customers**

As disclosed in Note 36 to the financial statements, the statement of financial position as at 30 June, 2020 reflects a refundable deposits from customers balance of Kshs.2,512,674 and the supporting summary schedule was provided for audit. However, the management did not maintain a separate account for refundable deposits. Further, the supporting schedule provided did not show a detailed listing indicating the students' names, admission numbers, academic year and amount deposited.

Consequently, the accuracy existence and completeness of the refundable deposits from customers amounting to Kshs.2,512,674 as at 30 June, 2020 could not be confirmed.

## **4.0 Lack of Ownership Documents for the Institute's Land**

As disclosed in Note 32 to the financial statements, the statement of financial position reflects a balance of Kshs.771,501,854 for property, plant and equipment. Included in this amount is a revalued land amount of Kshs.74,560,000 for four pieces of land owned by the Institute. However, one piece of land, with an approximate area of 13 acres and a valuation amount of Kshs.19,500,000 had no title deed or other ownership documents.

In the circumstance, the accuracy and completeness of the revalued land amount of Kshs.74,560,000 as at 30 June, 2020 and the ownership of one piece of land could not be confirmed.

## **5.0 Unsupported Trade and Other Payables from Exchange Transactions**

The statement of financial position as at 30 June, 2020 reflects trade and other payables from exchange transactions of Kshs.23,655,352 which increased from Kshs.22,746,954 in 2018/2019 financial year. However, an ageing analysis schedule and creditors' policy were not provided for audit verification.

Under the circumstances, the accuracy, validity and existence of trade and other payables from exchange transactions of Kshs.23,655,352 as at 30 June, 2020 could not be confirmed.

## **6.0 Unexplained Variance Between the Approved Budget and the Statement of Comparison of Budget and Actual Amounts**

The approved budget provided for the audit shows that the total revenue budget amounted to Kshs.148,251,000 differs with the figure shown in the statement of comparison of budget and actual amounts under original budget of Kshs.153,201,000 by an unexplained variance of Kshs.4,950,000. The statement further indicates an expenditure budget of Kshs.230,780,000 under original budget which differs with the budgeted expenditure of Kshs.148,251,000 as per the approved budget by an unexplained difference of Kshs.82,529,000.

In addition,, the statement reflects an adjustment in revenue figure of Kshs.164,795,544 and an adjustment in expenditure figure of Kshs.170,216,544 which were not supported and could therefore not be confirmed.

Further, no reconciliation of actual amounts on a comparable basis and actual amounts in the financial statements was prepared as required by IPSAS 24.

Consequently, the statement of comparison of budget and actual amounts is not fairly stated.

## **7.0 Accuracy of the Statement of Comparison of Budget and Actual Amounts**

The statement of comparison of budget and actual amounts shows actual on comparable basis total revenues of Kshs.281,870,445 while the recomputed amount is Kshs.328,915,258 thereby resulting in an unexplained difference of Kshs.47,044,813. Further, the statement shows actual on comparable basis total expenses of Kshs.327,239,049 while the recomputed amount is Kshs.319,594,407 thus giving rise to an unexplained difference of Kshs.7,644,642.

Consequently, the accuracy of the statement of comparison of budget and actual amounts could not be confirmed.

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

### **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**

#### **Budgetary Control and Performance**

The statement of comparison budget and actual amounts reflects final expenditure budget and actual on comparable basis of Kshs.382,996,544 and Kshs.319,594,407 respectively resulting to an under-expenditure of Kshs.63,402,137 or 17% of the budget.

Based on the approved estimates, the under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

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

### Conclusion

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

### Basis for Conclusion

#### 1.0 Employee Costs

##### 1.1. One Third Rule on Staff Composition

An examination and analysis of the human resource records of Kaiboi Technical Training Institute as at 30 June, 2020 revealed that, the institution had nine (9) members in the board of governors out of which six (6) or (66%) came from the dominant community. Further, the Institute had forty-four (44) non-teaching staff with all (100%) of them coming from the dominant community. In addition, there were fifty-four (54) teaching staff out of which forty-seven (47) or 87% came from the dominant community.

This staff composition is contrary to section 7(1) and (2) of National Cohesion and Integration Act, 2008.

Consequently, the Management is in breach of the law.

##### 1.2. Payment of Basic Salary below the One Third Rule

Audit review of payroll records of Kaiboi Technical Training Institute for the year ended 30 June, 2020 revealed that there were employees getting net salaries that were less than one third of their basic pay Contrary to Section 19(3) of the Employment Act, 2007 as detailed below;

Salary Month	August 2019	October 2019	November 2019	February 2020	March 2020
Number of employees whose net salary was less than one third of their basic salary.	1	3	1	4	2

The employees earning net salary less than a third of their basic pay risk suffering pecuniary embarrassment to the employer.

##### 1.3. Penalty on Late Remittance of National Social Security Fund Deductions

The statement of financial performance for the year ended 30 June, 2020 reflects an employee costs figure of Kshs.22,512,288. Further, as disclosed Note 17 to the financial statements, this amount includes social contributions-NSSF payments amounting to

Kshs.2,823,677 paid to the National Social Security Fund. However, available records in support of the payment revealed that the Institute had paid an NSSF penalty payment of Kshs.2,197,498 via demand letter dated 17 June, 2020 for non-remittance of NSSF deduction for the period between January, 1996 and January 2004. The unremitted amounts of the said period were two amounts of Kshs.189,476 and Kshs.22,703 all totaling to Kshs.212,179 which attracted the penalty of Kshs.2,197,498.

No explanation was provided by the Management for failure to remit the NSSF deductions in time and why a waiver of the penalties was not negotiated with the Institution.

Further, the NSSF deductions schedule showing the names, date of employment and NSSF amount that was to be remitted by each employee was not provided for audit verification.

