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THE NATIONAL ASSEMBLY	
REPORT	
DATE: 23 MAR 2022	
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THE AUDITOR-GENERAL

ON

SOT TECHNICAL TRAINING INSTITUTE

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



SOT TECHNICAL TRAINING INSTITUTE



ANNUAL REPORT AND FINANCIAL STATEMENTS








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


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

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THE BOARD OF GOVERNORS

<p>1. Michael Kipkirui Cheru...</p> 	<p>MA-project planning & mgt -UON &Bsc- Ind-Technology - Egerton University General Manager – Korokwony Co-operative Date of Birth-23/08/1983 9 years' Work experience</p>
<p>2. Kipkirui Joseph Rono</p> 	<p>MED-Educational Planning-Kenyatta University Coordinator-Sotik Campus Date of Birth-27/11/1968 30 years' Work experience</p>
<p>3. Dr. Willy K. Rugutt</p> 	<p>PHD. (Accounting and Finance) MBA-Accounting and Finance-University of Nairobi Lecturer-University of Kabianga</p>
<p>4. Pauline W.Maina</p> 	<p>Master of Management-HRM option-Oral Roberts University-USA Manager-KIM Narok Branch Centre manager – Centum Investment Ajiry Date of Birth-22/03/1978</p>
<p>5. Beatrice Chebet</p> 	<p>BSC Water engineering – Egerton University Director Bomet water Company</p>
<p>6. Wesley K. Kerich</p> 	<p>BSC Electrical and electronic engineering – Moi University Regional manager Kenya Power Company Date of Birth-12/04/1979</p>
<p>7. Lilian Osir</p> 	<p>BSC Chemical and processing Engineering - Moi University Production manager Pro-gas Date of Birth-22/05/1991 7 years' Work experience</p>

8. Mr Robert K. Cheres		MSC Pure and Applied mathematics – Kenyatta University Principal – SOT TTI
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MANAGEMENT TEAM

1. Mr Robert K. Cheres		Principal/ BOG Secretary MSC Pure and Applied mathematics – Kenyatta University
2. Mr David Kurgat		Deputy Administration Master of education in leadership and policy education.
3. Mr Tiony Abdi		Deputy academics Master of Education in Technology Education- mechanical&Automotive Technology
4. Mr Lincoln Langat		Registrar Masters in ICT and agricultural engineering.
5. Mr Rono Ronald		Finance BBM Banking and finance option-moi university CPAK-KASNEB

BOARD OF GOVERNORS SUB-COMMITTEES

a) FINANCE AND HUMAN RESOURCES COMMITTEE

Dr. Willy K. Rugutt	Chairman
Wesley K. Kerich	Member
Pauline W. Maina	Member

b) AUDIT AND RISK COMMITTEE

Beatrice Chebet	Chairperson
Joseph KipKirui Rono	Member
Pauline W. Maina	Member

c) TECHNICAL AND ACADEMIC COMMITTEE

Lillian Osir	Chairperson
Joseph KipKirui Rono	Member
Beatrice Chebet	Member

CHAIRMAN'S STATEMENT

I am pleased to report that Sot Technical Training Institute has continued to perform well and to produce exemplary results in Kenya National Examinations Council. I take this opportunity to share with you my views on the key initiatives and achievements we have had over the year on economic performance, Education sector changes, financial performance and operations and risk associated with the Institution and our future outlook.

ECONOMIC FOCUS

In order to ensure efficient and effectiveness in the provision of Technical Vocational Training, we have developed necessary policies and institutional framework to direct the running of the Institution in line with vision 2030, The Big4 Agenda and Sustainable Development Goals. Since September 2018, the Institution has experienced tremendous growth in Students enrolment. Our current population is 3242 from 2762 students in the year 2018/2019.

We thank the Government for providing state-of-the- art Training equipment that have helped increase the quality of Training and to enable us align our graduates with regional and global opportunities and innovations.

REVIEW OF THE SECTOR AND CHANGES

During the year, we have witnessed a positive growth in Students enrolment owing to reduction in fees payable as a result of Government Capitation in a move to ensure Technical Vocational Training is affordable to every high school graduate who has not met the required threshold to join University. The Transition has been successful and is ongoing.

RISK MANAGEMENT

The Technical Training sector presents plenty of opportunities as well as risks, both of which need to be analysed in order to deliver sustainable long-term returns, without compromising training outcomes. SOT T.T.I has developed an enterprise risk management policy and framework to ensure that our activities are aligned with our strategic plan and objectives. The Board of management regularly reviews risks identified such as, competition, information credit and operations risks on how they are being mitigated by various risk owners.

OPERATION AND MANAGEMENT

In the Spirit to Excel in Scientific and Technological Innovations, we endeavour to be a centre of Excellence in science, Technological Trainings and Innovations thereby producing competent graduates capable of integrating the acquired skills in innovative nation building in line with the Big4 Agenda; Food

Security, Affordable Housing, universal health care and manufacturing. Sot T.T.I has continuously participated in robotic and science trade fairs and in the current year one of our student managed to rise up to the national level in TVETs competitions.

OUTLOOK

I am indebted to the Board of Management for providing supportive and complementary role while making progressive decisions towards directing this great Institution. I am impressed with their wealth of knowledge and experience in many different business and operational settings. I strongly assure all our Stakeholders that SOT T.T.I shall remain committed and will deliver exceptional services and opportunities consistent to needs of the Students, Government and the wider community without compromising the principles of corporate governance, ethics and sustainability.

Going forward SOT T.T.I is committed to working closely in collaboration with other Technical Vocational Training Institutions, Technical Trainers colleges, Universities, other institutions of Higher learning and partners, to ensure that our students continue to receive Competency Based Training.

As I conclude I would like to reiterate that sot technical training institute is highly committed to prudent financial management as per the public finance management Act.



MICHAEL KIPKIRUI CHERUIYOT
CHAIRMAN OF THE GOVERNING BOARD
19th January, 2021

REPORT OF THE PRINCIPAL

It is claring truth that Sot Technical Training Institute has just opened its first chapter of its existence and I believe that it is surely going to be one of Bomet's greatest success stories, one that will leave an impression for decades to come. This is purely based on faith in God who holds the universe and therein for we know Him as the only source of our success and prosperity.