Consequently, the accuracy and validity of the social contributions – NSSF of Kshs.2,823,677 could not be confirmed.

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

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

### Conclusion

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

### Basis for Conclusion

#### 1.0 Term in Office of the Board of Governors

During the year under review, oversight on the running of the Institute was done by an eight-member board excluding the Principal. It was further established that all the current board members were appointed on 10 July, 2019 through, individual appointment letters, and the term expires after three (3) years as provided for in the Technical and Vocational Education and Training Act, 2013. In the circumstances, the entire board's term in office will come to an end at the same time which is against corporate governance best practice and it is also likely to affect the operations of the Institute.

The Institute risks running into operational and oversight challenges in the absence of a well constituted board.

## **2.0 Information and Communication Technology (ICT)**

A review of the Information and Communication Technology Internal Controls revealed that the Institute did not have an approved IT continuity and disaster recovery plan to guide ICT operations.

Further, the Institute did not have an approved IT strategic committee which is important in performing the oversight function and formulation of policies to ensure that the IT department functions properly and that it assists in the achievement of organizational objectives in an economic, efficient and effective way.

Information Technology organizational objectives may not be achieved in the absence of an approved IT strategic committee and IT continuity and disaster recovery plans.

## **3.0 Lack of Risk Assessment Policy**

The audit of the internal controls of the Institute revealed that risk assessments were not done for the financial year 2019/2020 and a risk management policy was not in place.

The management is in breach of Regulation 165(1) of Public Finance Management (National Government) Regulations, 2015. There is also a likelihood that risks occurring in the normal course of operations of the Institute may not be identified and the appropriate mitigations measures taken.

## **4.0 Lack of an Audit Committee and an Internal Audit Function**

During the audit, it was noted that Kaiboi Technical Training Institute had not established an audit committee contrary to Section 73 (5) of the Public Finance Management Act, 2012 which states that every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations. No satisfactory explanation was provided for the failure to establish an independent audit committee.

Further, an audit review of the Institute's charter and human resource documents availed for audit revealed that the Management of Kaiboi Technical Training Institute had not established an internal audit department to carry out internal audit functions contrary to Section 73 (1) (a) of the Public Finance Management Act, 2012.

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

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

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in

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


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

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

15 February, 2022

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

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

	Notes	2019/2020	2018/2019
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants/ gifts in kind	6	125,792,544	99,671,367
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
<b>Total Revenue from non-exchange transactions</b>		<b>125,792,544</b>	<b>99,671,367</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	10	150,190,415	166,020,859
Sale of goods	11	1,808,703	1,677,671
Rental revenue from facilities and equipment	12	513,783	288,592
Finance income - external investments	13	-	-
Other income	14	-	-
Revenue from exchange transactions		152,512,901	167,987,122
<b>Total revenue</b>		<b>278,305,445</b>	<b>267,658,489</b>
<b>Expenses</b>			
Transfers to mentoring institutions	15	74,625,853	48,834,817
Use of goods and services	16	2,314,970	2,070,544
Employee costs	17	22,512,288	10,904,025
Remuneration of directors	18	1,173,000	-
Depreciation and amortization expense	19	106,565,367	72,098,790
Repairs and maintenance	20	5,748,826	988,440
Contracted services	21	2,459,430	-
General expenses	22	81,634,992	101,024,251
Finance costs	23	-	-
<b>Total expenses</b>		<b>297,034,725</b>	<b>235,920,867</b>
Other gains/(losses)			
Gain on sale of assets	24	-	-
Unrealized gain on fair value of investments	25	-	-
Impairment loss	26	-	-
Total other gains/(losses)		-	-
<b>Net Surplus for the year</b>		<b>(18,729,280)</b>	<b>31,737,622</b>

The notes set out on pages 17 to 47 form an integral part of the Annual Financial Statements.

KAIBOI TECHNICAL TRAINING INSTITUTE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

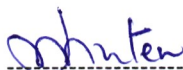
	Notes	2019/2020	2018/2019
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	139,946,712	30,117,494
Receivables from exchange transactions	28	111,252,947	53,506,221
Receivables from non-exchange transactions	29	16,500,000	22,440,000
Inventories	30	3,326,565	2,326,565
Investments	31	-	-
<b>Total Current Assets</b>		<b>271,026,223</b>	<b>108,390,280</b>
<b>Non-current assets</b>			
Property, plant and equipment	32	771,501,854	672,556,152
Intangible assets	33	-	-
<b>Total Non-current Assets</b>		<b>771,501,854</b>	<b>672,556,152</b>
<b>Total assets</b>		<b>1,042,528,078</b>	<b>780,946,432</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	35	23,655,352	22,746,954
Refundable deposits from customers	36	2,512,674	1,882,779
<b>Total Current Liabilities</b>		<b>26,168,026</b>	<b>24,629,733</b>
Non-current liabilities			
<b>Total Non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>26,168,026</b>	<b>24,629,733</b>
<b>Capital and Reserves</b>			
Revaluation Reserves		246,609,709	
Accumulated surplus as at 1st July		47,363,518	15,625,896
Surplus for the year		(18,729,280)	31,737,622
<b>Accumulated surplus</b>		<b>28,634,238</b>	<b>47,363,518</b>
Capital Fund		741,116,106	708,953,181
<b>Total Capital and Reserves</b>		<b>1,016,360,052</b>	<b>756,316,699</b>
<b>Total Liabilities and Capital &amp; Reserves</b>		<b>1,042,528,078</b>	<b>780,946,432</b>

The Financial Statements set out on pages 1 to 46 were signed on behalf of the Institute Board of Governors by:



Board of Governors

Date March 25, 2021



Finance Officer  
ICPAK No 19614

Date March 25, 2021



Principal

Date March 25, 2021

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

	Revaluation reserve	Fair value adjustment reserve	Retained earnings/Accumulated Reserves	Capital/		Total
				Grants/Fund	Development Grants/Fund	
<b>Balance b/f at July 1, 2018</b>	-	-	<b>15,625,896</b>	<b>733,986,106</b>	<b>749,612,002</b>	
Revaluation gain						-
Fair value adjustment on quoted investments						-
Net surplus for the year			31,737,622	-	31,737,622	
Capital/Development grants received during the year			-	3,565,000	3,565,000	
Transfer of depreciation/amortisation from capital fund to retained earnings						-
<b>Balance c/d as at June 30, 2019</b>	-	-	<b>47,363,518</b>	<b>737,551,106</b>	<b>784,914,624</b>	
<b>Balance b/f as at July 1, 2019</b>	-	-	<b>47,363,518</b>	<b>737,551,106</b>	<b>784,914,624</b>	
Revaluation gain	246,609,709				246,609,709	
Fair value adjustment on quoted investments						-
Net surplus for the year			(18,729,280)		(18,729,280)	
Capital/Development grants received during the year			-	3,565,000	3,565,000	
Transfer of depreciation/amortisation from capital fund to retained earnings						-
<b>Balance c/d as at June 30, 2020</b>	<b>246,609,709</b>	-	<b>28,634,238</b>	<b>741,116,106</b>	<b>1,016,360,052</b>	

Note:

1. Ksh 3,565,000 are funds received in the year under review for construction of science and engineering complex.
2. Opening balance relates to capital projects and funds received for capital projects in the year under review and prior years.

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

		<b>2019/2020</b>	<b>2018/2019</b>
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants		119,735,544	77,231,367
Public contributions and donations			
Rendering of services- Fees from students		197,412,337	112,514,638
Sale of goods		1,808,703	1,677,671
Rental revenue from facilities and equipment		336,674	288,592
<b>Total Receipts</b>		<b>319,293,258</b>	<b>191,712,268</b>
<b>Payments</b>			
Transfers to mentoring institutions		74,625,853	48,834,817
Compensation of employees		22,512,288	10,904,025
Use of goods and services		2,314,970	2,070,544
Remuneration of Directors		1,173,000	-
Repairs and maintenance		5,502,326	988,440
Contracted services		2,459,430	
General expenses		73,608,041	82,027,398
Other payments			
<b>Total Payments</b>		<b>182,195,908</b>	<b>144,825,224</b>
<b>Net cash flows from operating activities</b>		<b>137,097,350</b>	<b>46,887,044</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(30,833,132)	(32,780,943)
Proceeds from sale of property, plant and Equipment			
<b>Net cash flows used in investing activities</b>		<b>(30,833,132)</b>	<b>(32,780,943)</b>
<b>Cash flows from financing activities</b>			
Increase in deposits - capital grants		3,565,000	3,565,000
<b>Net cash flows used in financing activities</b>		<b>3,565,000</b>	<b>3,565,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>109,829,218</b>	<b>17,671,101</b>
Cash and cash equivalents at 1 July		30,117,494	12,446,393
<b>Cash and cash equivalents at 30 June 2019</b>	<b>27</b>	<b>139,946,712</b>	<b>30,117,494</b>

KAIBOI TECHNICAL TRAINING INSTITUTE  
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**16. STATEMENT OF COMPARISON OF BUDGETS AND ACTUAL AMOUNTS COMBINED  
(RECURRENT & DEVELOPMENT) FOR THE YEAR ENDED JUNE 30, 2020**

	Original budget	Adjustments		Final budget	Actual on comparable basis	Performance difference
	2019-2020	2019-2020		2019-2020	2019-2020	2019-2020
Revenue	Kshs	Kshs		Kshs	Kshs	Kshs
Transfers from national government recurrent grants	69,000,000	36,000,000		105,000,000	49,200,000	-53.14%
Transfer from Govt for mentoring institutions	-	64,595,544		64,595,544	76,592,544	18.57%
Transfers from national government development grants	5,000,000	-		5,000,000	3,565,000	-28.70%
Rendering of services- Fees from students	75,341,000	64,200,000		139,541,000	197,412,337	41.47%
Sale of goods- Farm and Computer classes	3,500,000	-		3,500,000	1,808,703	-48.32%
Gains on disposal, rental income and agency fees	360,000	-		360,000	336,674	-6.48%
<b>Total income</b>	<b>153,201,000</b>	<b>164,795,544</b>		<b>317,996,544</b>	<b>281,870,445</b>	
<b>Expenses</b>						
Compensation of Employees	26,496,000	(3,000,000)		23,496,000	22,512,288	-4.19%
Use of Goods and Services	6,900,000	(2,700,000)		4,200,000	2,314,970	-44.88%
Repairs and Maintenance	3,450,000	5,195,000		8,645,000	5,502,326	-36.35%
Property Plant and Equipment	64,350,000	-18,000,000		46,350,000	30,833,132	-33.48%
Transfers to mentoring Institutions	-	64,595,544		64,595,544	74,625,853	15.53%
General expenses	64,584,000	100,496,000		165,080,000	73,608,041	-55.41%
Provision for depreciation	65,000,000			65,000,000	106,565,367	63.95%
Board Expenses	-	3,000,000		3,000,000	1,173,000	-60.90%
Contracted services	-	2,630,000		2,630,000	2,459,430	-6.49%
<b>Total expenditure</b>	<b>230,780,000</b>	<b>152,216,544</b>		<b>382,996,544</b>	<b>327,239,049</b>	
Surplus for the period	(77,579,000)	(12,579,000)		(65,000,000)	(45,368,604)	

**Budget notes**

- i. The institute did not receive the full budgeted national government recurrent grants leading to a deficit of 53.14%
- ii. The institute did not receive the full budgeted national government development grants leading to a deficit of 28.70%
- iii. There is a decrease in computer classes due to Covid-19 leading to decrease of revenue by 48.32%
- iv. Rental income reduced by -6.48% because some tenants were away when..
- vi. Actual amount of use of goods and services reduced by 44.88% due to effects of COVID19 that let to closure of the institute.
- vii. Repairs and maintenance reduced by 33.48% because some of the repairs were not done as anticipated.
- viii. Property plant and equipment cost reduced by 33.48% due to delayed disbursement of grant.
- ix. General expenses reduced by 55.41% due to COVID 19..

**17. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Kaiboi Technical Training Institute is established by and derives its authority and accountability from TVET Act, 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is Technical Training, carrying out innovative research and community outreach programmes for sustainable socio-economic development.

**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 2012, the State Corporations Act, the TVET Act 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

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

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

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

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

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b> The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</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 entity's financial performance, financial position and cash flows.</li> </ol>
<p>Amendments to Other IPSAS resulting from</p>	<p><b>Applicable: 1st January 2022:</b></p>

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<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 41, Financial Instruments	<ul style="list-style-type: none"> <li>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.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>
Other Improvements to IPSAS	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</li> <li>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</li> <li>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</li> <li>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</li> </ul>

**iii. Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2020.

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

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

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

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

**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 entity.

**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 the entity's right to receive payments is established.

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

**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 2019/2020 was approved by the Board on 22/06/2019. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of Ksh 152,216,544 on the FY 2019/2020 budget following the Board's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17 of these financial statements.

**c) Taxes**

***Current income tax***

The entity is exempt from paying taxes as per schedule xxx of the xxx Act.

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Taxes (continued)**

*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.

**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 .xxx 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, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**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 the Entity. 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. The Entity 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 the Entity 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 the Entity. 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**

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

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets 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 the entity of 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 entity of debtors 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. The Entity 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Entity.

j) Provisions

Provisions are recognized when the Entity 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 Entity 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*

The Entity 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*

The Entity 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 the Entity 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)**

**k) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

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

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

**m) Employee benefits**

**Retirement benefit plans**

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

**o) 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)**

**p) Related parties**

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

**q) Service concession arrangements**

The Entity 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 Entity 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 Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**r) 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.

**s) Comparative figures**

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

**t) 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.

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

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

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

**Estimates and assumptions**

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

**Useful lives and residual values**

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

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

**Provisions**

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

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.

Provision for bad and doubtful debts is provided at 10 % of the total receivables at the end of the financial period.

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

**6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

Description	2019-2020	2018-2019
	KShs	KShs
<b>Unconditional grants</b>		
Operational grant	49,200,000	50,836,550
Mentoring institutions	76,592,544	48,834,817
<b>Conditional grants</b>		
Library grant		
Hostels grant		
Learning facilities grant		
Other organizational grants		
<b>Total government grants and subsidies</b>	<b>125,792,544</b>	<b>99,671,367</b>

**6b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES**

Name of the Entity 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	2019-2020
			KShs	KShs	KShs
State Department of VTTI	125,792,544	-	3,565,000	129,357,544	
	-	-	-	-	-
<b>Total</b>	<b>125,792,544</b>	<b>-</b>	<b>3,565,000</b>	<b>129,357,544</b>	

**7 GRANTS FROM DONORS AND DEVELOPMENT PARTNERS**

Description	2019-2020	2018-2019
	KShs	KShs
JICA- Research grant	-	-
World Bank grants	-	-
Other grants	-	-
<b>Total grants from development partners</b>	<b>-</b>	<b>-</b>

**Reconciliations of grants from donors and development partners**

Description	2019-2020	2018-2019
	KShs	KShs
<b>Balance unspent at beginning of year</b>	<b>-</b>	<b>-</b>
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
<b>Conditions to be met - remain liabilities</b>	<b>-</b>	<b>-</b>

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

**8 TRANSFERS FROM OTHER LEVELS OF GOVERNMENT**

Description	2019-2020	2018-2019
	KShs	KShs
Transfer from County xxx	-	-
Transfer from xxx University	-	-
Transfer from xxx institute	-	-
<b>Total Transfers</b>	<b>-</b>	<b>-</b>

**9 PUBLIC CONTRIBUTIONS AND DONATIONS**

Description	2019-2020	2018-2019
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from alumni	-	-
Other donations	-	-
<b>Total donations and sponsorships</b>	<b>-</b>	<b>-</b>

**10 RENDERING OF SERVICES**

Rendering of Services	2019/2020	2018/2019
Tuition fees and related income	63,033,750	43,838,169
Examination fees	35,000,000	33,219,471
Boarding	14,437,500	22,896,352
Contingencies	-	775,620
Electricity Water & Conservancy	4,027,800	6,120,260
Gratuity	-	829,911
Students ID	458,000	892,465
Local Transport & Travel	3,999,300	5,927,388
Medical	1,152,600	1,427,635
Personal Emolument	15,756,600	31,680,452
Development Fund (PTA)/Administrative fees	1,832,000	552,313
Repair Maintenance & Installation	2,013,900	2,558,043
Computer classes	-	499,230
Caution fees	549,600	1,094,734
Tender fees	5,000	51,000
Library charges	10,000	2,350
Application fees	458,000	890,700
Activity fees	4,013,865	6,246,354
Attachment fees	1,162,500	3,737,265
Students council fees	2,280,000	2,621,875
GPA Insurance	-	159,272
<b>Total Rendering of Services</b>	<b>150,190,415</b>	<b>166,020,859</b>

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

**11 . SALE OF GOODS**

<b>Sale of goods</b>	<b>2019/2020</b>	<b>2018/2019</b>
Sale of books		-
Sale of publications		-
Sale of farm produce	1,808,703	1,677,671
Others		
<b>Total Sale of goods</b>	<b>1,808,703</b>	<b>1,677,671</b>