Our Aspirations

Not only are we aspiring to become the largest training institute in Bomet but also the most relevant, vibrant, accessible and the most affordable postsecondary choice in Bomet county and the entire country. Our role is to be the county's leading workforce training provider, and to be at the center stage in revitalizing our economy. As Bomet stands ready to lead the nation, Sot TTI stands ready to lead the way.

Building a Stronger County

Sot Technical Training Institute is inspired by the opportunity we have to help build a stronger Bomet county, and optimistic about the future. Our theme for 2019/2020 FY 'Accelerating Greatness 2020' reflects this optimism and details the ambitious goals we have in the coming years. Our true benchmark, however, is the stories of those we serve: our students, the innovative Kenyan companies we partner with to improve workforce skills, and the organizations that share our common vision for the future of our country's economy. Collectively, these stories demonstrate the incalculable, unmatched power that education/Training has to Change Lives and the opportunity we all have to make Bomet county and Kenya as a nation Great. We encourage you to follow our progress at Sot TTI Accelerating Greatness.

Success of Each Student

The success of each student who enrolls at Sot TTI is the primary focus of our Institute's administration and staff. We strive to welcome all students in a way that positions them for success, guides them through their progress in a way that helps them overcome obstacles along the way, and keeps them focused on completion in a way that encourages them to excel. Whether their goal is a career, transfer to University, or just the satisfaction of attaining a college diploma or certificate, Sot TTI is committed to giving them every opportunity to thrive and giving them the skills they need to Make Bomet and Kenya Great.

Accelerating Greatness 2020

At the center of **Accelerating Greatness 2020** are four strategies that will guide our resource allocation and decision- making process:

1. Ensuring that students achieve their educational goals
2. Ensuring that workforce from the institute are globally competitive
3. Ensuring an adequate and sustainable human resource base
4. Ensuring attainment of our vision through well-thought global networking and linkages.

Relevant Training

Today's business environment is more competitive than ever. As a result, Bomet county and Kenya at large needs a world-class workforce to help businesses succeed and to recruit and retain jobs. In serving as the fuel that drives Bomet's and Kenya's economic engine, Sot TTI works with employers to determine what skills they need from their employees, while also providing training that meets a variety of needs - everything from customized training and short-term flexible certification programs to National Diploma that result in jobs where people are needed most and that transfer to universities. By ensuring that our classes and training are relevant to every rung on the career ladder, Sot TTI is helping Bomet county keep pace with the global economy.

Quality and Efficiency

At Sot TTI, we believe quality and efficiency are inexorably linked. In order to provide those, we serve with unmatched programs, products, and services, it is imperative that we eliminate waste, red tape, and the types of duplicated efforts that conceal best practices. As we aspire to be a large institute with a complex mission, Sot TTI must leverage technology and be agile enough to adapt to a variety of needs, while ensuring an optimal deployment of resources. The degree to which we are a good steward of these resources is not, therefore, just a measure of our efficiency but also a measure of quality. We shall therefore endeavor in integrating information communication technology in both training and our management system.

Projects undertaken

Major Projects undertaken during the year include;

Completion of the Construction of Science laboratory, food and beverage workshop block which is estimated at 35% completion rate of the ground floor and wing B of workshop and laboratories.

Conclusion

At Sot TTI, your thirst for training is our business. Every person in our institution is important and there is space for everybody. We value you all.

WELCOME.



ROBERT CHERES
PRINCIPAL

REVIEW OF SOT TECHNICAL TRAINING INSTITUTE'S PERFORMANCE FOR FY 2019/2020

Sot Technical Training Institute has 9 strategic pillars and objectives within its Strategic Plan for period January 2019 to December 2023. These strategic pillars are as follows:

1. HUMAN RESOURCE
2. STUDENTS
3. PHYSICAL INFRASTRUCTURE
4. ACCESSIBILITY
5. WATER
6. EQUIPMENT
7. FINANCIAL RESOURCES
8. ICT INTEGRATION

Sot Technical Training Institute develops its annual work plans based on the above 9 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Sot Technical Training Institute achieved its performance targets set for the FY 2019/2020 period for its 9 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: HUMAN RESOURCE	<ul style="list-style-type: none"> ❖ Harness Human resource ❖ To upgrade the skills of Teaching and Non-Teaching staff 	<ul style="list-style-type: none"> ❖ Increased number of staff to match the increasing number of students ❖ Effective trainings carried out on teaching and non – teaching staff 	<ul style="list-style-type: none"> ❖ Write letters to Ministry of Education requesting for trainers in all areas of training. ❖ Make visits to Ministry of Education State Department of TVET to request for more trainers. ❖ Recruit BOG staff ❖ Train the Non-Teaching and teaching staff 	<ul style="list-style-type: none"> ❖ New BoG and PSC trainers have been employed ❖ Several trainings conducted on staff.
Pillar 2: STUDENTS	<ul style="list-style-type: none"> ❖ To increase student enrolment ❖ Increase the number of courses 	<ul style="list-style-type: none"> ❖ Increased number of trainees 	<ul style="list-style-type: none"> ❖ To introduce more market driven courses ❖ To market and to do publicity for the institute ❖ To participate in sports and recreational activities. ❖ To undertake corporate social responsibility to the community ❖ 	<ul style="list-style-type: none"> ❖ There is increase in student numbers
Pillar 3: PHYSICAL INFRASTRUCTURE	To provide the physical	<ul style="list-style-type: none"> ❖ Increased Teaching Infrastructure 	<ul style="list-style-type: none"> ❖ To construct workshops for training purposes ❖ To equip training workshops 	construction of food and Beverage

TRUCTR E	infrastructure in the Institute	❖ Increased support Infrastructure	❖ To equip the existing library ❖ To construct a Female hostel ❖ To purchase land for expansion ❖ To construct a recreational Centre. ❖ To Construct water storage tank	complex launched 1 st quarter of 2020/2021.
Pillar 4: ACCESSI BILITY	To improve the road- network within the Institution	❖ Construct civil works within the institute	❖ To construct access roads within the institute ❖ To construct parking bays	Institution's roads have been improved
Pillar 5: WATER	To provide adequate and sustainable water supply for the Institute	➤ Construct civil works within the institute	❖ Strengthen existing competitiveness benchmarks ❖ Establish new competitiveness benchmarks	❖ Student numbers have continued to increase
Pillar 6: EQUIPM ENT	To provide adequate training equipment for various courses. ❖	❖ To provide training equipment	❖ To procure more training equipment for various courses ❖ Establish more workshops	❖ Student numbers have continued to increase
Pillar 8: FINANCI AL RESOUR CES	❖ Diversify sources and increase funding	❖ Establishment of Public- Private Partnerships ❖ lobby the Government	❖ Establish Short-Term courses ❖ Offer Conference facilities ❖ Identify the relevant industries in the private sector ❖ Negotiate partnership agreements with the identified industries	❖ To establish adequate source of funding for the