**12 RENTAL REVENUE FROM FACILITIES AND EQUIPMENT**

<b>Rental Revenue from Facilities and Equipment</b>	<b>2019/2020</b>	<b>2018/2019</b>
Rent from staff quarters	513,783	288,592
Contingent rentals- debtors		-
<b>Total rentals</b>	<b>513,783</b>	<b>288,592</b>

**13 FINANCE INCOME**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
Cash investments and fixed deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
<b>Total finance income</b>	<b>-</b>	<b>-</b>

**14 OTHER INCOME**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	-
Services concession income	-	-
Skills development levy	-	-
Income from disposal of assets	-	-
<b>Total other income</b>	<b>-</b>	<b>-</b>

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

**15 TRANSFERS TO MENTORING INSTITUTIONS AND DEVELOPMENT**

<b>Transfers to mentoring institutions and development</b>	<b>2019/2020</b>	<b>2018/2019</b>
Tinderet technical	6,860,000	27,002,192
Emgwen tvc	23,122,544	8,748,363
Bomet central	1,000,000	9,539,262
Emsos TVC	1,545,000	2,545,000
Kimasian TVC	4,065,000	1,000,000
Njoro TVC	10,000,000	
Purchase of Furniture 12 institutions	28,033,309	-
<b>Total other income</b>	<b>74,625,853</b>	<b>48,834,817</b>

**16 USE OF GOODS AND SERVICES**

<b>Use of Goods and Services</b>	<b>2019/2020</b>	<b>2018/2019</b>
Electricity related Cost	2,314,970	2,070,544
Water		
<b>Total good and services</b>	<b>2,314,970</b>	<b>2,070,544</b>

**17 EMPLOYEE COSTS**

<b>Employee Costs</b>	<b>2019/2020</b>	<b>2018/2019</b>
Salaries and wages	19,615,011	5,349,697
Advances		728,200
NHIF		506,550
Gratuity	73,600	134,144
PAYE	-	575,069
Staff SACCO	-	2,793,909
Mwalimu SACCO	-	70,800
HELB deductions	-	73,176
Staff UNION	-	25,200
Social contributions-NSSF	2,823,677	647,280
<b>Total Employee costs</b>	<b>22,512,288</b>	<b>10,904,025</b>

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

**18 REMUNERATION OF DIRECTORS**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
BoG allowances	1,173,000	
Directors emoluments		
Other allowances		
<b>Total director emoluments</b>	<b>1,173,000</b>	<b>-</b>

**19 DEPRECIATION AND AMORTIZATION EXPENSE**

<b>Depreciation and Amortization Expense</b>	<b>2019/2020</b>	<b>2018/2019</b>
Property, plant and equipment	106,565,367	72,098,790
Intangible assets		
Investment property carried at cost		
<b>Total depreciation and amortization</b>	<b>106,565,367</b>	<b>72,098,790</b>

**20 REPAIRS AND MAINTENANCE**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
General Repairs & Maintenance	5,748,826	988,440
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Other	-	-
<b>Total repairs and maintenance</b>	<b>5,748,826</b>	<b>988,440</b>

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

**21. CONTRACTED SERVICES**

Description	2019-2020	2018-2019
	KShs	KShs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	2,459,430	-
Other contracted services		
<b>Total Contracted Services</b>	<b>2,459,430</b>	<b>-</b>

**22. GENERAL EXPENSES**

General Expenses	2019/2020	2018/2019
Training Materials(SES)	30,974,931	40,160,426
Boarding	10,782,897	17,727,125
Contingencies	237,857	356,125
Local Transport & Travelling	2,436,548	6,102,726
Medical	432,827	583,017
Bank charges and commission	128,573	135,195
GPA Insurance	-	203,864
KATTISO	2,353,279	2,445,670
Caution	64,200	36,000
PTA	-	2,719,923
Attachment	859,700	677,864
Activity	1,163,540	2,613,733
Application	1,701,346	295,167
Exam	21,720,334	17,364,070
Farm	1,923,961	2,250,000
Fees refund	395,715	1,850,961
Others	-	800,830
Computer classes-pu	139,493	310,514
Provision for Bad and Doubtful Debt	6,319,791	5,087,086
<b>Total General Expenses</b>	<b>81,634,992</b>	<b>101,024,251</b>

**23. FINANCE COSTS**

Description	2019-2020	2018-2019
	KShs	KShs
Borrowings (amortized cost)*	-	-
Finance leases (amortized cost)	-	-
Unwinding of discount	-	-
Interest on Bank overdrafts	-	-
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	<b>-</b>	<b>-</b>

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

**24. GAIN ON SALE OF ASSETS**

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
<b>Total gain on sale of assets</b>	<b>-</b>	<b>-</b>

**25. UNREALIZED GAIN ON FAIR VALUE INVESTMENTS**

Description	2019-2020	2018-2019
	KShs	KShs
Investments at fair value	-	-
<b>Total gain</b>	<b>-</b>	<b>-</b>

**26. IMPAIRMENT LOSS**

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
<b>Total impairment loss</b>	<b>-</b>	<b>-</b>

**27. CASH AND CASH EQUIVALENTS**

Cash and Cash Equivalents	2019-2020	2018-2019
KCB Bank -1102452637	4,716,371	12,691,542
KCB Bank -1131415027	195,411	311,501
Absa bank-0031091527	45,301,186	4,898,002
Absa bank-0031030404	4,574,610	665,483
Absa-2041544778	85,159,134	9,342,657
Cash in Hand, money orders	-	2,208,309
<b>Total cash and cash equivalents</b>	<b>139,946,712</b>	<b>30,117,494</b>

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

**27 (b). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS**

		2019-2020	2018-2019
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
<b>Sub- total</b>		-	-
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		-	-
<b>c) Fixed deposits account</b>			
Kenya Commercial bank		-	-
<b>Sub- total</b>		-	-
<b>d) Others(specify)</b>			
Cash in transit		-	-
cash in hand		-	-
<b>Sub- total</b>		-	-
<b>Grand total</b>		-	-

**28. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

Description	2019-2020	2018-2019
	KShs	KShs
<b>Current receivables</b>		
Student debtors	122,649,264	59,451,357
Rent debtors	577,109	-
Consultancy debtors		-
Other exchange debtors-advance	291,500	-
Less: Provision for Bad and Doubtful Debt	(12,264,926 )	(5,945,135.70)
<b>Total current receivables</b>	111,252,947	53,506,221

28(b)

Description	2019-2020	2018-2019
	KShs	KShs
<b>Non-current receivables</b>		
Student debtors	-	-
Rent debtors	-	-
Consultancy debtors	-	-
Other exchange debtors-advance	-	-
Less: Provision for Bad and Doubtful Debt	-	-
Current portion transferred to current receivables	(-)	(-)
<b>Total non-current receivables</b>	-	-
<b>Total receivables</b>	-	-

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

**29. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

Description	2019-2020	2018-2019
	KShs	KShs
<b>Current receivables</b>		
Transfers from other govt. entities	16,500,000	22,440,000
Undisbursed donor funds		
Other debtors (non-exchange transactions)		
Less: impairment allowance	(-)	(-)
<b>Total current receivables</b>	<b>16,500,000</b>	<b>22,440,000</b>

**30. INVENTORIES**

Description	2019-2020	2018-2019
	KShs	KShs
Consumable stores	326,695	300,975
Maintenance stores	287,680	772,060
Health Unit stores	-	277,855
Farm inputs	828,880	-
Cleaning materials stores	35,443	41,605
Catering stores	1,847,867	934,070
<b>Total inventories</b>	<b>3,326,565</b>	<b>2,326,565</b>

**31. INVESTMENTS**

Description	2019-2020	2018-2019
	KShs	KShs
<b>a) Investment in Treasury bills and bonds</b>		
<b>Financial institution</b>		
CBK	-	-
CBK	-	-
<b>Sub- total</b>	-	-
<b>b) Investment with Financial Institutions/ Banks</b>		
Bank x	-	-
Bank y	-	-
<b>Sub- total</b>	-	-
<b>c) Equity investments (specify)</b>		
Equity/ shares in company xxx	-	-
<b>Sub- total</b>	-	-
<b>Grand total</b>	-	-

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

**d) Shareholding in other entities**

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

Name of entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Shs	Shs	Shs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
Entity D	-	-	-	-	-	-
	-	-	-	-	-	-

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

**32. PROPERTY, PLANT AND EQUIPMENT**

	Land		Buildings and structures		Motor vehicles		Furniture and fittings		Computers		Plant and Equipment		Capital Work in progress		Total	
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
<b>Cost</b>																
At 1 July 2018	74,000,000	351,198,456	10,940,000	18,416,700	21,185,000	232,500,000	1,470,760	709,710,916								
Additions	0	6,021,037	3,630,182	5,760,280	7,447,660	2,344,796	9,740,071	34,944,026								
Disposals																
At 30th June 2019	74,000,000	357,219,493	14,570,182	24,176,980	28,632,660	234,844,796	11,210,831	744,654,942								
Depreciation and impairment																
At 1 July 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	8,930,487	3,642,546	3,022,123	9,534,676	46,968,959	-	72,098,790								
On Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2019	-	8,930,487	3,642,546	3,022,123	9,534,676	46,968,959	-	72,098,790								
<b>Net book values</b>																
At 30 June 2019	74,000,000	348,289,006	10,927,637	21,154,858	19,097,984	187,875,837	11,210,831	672,556,152								
1st July 2019	74,000,000	348,289,006	10,927,637	21,154,858	19,097,984	187,875,837	11,210,831	672,556,152								
Adjustment																
Revaluation reserve	560,000	27,174,963	-1,582,637	-862,758	-596,184	222,065,533	0	246,758,917								
Additions	0	0	11,150,000	2,881,225	1,632,346	1,409,562	13,610,790	30,683,923								
WIP																
As at 30 June 2020	74,560,000	382,803,759	20,495,000	23,173,325	20,134,146	411,350,932	17,648,850	950,166,011								
Depreciation and impairment																
At 1 July 2019	0	8,930,487	3,642,546	3,022,123	9,534,676	46,968,959	-	72,098,790								
Depreciation	0	9,570,094	5,123,750	2,896,666	6,704,671	82,270,186		106,565,367								
At 30 June 2019	0	18,500,581	8,766,296	5,918,789	16,239,347	129,239,145		178,664,157								
<b>Net book values</b>																
At 30 June 2020	74,560,000	364,303,178	11,728,704	17,254,536	3,894,799	282,111,787	17,648,850	771,501,854								
At 30 June 2019	74,000,000	348,289,006	10,927,637	21,154,858	19,097,984	187,875,837	11,210,831	672,556,152								
Depreciation rates	0.00%	2.50%	2.5%	12.50%	33.30%	20%	0									

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

**33. INTANGIBLE ASSETS-SOFTWARE**

Description	2019-2020	2018-2019
	KShs	KShs
<b>Cost</b>		
<b>At beginning of the year</b>	-	-
Additions	-	-
<b>At end of the year</b>	-	-
Additions–internal development	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization	-	-
<b>At end of the year</b>	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

**34. INVESTMENT PROPERTY**

Description	2019-2020	2018-2019
	KShs	KShs
<b>At beginning of the year</b>	-	-
Additions	-	-
Fair value gain	-	-
Depreciation(where investment property is at cost)	(-)	(-)
<b>At end of the year</b>	-	-