		<p>for more funding</p> <ul style="list-style-type: none"> ❖ Establishment of production unit in the Institute 	<ul style="list-style-type: none"> ❖ Write funding proposals and budgets to the government for more funding 	Institutes projects
Pillar 9: ICT INTEGRATION	<ul style="list-style-type: none"> ❖ To integrate ICT in management and training in the institution 	<ul style="list-style-type: none"> ❖ Establishment of a Management Information System ❖ integrated ICT in curriculum delivery 	<ul style="list-style-type: none"> ❖ Install the MIS Software and hardware ❖ Train the staff on MIS ❖ Procure desktop computers, laptops and LCDs. ❖ Procure the training software ❖ Procure and install LAN 	<ul style="list-style-type: none"> ❖ Most Objectives achieved

CORPORATE GOVERNANCE STATEMENT

Sot Technical Training Institute is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens Board and management accountability and helps build public trust in the Institute.

The Board is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, science and technology to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Board serves as the ultimate decision making body of the Institute, except for those matters reserved to or shared with the Government of Kenya. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Institute in line with the Technical, Vocational, Education & Training Act of 2013 and the constitution of the Republic of Kenya.

The Board has established Corporate Governance Guidelines which provide a framework for the effective governance of the Institute. The guidelines address matters such as the Governing Board's Vision and mission, overall strategy, members' responsibilities, Board committee structure, recommendation of the Chief Executive Officer, Over-sighting the performance and evaluation of management. The Board regularly reviews developments in corporate governance and updates the Corporate Governance Guidelines and other governance materials as it deems necessary and appropriate.

The Institute's corporate governance materials, including the Corporate Governance Guidelines, the Institute's legal order, the terms and reference for each Board committee, the Institute's Codes of Business Conduct, information about how to report concerns about the Institute and the Institute's public policy engagement and technological contributions policy.

During the year under review, the board of governance held 14 meetings.

The remunerations for the board of governance are in form of sitting allowances which are in line with the industry allowances.

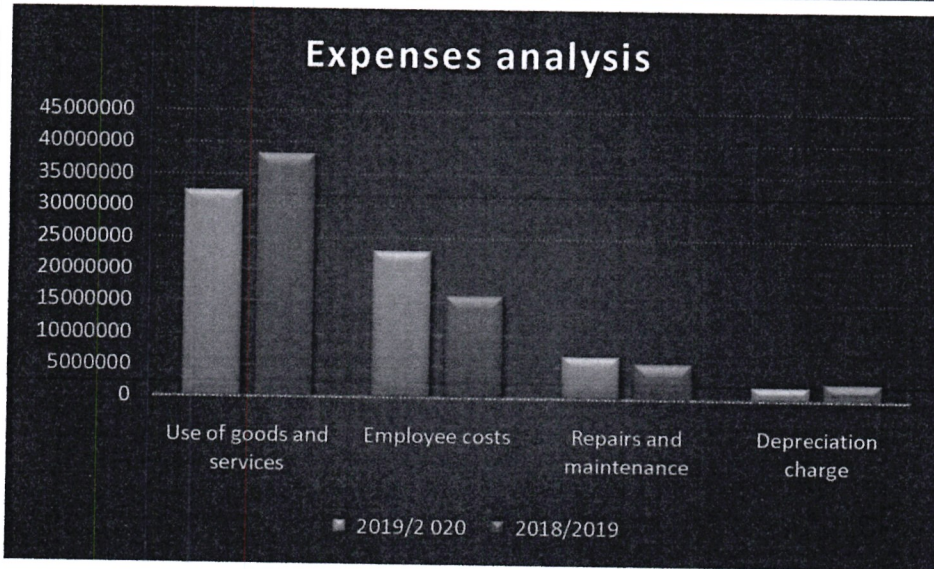
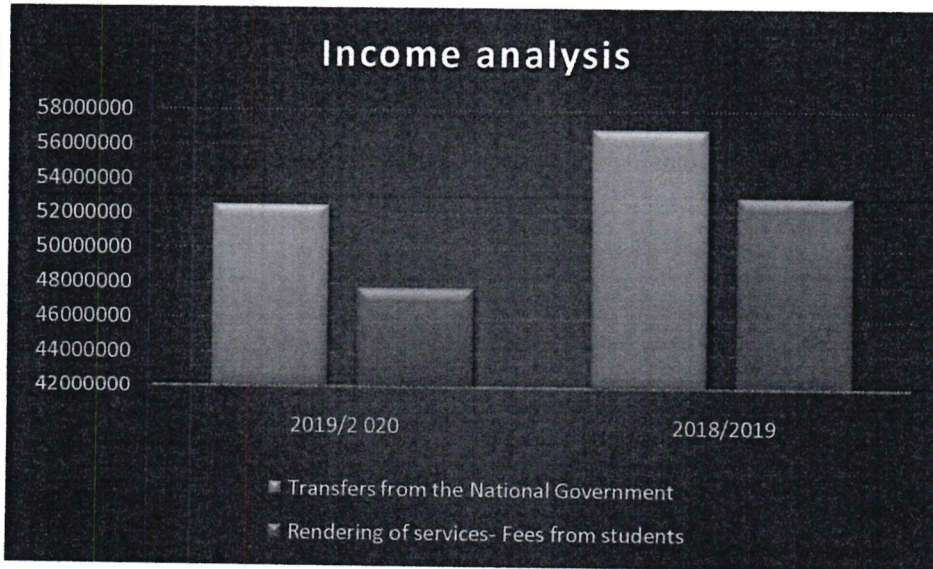
Succession plan

The current board of governors' term is expiring on 25th October 2021 and the nomination of the new board that will take over from November 2021 will kick start at least six months before the expiry of the current board of governors.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review, student enrolment increased from 2762 to 3242 this is due to active marketing by the management. Though the student numbers increased during the year both exchange and non-exchange income reduced due to effects of covid-19 pandemic that affected the globe from March 2020.