**35. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description	2019-2020	2018-2019
	KShs	KShs
Trade payables	6,726,078	22,746,954
Fees paid in advance	16,929,274	-
Employee advances	-	-
Third-party payments-	-	-
Other payables- retention fees	-	-
<b>Total trade and other payables</b>	<b>23,655,352</b>	<b>22,746,954</b>

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**36. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS**

Description	2019-2020	2018-2019
	KShs	KShs
Consumer deposits		
Caution money	2,512,674	1,882,779
Other refundable deposits		
<b>Total deposits</b>	<b>2,512,674</b>	<b>1,882,779</b>

**37. CURRENT PROVISIONS**

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
<b>Balance at the beginning of the year</b>	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)
Change due to discount and time value for money	(-)	(-)	(-)	(-)
Transfers from non -current provisions	-	-	-	-
<b>Total provisions</b>	-	-	-	-

**38. FINANCE LEASE OBLIGATION**

Description	Minimum lease payments	Future finance charges	Present value of minimum lease payments	2019-2020
	KShs	KShs	KShs	KShs
Within current year	-	-	-	-
Long term portion of lease payments	-	-	-	-
<b>Total provisions</b>	-	-	-	-

**39. DEFERRED INCOME**

Description	2019-2020	2018-2019
	KShs	KShs
National government	-	-
International funders	-	-
Public contributions and donations	-	-
<b>Total deferred income</b>	<b>-</b>	<b>-</b>

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

The deferred income movement is as follows:

	National government	International funders/ donors	Public contributions and donations	Total
Balance brought forward	-	-	-	-
Additions during the year	-	-	-	-
Transfers to Capital fund	(-)	(-)	(-)	(-)
Transfers to income statement	(-)	(-)	(-)	(-)
Other transfers	(-)	(-)	(-)	(-)
Balance carried forward	-	-	-	-

**40. EMPLOYEE BENEFIT OBLIGATIONS**

Description	Defined benefit plan	Post- employment medical benefits	Other Provisions	2019-2020	2018-2019
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-	-
Non-current benefit obligation	-	-	-	-	-
<b>Total employee benefits obligation</b>	-	-	-	-	-

The entity operates a defined benefit scheme for all full-time employees from July 1, 2020. The scheme is based on xxx percentage of salary of an employee at the time of retirement. During the year, 2019/2020 actuarial valuers were engaged to value the scheme. The liability at the end of the year is as follows:

	2019-2020	2018-2019
	KShs	KShs
Valuation at the beginning of the year	-	-
Changes in valuation during the year	-	-
Valuation at end of the year	-	-

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

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**41. NON-CURRENT PROVISIONS**

Description	Long service leave	Gratuity	Other Provisions	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)
Change due to discount and time value for money	-	-	-	-
Less: Current portion	(-)	(-)	(-)	(-)
<b>Total deferred income</b>	-	-	-	-

(NB: The current portion deducted in this note should tie to line on current portion transferred from non- current provisions under note 37)

**42. BORROWINGS**

Description	2019-2020	2018-2019
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	(-)	(-)
Repayments of domestics borrowings during the year	(-)	(-)
Balance at end of the period	-	-

**43 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS**

Description	2019-2020	2018-2019
	KShs	KShs
<b>External Borrowings</b>		
Dollar denominated loan from 'xxx organisation'	-	-
Sterling Pound denominated loan from 'yyy organisation'	-	-
Euro denominated loan from zzz organisation'	-	-
<b>Domestic Borrowings</b>		
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
<b>Total balance at end of the year</b>	-	-

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

**43 b) BREAKDOWN OF LONG AND SHORT TERM BORROWINGS**

Description	2019-2020	2018-2019
	KShs	KShs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
<b>Total</b>	-	-

**43. SERVICE CONCESSION ARRANGEMENTS**

Description	2019-2020	2018-2019
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	(-)	(-)
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	(-)	(-)
Service concession liability at end of the year	-	-

**44. CASH GENERATED FROM OPERATIONS**

Description	2019-2020	2018-2019
	KShs	KShs
<b>Surplus for the year before tax</b>		
<b>Adjusted for:</b>		
Depreciation	-	-
Non-cash grants received	(-)	(-)
Contributed assets	(-)	(-)
Impairment	-	-
Gains and losses on disposal of assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance income	(-)	(-)
Finance cost	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	(-)	(-)
Increase in receivables	(-)	(-)
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	-	-

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

**45. FINANCIAL RISK MANAGEMENT**

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

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

**(i) Credit risk**

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

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

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

	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30 June 2019</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2020</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)*

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

**46. 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.

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

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

**(ii) Liquidity risk management**

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2019</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2020</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-

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**46. FINANCIAL RISK MANAGEMENT (Continued)**

**(iii) Market risk**

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity 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 the entity'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.

The company'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 the entity's exposure to market risks or the manner in which it manages and measures the risk.

**a) Foreign currency risk**

The entity 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 the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	<b>Ksh</b>	<b>Other currencies</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June 2020</b>			
Financial assets(investments, cash ,debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

The entity 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.

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

**46. FINANCIAL RISK MANAGEMENT (Continued)**

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2020</b>			
Financial assets(investments, cash ,debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

**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.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>20xx</b>			
Euro	10%	-	-
USD	10%	-	-
<b>20xx</b>			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

Interest rate risk is the risk that the entity'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.