Below is an analysis of income and expenses.



The Institution is experiencing tremendous growth and the management will have to vigorously pursue additional funding and technical support from the Government agencies and development partners. At the Institution level, activity-based costing method will be adopted both as a tool for activity planning and financial control. This will serve the role of ensuring that the Institution allocates resources based on planned and prioritized activity. This means that the cost of each activity will be traced to the product or service as per the Institution plan.

To further enhance service delivery through effective financial management, the Institute will concentrate on eliminating wastages.

In this regard, the Institution will lobby and mobilize financial resources for Technical Training, Innovation and Research on Technical fields from the following sources;

i. Government Funding

With regard to Government funding, the Institution will prepare, present and justify proposals as a basis for resource bidding within the Government's budgetary processes. In this regard, the Institution will coordinate with the Ministry of Education to ensure that the respective annual Sector Reports accommodate the needs of this plan

ii. Constituency Development Fund (CDF)

With regard to CDF, the Institution will prepare, present and justify proposals on development projects within the plan. The proposals will be presented to the Sot CDF Development Committee for consideration.

iii. National Science Technology & Innovation Fund

The Institution through the Ministry of Education (MoE) will seek for funding from the Kenya National Science Technology and Innovation Fund on initiatives in the Institution that are ST&I based. This will be in line with the objective of the foundation which is to secure adequate local and international funding in support of national Science Technology & Innovation competitiveness in Kenya.

iv. Donors (Development Partners)

The Institute currently has a working relationship with development partners across the country and will continuously seek collaborations with like-minded institutions within and outside the country. The Institution as part of its national linkages will engage the support of development partners to fill in the resource gap between the resources allocated by the government through recurrent and development allocations as well as grants.

v. County Government of Bomet

Sot Technical Training Institute is within Bomet County. The institution can benefit from the County Government through County bursaries to students and also through partnerships and collaborations.

Risks and Opportunities facing Sot Technical Training Institute

Major Challenges

The following key challenges may hinder the full realization of the Sot Technical Training Institute mandate if not addressed in this strategic plan.

- Capacity to cope with global trends in technology
- Inadequate research, technology and incubation.
- Inadequate integration of Information Communication Technology in Training programmes offered in the institution.
- Inadequate land for future expansion.
- Inadequate staff and skills capacity
- Inadequate and low technologically relevant training materials/equipment
- Inadequate reference materials
- Poor accessibility due to poor roads
- Lack of consistent tapped water supply
- Inadequate trainers
- Inadequate furniture for offices and trainees
- Covid-19 pandemic

Sot Technical Training Institute compliance with statutory requirements

Sot Technical Training institute complies to deduction and remittance of statutory deductions such NHIF, NSSF and PAYE

Key projects and investment decisions

The projects under consideration in the FY 2019/2020 are summarised in the table below

S/N	Name of Project	Location	Budget (Kshs)	Completion rate	Timeline
1	Food and beverage workshop	SOT TTI	12,000,000	Est.35%	Depends on availability of funds
2	Science lab	SOT TTI	18/19 budget	100%	-
3	Wing B workshop and classrooms	SOT TTI	21,740,171	40%	Depends on availability of funds

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Sot 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: 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 triple Bottom Line concepts analyses the sustainability of an organization based on three concepts: Profits, people (social) and Planet (environment).

Profit: The institute has adopted a transformation strategy aimed at ensuring that she remains financially sound in the face of dwindling funding from the central government. The institutions have expanded it capacity for internally generated income like production of sanitizers and masks.

Social: the institute has developed a succession management policy to address the welfare of employees in the future and ensure that the organization is sustainable in the future

Environment: The board of governance has plans to undertake an environmental sustainability audit and developed an environmental policy to address the issues of environmental sustainability that will be identified during the audit.

2. Employee welfare

At Sot Technical Training Institute, we value our employees and our many stakeholders, including the wider community where the training of our students has the potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through community consultation process.

We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviors of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We integrate the principles of social responsibility into our training activities externally by minimizing our environmental impact and seeking to enhance the amenity of residential communities.

Activity	Description
Better training	Optimizing training operations to meet ongoing social and sustainability objectives. providing opportunities for us to grow as Institute by becoming involved in our local community.
Enhanced community	Focusing on good urban design and empowered members for healthy, happy and resilient community.
Supported Staff	Promoting initiatives that support staff and their families, beyond the provision of employment. Promoting initiatives that recognize the contribution of the students to the community.

a) Policies guiding hiring process

The following are the Sot Technical Training Institute Board policies that guide hiring process;

S/no	Title	Review Period	Remarks
1	Career Progression	Regularly	Vacant positions are filled competitively both internally and externally.
2	Human Resource Manual	Regularly	This largely depends on availability of funds Terms and conditions of service governing employees are applied across the board without discrimination
3	Internship Policy and guidelines	Regularly	Intern positions are filled competitively and without discrimination
5	Gender Mainstreaming	Regularly	Sot Technical Training Institute observes equal employment opportunities during staff recruitment across all genders
6	Disability Mainstreaming	Regularly	The institute offers equal employment opportunities to officers living with disability. The institute also offers rights and privileges as provided in the PWDs Act and Board employment policies

3. Market place practices-

Responsible Supply Chain and Supplier relations

The institute has maintained good business practice by complying with the government policy and Section 227 of The Constitution of Kenya.

All procurement activities have continuously been carried out where Supply Chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure.

The organization has maintained and continuously updated list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs. Sot Technical Training Institute has at all-time ensured responsible treatment of the suppliers in various ways as featured below;

- i) Ensuring proper communication channels e.g. Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- ii) Providing customer support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- iii) When doing procurement planning the institute has complied with preference and reservation requirements.
- iv) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

REPORT OF THE BOARD OF GOVERNORS

The Board of Governors submit their report together with the audited financial statements for the year ended 30th June, 2020 which show the state of the Institute's affairs.

Principal activities

The principal activity of the institute is to provide quality training in technical, industrial, vocational and entrepreneurship. The mandate of the institute is through registration under the Ministry of Higher Education Science and Technology under the Education Act Cap 211 under the first schedule. It is also guided through its operations by other Acts of Parliament like KNEC Act, TSC Act, KIE Act and others.

Results

The results of the Institute for the year ended June 30, 2020 are set out on page 1.

BOARD OF GOVERNORS

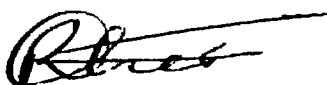
1. The members of the Board of Governors who served during the year are shown on page vi

Auditors

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

By Order of the Board

Mr Robert K. Cheres
Institute's Secretary



Date: 15 march 2021

STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013) require the board of governors to prepare financial statements in respect of that Institute, which give a true and fair view of the state of affairs of the Institute at the end of the financial year and the operating results of the Institute for that year. The board of governors 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 of governors are also responsible for safeguarding the assets of the Institute.

The board of governors 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 Institute; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Institute; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board of governors 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 Board of Governors are of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2020, and of the Institute's financial position as at that date. The board of governors 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 of governors to indicate that the Institute will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Institute's financial statements were approved by the Board of Governors on 15 March 2021 and signed on its behalf by:



Chairperson of the Board
Michael Kipkirui Cheruiyot



Accounting Officer/Principal
Robert Cheres

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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Enhancing Accountability

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P.O. Box 30084-00100
NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of Sot Technical Training Institute set out on pages 1 to 24, which comprise the statement of financial position as at 30 June, 2020, and statement of financial performance, statement of changes in net asset, 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis Disclaimer of Opinion

1.0 Inaccuracies in the Financial Statement

Review of financial statements for the year ended 30 June, 2020 as presented for audit revealed the following inaccuracies.

1.1 As disclosed in Note 6 to the financial statements, the statement of financial performance reflects transfers from national government ministries of Kshs.62,424,500 which includes development grants of Kshs.5,094,500 which has been reported as part of recurrent grants instead of capitalizing through the statement of changes in net assets.

1.2 The comparative figures were erroneously stated as shown in the table below: -

Audit Component	Note	2019/2020 Financial Statements Opening Balance (Kshs.)	2018/2019 Financial Statements (Kshs.)	Variance (Kshs.)
Use of Goods and Services	9	38,761,756	29,037,276	9,724,480
Cash and Cash Equivalent	14	12,796,012	15,384,063	(2,588,051)

Audit Component	Note	2019/2020 Financial Statements Opening Balance (Kshs.)	2018/2019 Financial Statements (Kshs.)	Variance (Kshs.)
Accumulated Surplus		35,740,783	35,770,787	(30,004)
Purchase of PPE – Cash Flow Statement	17	10,752,093	12,291,041	(1,538,948)
General Expenses		0	9,724,480	(9,724,480)
Development Grants/Fund		0	2,558,047	(2,558,047)
Accumulated Surplus in the Statement of Changes in Net Assets		35,770,787	43,041,958	(7,271,171)

- 1.3** The statement of changes in net assets prior year adjustment on development funds of Kshs.2,558,047 and on expenses of Kshs.30,004 were not supported with journals and detailed schedules.
- 1.4** The statement of financial performance reported an expenditure of Kshs.961,500 on board allowances. However, the allowances were not reflected in the statement of comparison of budget and actual amounts and therefore they were not budgeted for.
- 1.5** As disclosed in Note 10 to the financial statements, the statement of financial performance reflects employee cost of Kshs.22,143,655. However, the schedule provided in support included Kshs.2,609,674 relating to travel, motor car, accommodation, subsistence and other allowances which should have been classified under use of goods and services.

In the circumstances, the accuracy and completeness of the above reported balances in these financial statements could not be confirmed.

2.0 Variances Between the Financial Statements and the Ledgers

The following variances were noted between reported financial statements figures and the supporting ledgers as detailed below:

Component	Note	Financial Statements (Kshs.)	Ledger Balance (Kshs.)	Variance (Kshs.)
Accommodation	9	608,100	639,420	(31,320)
Refundable Deposits	20	1,240,304	1,235,804	4,500
Receivable from Exchange Transactions	15	56,370,256	55,917,685	452,571
Property, Plant and Equipment	17	89,463,040	52,534,652	36,928,388

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

3.0 Revenue from Exchange Transactions

As disclosed in Note 7 to the financial statements, the statement of financial performance reflects revenue from exchange transactions of Kshs.63,509,891. However, the following anomalies were noted:

- 3.1** The report generated from the student's billing system for the period 1 July, 2019 to 30 June, 2020 reflects invoiced amount of Kshs.197,829,230 resulting to unexplained variance of Kshs.134,319,369. Further, the billing system did not generate a report on every revenue stream (tuition, examination, activity and registration fees) as reported under Note 7 to the financial statements.
- 3.2** An analysis of students' records revealed that the institution had a student population of 3242 with annual fee payable per student of Kshs.26,420 with an expected income of Kshs.85,653,640. However, only Kshs.62,424,500 was reported in the financial statements resulting to a variance of Kshs.23,229,140.
- 3.3** Further analysis revealed that 2303 students were billed above the expected annual fees of Kshs.26,420 resulting to overbilling of Kshs.127,960,400, while 972 students were billed below the expected annual fees resulting to under billing of Kshs.16,600,230.
- 3.4** In addition, an analysis on a sample of forty (40) students revealed that the billing system reported Kshs2,460,020 as the amount invoiced while the students' statements revealed Kshs1,478,110 as the amount invoiced resulting to unexplained variance of Kshs.981,910 between the two sets of records.

In the circumstances, the accuracy and completeness of revenue form exchange transactions of Kshs.63,509,891 could not be confirmed.

4.0 Compensation of Employees

As disclosed under Note 10 to the financial statements, the statement of financial performance reflects an expenditure of Kshs.22,143,655 incurred in respect of compensation of employees. However, there was no approval from the board to hire employees who are involved in management and governance of the institution on contract basis. Further, the Institution had 59 teaching staff and 83 non-teaching staff who were not supported with a staff establishment record. In addition, the Institution did not maintain employee master data showing the personal details of each employees which include; the positions held, the job group, nature of employment nor were these details included in the payrolls making it not possible to ascertain whether the rates of payment were as per the scheme of service and contract terms.