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

**46 FINANCIAL RISK MANAGEMENT (Continued)**

(iii) Market risk (Continued)

b) Interest rate risk(continued)

*Sensitivity analysis*

The entity 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.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (2016: KShs xxx ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (2012 – KShs xxx)

**iv) Capital Risk Management**

The objective of the entity’s capital risk management is to safeguard the Board’s ability to continue as a going concern. The entity capital structure comprises of the following funds:

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
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>	0%	0%

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

**46. RELATED PARTY BALANCES**

**Nature of related party relationships**

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

**Government of Kenya**

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

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

	2019-2020	2018-2019
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>		
Sales of goods to xxx	-	-
Sales of services xxx	-	-
<b>Total</b>	-	-
<b>b) Grants from the Government</b>		
Grants from National Govt	76,592,544	48,834,817
Grants from County Government	-	-
Donations in kind	-	-
<b>Total</b>	76,592,544	48,834,817
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
<b>Total</b>	-	-
<b>d) Key management compensation</b>		
Directors' emoluments	-	-
Compensation to the CEO	-	-
Compensation to key management	-	-
<b>Total</b>	-	-

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

**47. SEGMENT INFORMATION**

*(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)*

**48. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

Contingent liabilities	2019-2020	2018-2019
	Kshs	Kshs
Court case xxx against the company	-	-
Bank guarantees in favour of subsidiary	-	-
<b>Total</b>	-	-

*(Give details)*

**49. CAPITAL COMMITMENTS**

Capital commitments	2019-2020	2018-2019
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
<b>Total</b>	-	-

*(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)*

**50. EVENTS AFTER THE REPORTING PERIOD**

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

**51. ULTIMATE AND HOLDING ENTITY**

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

**52. Currency**

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

18. APPENDICES

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Opening Balances	There was no guidelines from National treasury	National treasury	In progress	
2	Refundable deposits from customers	The management is in the process of seeking approval from the board and national treasury to open a separate bank account	Principal	In progress	
3.	Student Debtors	Debtors policy has been approved by the board	Principal	Resolved	
4	Trade Payables Payable from Exchange Transactions	Creditors policy has been approved by the board	Principal	Resolved	
5	Failure to Observe One Third Rule on Staff Establishment	It true there is ethnicity imbalance but the institutions will be considering one third rule in the subsequent recruitment	Principal	In progress	
6.	Transfers to Mentoring Institutions	The tender documents are available for audit review	Principal	Resolved	
7	Risk management policy	The policy is the process of being approved by the board	Principal	In progress	

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Referen ce No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue ( <i>Name and designation</i> )	Status: ( <i>Resolved / Not Resolved</i> )	Timefra me: ( <i>Put a date when you expect the issue to be resolved</i> )
8	Lack of Internal Audit Committee	The institution through the BoG has established internal audit committee	BoG	Resolved	
9	Failure to Establish an Internal Audit Function	The Institution has recruited an internal auditor	BoG	Resolved	

**Guidance Notes:**

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



Kaiboi Technical Training Institute  
Chairman of the Board  
Date March 25, 2021

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

**Projects**

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

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

**Status of Projects completion**

*(Summarise the status of project completion at the end of each quarter, ie total costs incurred, stage which the project is etc)*

	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-ENTITY TRANSFERS**

	<b>ENTITY NAME:</b>			
	<b>Break down of Transfers from the State Department of VTTI</b>			
	<b>FY 2019/2020</b>			
<b>a.</b>	<b>Recurrent Grants</b>			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		18/7/2019	22,440,000	2018/2019
		28/10/2019	5,197,500	2019/2020
		18/6/2020	27,502,500	2019/2020
	<b>Mentoring institution</b>			
	Emsos TTI	18/7/2019	1,545,000	2019/2020
	Tinderet TTI	28/10/2019	3,785,000	2019/2020
	Tinderet TTI	6/5/2020	3,075,000	2019/2020
	Kimasian TTI	6/5/2020	1,000,000	2019/2020
	Bomet Central TTI	6/5/2020	1,000,000	2019/2020
	Kimasian TTI	6/5/2020	1,065,000	2019/2020
		<b>Total</b>	<b>66,610,000</b>	
<b>b.</b>	<b>Development Grants</b>			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Kaiboi TTI	18/7/2019	3,565,000	2019/2020
	Emgwen tvc	15/7/2019	23,122,544	2019/2020
	Furniture	18/7/2019	30,000,000	2019/2020
		<b>Total</b>	<b>56,687,544</b>	

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

Finance Manager  
Kaiboi Technical Training Institute

Sign 

Head of Accounting Unit  
Ministry of Education

Sign-----

KAIBOI TECHNICAL TRAINING INSTITUTE  
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**APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized					Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific		
Ministry of Education	18/7/2019	Development	3,565,000	-	3,565,000	-	-	-	3,565,000	
Ministry of Education	04/7/2020	Recurrent	16,500,000	16,500,000	-	16,500,000	-	-	16,500,000	
Ministry of Education	28/10/2019	Recurrent	5,197,500	5,197,500	-	-	-	-	5,197,500	
Ministry of Education	18/6/2020	Recurrent	27,502,500	27,502,500	-	-	-	-	27,502,500	
Ministry of Education	various	Mentoring institutions	76,592,544	76,592,544	-	-	-	-	76,592,544	
<b>Total</b>			<b>129,357,544</b>	<b>125,792,544</b>	<b>3,565,000</b>	<b>-</b>	<b>16,500,000</b>	<b>-</b>	<b>129,357,544</b>	

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**APPENDIX V: RECORDING OF ACCOUNT BALANCES FOR MENTORING INSTITUTIONS**

PARTICULARS	ACCOUNT NO	BANK	ACCOUNT BALANCE Ksh
Tinderet TVC	1197945830	KCB NANDI HILLS	92,408.90
Tinderet TVC	1178002446	KCB ELDORET EAST	711,715.30
Emgwen TVC	1178002578	KCB ELDORET EAST	18,713,973.00
Njoro TVC	1260436969	KCB ELDORET EAST	4,754.00
Bomet TVC	1178002535	KCB ELDORET EAST	879,904.50
<b>TOTAL</b>			<b>20,402,755.70</b>