In addition, in February, 2020, the Institution hired 3 teaching staff and 5 non-teaching staff. However, advertisement of the vacancies, list of shortlisted candidates, minutes of interview panel and appointment letters were not presented for audit verification.

In the circumstances, the accuracy and completeness of employee cost of Kshs.22,143,655 could not be confirmed.

5.0 Unsupported Repairs and Maintenance Expenses

As disclosed in Note 13 to the financial statements, the statement of financial performance reflects repairs and maintenance of Kshs.6,756,267. However, the expense was not supported by end user requisition, schedule of items being repaired or maintained, pre-inspection repair report, post repair inspection reports, repair logbooks or registers indicating the repairs carried out.

In the circumstances, the accuracy and completeness of Kshs.6,756,267 incurred on repairs and maintenance could not be confirmed.

6.0 Unconfirmed Cash and Cash Equivalents

As disclosed in Note 14 to the financial statement, the statement of financial position reflects cash and cash equivalents balance of Kshs.33,646,880 which includes a balance of Kshs.22,461 relating to a development account which was not supported with bank reconciliation statement. In addition, the reconciliation statement for the recurrent bank account reflected bank charges of Kshs.540, overcasting error of Kshs.112,120, double entry of cheques of Kshs.424,416 and suspense account of Kshs.79,444 which were not supported with detailed schedules.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.33,646,880 could not be confirmed.

8.0 Unsupported Receivables from Exchange Transactions

As disclosed in Note 15 to the financial statements, the statement of financial position reported receivables from exchange transactions of Kshs.56,370,256 which includes a balance of Kshs.56,131,654 in respect to student debtors and Kshs.238,602 in respect to staff debtors. The schedule from the billing system on students' debtors did not agree with individual student's fees statements. A sample of twenty (20) students revealed a balance of Kshs.1,851,230 as per the billing system and Kshs.1,139,420 as per the individual student's statement resulting to unexplained variance of Kshs.711,810. Further, staff debtors' balances of Kshs.238,602 were not supported with detailed schedules.

In addition, a student debtors' ageing schedule with information on the period the fees had remained outstanding, the student fee policy or manual explaining the registration of a student, billing, payment, exemptions, and cancelation procedures for students was not provided for audit verification.

In the circumstances, the accuracy and completeness of receivables from exchange transactions of Kshs.56,156,287 could not be confirmed.

9.0 Property, Plant and Equipment

9.1 Valuation of Assets

As disclosed in Note 17 to the financial statement, the statement of financial position reflects property, plant and equipment balance of Kshs.89,463,040 which includes assets valued at Kshs.11,458,171 for the financial year 2018/2019 being the first year of adopting

International Public Sector Accounting Standards (accrual basis) which were not supported by a valuation report.

Further, the asset register presented for audit did not include important information on the assets which include fixed asset number, location and responsibility for custody, nature and description of the asset, the cost and date of purchase, and the estimated useful life or residual value.

In the circumstances, the accuracy and completeness of the property, plant and equipment net book value of Kshs.89,463,040 could not be confirmed.

9.2 Undisclosed Donated Equipment

As disclosed in Note 17 to the financial statement, the statement of financial position reflects property, plant and equipment at Kshs.89,463,040. However, the balance does not include various equipment, furniture and computers equipment received from China through bilateral contract agreement Avic/Kez/13m5077, dubbed Kenya-China Project on establishment of Technical and Vocational Training Workshop in Kenya signed on 25 May, 2016. The assets had not been valued to obtain the cost or fair value of the assets for recognition in the property, plant and equipment.

In the circumstances, the accuracy and completeness of the property, plant and equipment net book value of Kshs.89,463,040 could not be confirmed.

10.0 Intangible Assets

As disclosed in Note 18 to the financial statements, the statement of financial position reflects intangible assets of Kshs.340,000. The intangible assets relate to management information software for management of the students' fees. However, service level agreements were not provided for audit review. In addition, the intangible assets were not amortized over their useful life contrary to IPSAS 31 paragraph 73 which requires an intangible asset shall be carried at its cost less any accumulated amortization and any accumulated impairment losses.

In the circumstances, the accuracy and completeness of the intangible assets of Kshs.340,000 could not be confirmed.

11.0 Trade Payables

As disclosed in Note 19 to the financial statements, the statement of financial position reported trade and other payables from exchange of transactions of Kshs.29,890,080.. However, the trade payables were not supported with, purchase requisitions, purchase orders, invoices, delivery notes and counter receipts vouchers while the student fees prepayment report generated from the billing system did not agree with amounts reflects in individual student's fees statements.

A sample of twenty (20) students reflected fees prepayment of Kshs.1,865,120 as per billing system while the students' statements reflected a balance of Kshs.1,365,680 resulting to unexplained variance of Kshs.499,440.

In the circumstances, the accuracy and completeness of the trade and other payables of Kshs.29,890,080 could not be confirmed.

12.0 Budget and Budgetary Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2020 reflects final revenue budget and actual on comparable basis of Kshs.370,534,346 and Kshs.127,341,235 respectively resulting to revenue under realization of Kshs.243,193,111 or 66% of the budget.

Further, of the receipts amount realized of Kshs.127,341,235, only Kshs.91,334,225 was absorbed resulting to an under absorption of Kshs.36,007,010 or 28% of the receipts.

The under realization and under absorption affected the planned activities and Projects which may have impacted negatively on service delivery by Sot Technical Training Institute.

13.0 Late Submission of Annual Financial Statements

The annual report and financial statements for year ended 30 June, 2020 were submitted on 20 January, 2021 three (3) months and twenty (20) days late. This is contrary to Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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

14.0 Lack of Risk and Fraud Management Policy

The Institution does not have a risk management policy in place contrary to the provisions of Regulation 165 (1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the national government entity develops (a) risk management strategies, which include fraud prevention mechanism; and (b) a system of risk management and internal control that builds robust business operations.

In the circumstances, the Management is not in a position to identify individuals' risks, significance areas, likely hood of occurrence of identified risks and appropriate control measures.

15.0 Lack of IT Strategic Plan

Review of information technology in use at the Institute revealed that no IT strategic plan was in place which could provide guidance to IT-related decision-making processes, with IT task prioritized and implemented using the plan as a framework. In addition, the Management has no back-up data stored in an off-site location and therefore the Institute might not recover from an interruption and this may affect the business-continuity and recovery plan.

No explanation has been provided for failure to have an IT Strategic plan and back-up data in an off-site location.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit 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 overall governance.

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

Management is also responsible for the submission of Institution's 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 reflects 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 financial reporting process, reviewing the effectiveness of how the Institute 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is 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. I also consider internal control, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion on lawfulness and effectiveness in use of public resources, and on effectiveness of internal controls, risk management and governance.

I am independent of the Sot Technical Training Institute Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 February, 2022

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

Revenue from non-exchange transactions			
Transfers from the National Government	6	62,424,500	33,789,500
Total Revenue from non-exchange transactions		62,424,500	33,789,500
Revenue from exchange transactions			
Rendering of services- Fees from students	7	63,509,891	52,913,529
Other income	8	1,406,844	4,732,105
Revenue from exchange transactions		64,916,735	57,645,634
Total revenue		127,341,235	91,435,134
Expenses			
Use of goods and services	9	32,419,481	38,761,756
Employee costs	10	22,143,655	15,302,819
Board allowances	11	961,500	-
Depreciation charge	12	10,996,595	13,782,971
Repairs and maintenance	13	6,756,267	4,214,573
Total expenses		73,277,498	72,062,119
Net Surplus for the year		54,063,737	19,373,015

The notes set out on pages 6 to 22 form an integral part of the Annual Financial Statements.

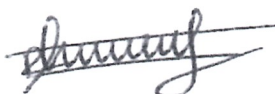
II. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

	Notes	2019/2020	Restated
		2019/2020	2018/2019
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14	33,646,880	12,796,012
Receivables from exchange transactions	15	56,370,256	11,892,781
Biological assets	16	230,000	230,000
Total Current Assets		90,247,136	24,918,793
Non-current assets			
Property and equipment	17	89,463,040	71,406,313
Intangible assets	18	340,000	-
Total Non-current Assets		89,803,040	71,406,313
Total assets		180,050,176	96,325,106
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	19	29,890,080	887,795
Refundable deposits from customers	20	1,240,304	581,256
Total Current Liabilities		31,130,384	1,469,051
Total liabilities		31,130,384	1,469,051
Reserves			
Accumulated surplus		100,801,115	35,740,783
Capital grants		48,118,677	59,115,272
Total Reserves		148,919,792	94,856,055
Total Liabilities and Reserves		180,050,176	96,325,106

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Institute Board of Governors by:



Chairman of Board of Governors
Michael Kipkirui Cheruiyot



Finance Officer
Ronald Rono



Principal

Robert Cheres

Date....15th March 2021 Date....15th March 2021 Date.15th March 2021

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

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

Balance b/f as at July 1, 2018	2,614,801	66,697			72,898,243		75,579,741
Surplus for the year	19,373,015	-			-		19,373,015
Development funds utilized during the year	-	(555,900)			-		(555,900)
Development grants received during the year	-	3,047,250					3,047,250
Transfer of depreciation from accumulated surplus to capital grants	13,782,971				(13,782,971)		-
Balance c/d as at June 30, 2019	35,770,787	2,558,047			59,115,272		97,444,106
Balance c/d as at July 1, 2019	35,770,787	2,558,047			59,115,272		97,444,106
Prior year adjustments:							
Development funds double counted prior year		(2,558,047)					(2,558,047)
Unrecorded expenses in prior year	(30,004)						
Balance c/d as at July 1, 2019 as restated	35,740,783	-			59,115,272		94,856,055
Surplus for the year	54,063,737	-			-		54,063,737
Transfer of depreciation from accumulated surplus to capital grants	10,996,595	-			(10,996,595)		-
Balance c/d as at June 30, 2020	100,801,115	-			48,118,677		148,919,792

Note:

1. Prior year adjustments made to year 2018/2019 relates to expenses paid using development grants that were not recorded.

IV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2020
STATEMENT OF CASH FLOWS

Cash flows from operating activities			
Net cash flows from operating activities	22	50,244,189	22,732,256
Cash flows from investing activities			
Purchase of property and equipment	17	-	(10,752,093)
Other WIP	17	(29,053,322)	(555,900)
Purchase of biological assets	16	-	(230,000)
Purchase of intangible assets	18	(340,000)	
Net cash flows used in investing activities		(29,393,322)	(11,537,993)
Cash flows from financing activities			
Increase in development deposits		-	3,047,250
Net cash flows used in financing activities		-	3,047,250
Net increase in cash and cash equivalents		20,850,867	10,114,514
Cash and cash equivalents at start of year		12,796,012	2,681,498
Cash and cash equivalents at end of year	14	33,646,880	12,796,012

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

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

	notes	Original budget		Final budget		Actual on comparable basis		Performance difference	
		2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020
Revenue		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from other Govt entities Govt grants	6	63,270,000	63,270,000	63,270,000	57,330,000	5,940,000	5,940,000	5,940,000	
Public contributions and donations	-	5,000,000	5,000,000	5,000,000		5,000,000	5,000,000	5,000,000	
Rendering of services- Fees from students	8	52,270,000	52,270,000	52,270,000	63,509,891	-	11,239,891	-	
Other income	7(b)&9	4,584,175	4,584,175	4,584,175	1,406,844	3,177,331	3,177,331	3,177,331	
Total income		125,124,175	125,124,175	125,124,175	122,246,735	2,877,440	2,877,440	2,877,440	
Development grants	6	245,410,171	245,410,171	245,410,171	5,094,500	-	240,315,671	-	
Total income		370,534,346	370,534,346	370,534,346	127,341,235	- 243,193,111	- 243,193,111	- 243,193,111	
Expenses									
Compensation of employees	11	28,144,000	28,144,000	19,344,000	22,143,655	(2,799,655)	(2,799,655)	(2,799,655)	
Use of Goods and services	10	44,830,175	44,830,175	58,630,175	32,419,481	26,210,694	26,210,694	26,210,694	
Repairs and maintenance	14a)	6,800,000	6,800,000	6,800,000	6,756,267	43,733	43,733	43,733	
Grants and subsidies paid		79,774,175	79,774,175	-	-	-	-	-	
Total expenditure		285,760,171	285,760,171	84,774,175	61,319,403	23,454,772	23,454,772	23,454,772	
Surplus for the period	20	290,760,171	290,760,171	285,760,171	60,927,332	(20,577,332)	(20,577,332)	(20,577,332)	
Capital expenditure				285,760,171	29,053,322	256,706,849	256,706,849	256,706,849	

Budget notes

1. The difference between actual and budgeted amounts can majorly be articulated to the covid-19 pandemic which led to the closure of the institutions as from march 2020.

VI. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Sot Technical Training Institute is established by and derives its authority and accountability from PFM Act, the State Corporations Act and the TVET Act. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The institute is established under the Ministry of Higher Education, Science and Technology via certificate number **TVETA/PUBLIC/RC/00011/2014**.

The Institute's principal activity is to provide quality training in technical, industrial, vocational and entrepreneurship. The mandate of the institute is through registration under the Ministry of Higher Education Science and Technology under the Education Act Cap 211 under the first schedule. It is also guided through its operations by other Acts of Parliament like KNEC Act , TSC Act, KIE Act KASNEB Act and others.

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

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 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. There is no impact of the IPSAS 40 to the institute

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>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022: 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"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(There is no impact of the standard to the entity)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022 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"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p><i>(There is no impact of the standard to the entity)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <ol style="list-style-type: none"> 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

Standard	Effective date and impact:
	<ul style="list-style-type: none"> c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. 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.
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> 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 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 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. 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.

iii. Early adoption of standards

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees

The Sot TTI recognizes student capitation under other government grants because the amount is not payable by the students.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Institute and the fair value of the asset can be measured reliably.

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 Institute and can be measured reliably.

Recurrent grants are recognized in the statement of comprehensive income.

Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

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

b) Budget information

The original budget for FY 2019/2020 was approved by the Board on 05 August 2019.

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget information (Continued)

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 13 of Financial Provisions of TVET ACT No. 29 OF 2013 of these financial statements.

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

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

	<u>Rate %</u>
Buildings	2
Plant and machinery	20
Motor vehicles	25
Library books	10
Furniture and fittings	12.5
Transformer	10
Computer equipment	30

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

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on

a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be 5 years.

e) Nature and purpose of reserves

a. Accumulated surpluses

This relates to surpluses brought forward and the one for the current year.

b. Capital reserves

This relates to fixed assets granted by the government or any other donor.

f) Changes in accounting policies and estimates

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

The changes in accounting policy that took place during the year is the adoption of accrual basis of accounting from the cash basis. This policy will help the institution to report its financial performance and position more accurately and fairly state the position and performance than the cash basis.

g) Employee benefits

Retirement benefit plans

The institution and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The institution's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

h) Related parties

Sot TTI regards a related party as a person or an Institute with the ability to exert control individually or jointly, or to exercise significant influence over the Institution, or vice

versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Principal, Head of Finance and Head of Procurement. The government of Kenya through the ministry of education is also related party to the Sot TTI.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

j) Biological assets

The biological assets have been stated at their fair values less estimated point-of-sale costs. The fair value is determined based on market prices.

k) Comparative figures

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

l) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Sot TTI'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.

The board of Governors made only one significant judgement in preparing these financial statements.

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 Institute
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Unconditional grants		
Operational grant	-	5,547,250
Capitation	57,330,000	25,695,000
Development grants	5,094,500	2,547,250
Total government grants and subsidies	62,424,500	33,789,500

6b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

State Department of vocational and technical training institutions	62,424,500	-	-	62,424,500	62,424,500
Total	62,424,500	-	-	62,424,500	62,424,500

7 RENDERING OF SERVICES

Tuition fees	47,986,563	44,850,380
Examination	12,660,889	6,070,869
Activity fees	2,033,320	1,600,635
Registration fees	829,119	391,645
Total Rendering of Services	63,509,891	52,913,529

8 OTHER INCOME

Other income generating activities	223,292	383,740
Catering services	693,180	1,133,145
Accommodation	490,372	3,215,220
Total other income	1,406,844	4,732,105

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 USE OF GOODS AND SERVICES

Electricity	1,537,944	1,773,842
Activity	1,337,420	1,001,314
Examination	8,650,268	6,070,869
Medical	35,110	63,610
Student I.D	-	2,000
Student council	-	101,550
Industrial attachment	985,900	257,120
Tuition expenses	15,254,839	19,712,971
Registration	17,000	54,000
Administration fees	1,811,717	1,725,732
Income generating activity	233,796	215,282
Cafeteria	1,284,095	2,786,966
Accommodation	608,100	4,429,050
Subscriptions	500,872	-
Other expenses	162,420	567,450
Total good and services	32,419,481	38,761,756

10 EMPLOYEE COSTS

Salaries and wages	19,533,981	11,350,159
Travel, motor car, accommodation, subsistence and other allowances	2,609,674	3,952,660
Employee costs	22,143,655	15,302,819

11 BOARD ALLOWANCES

Chairman sitting allowance	230,500	-
Other allowances	731,000	-
Total board allowances	961,500	-

12 DEPRECIATION AND AMORTIZATION EXPENSE

Property, plant and equipment	10,996,595	13,782,971
Total depreciation	10,996,595	13,782,971

13 REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	KShs	KShs
Other	6,756,267	4,214,573
Total repairs and maintenance	6,756,267	4,214,573

14 a) CASH AND CASH EQUIVALENTS

Description	2019-2020	2018-2019
	KShs	KShs
Development account	22,461	2,555,421
Operational account	33,391,551	10,037,965
Cash in hand	232,868	202,626
Total cash and cash equivalents	33,646,880	12,796,012

14(b). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2019-2020	2018-2019
		KShs	KShs
a) Current account			
National bank	01020067454900	33,391,551	10,037,965
Sub- total		33,391,551	10,037,965
b) Development			
National bank	01020101644900	22,461	2,555,421
Sub- total		22,461	2,555,421
Cash on hand		232,868	202,626
Grand total		33,646,880	12,796,012

15 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Student debtors	56,131,654	11,892,781
Staff advances	238,602	-
Total receivables	56,370,256	11,892,781

16 BIOLOGICAL ASSETS

Description	2019-2020	2018-2019
	KShs	KShs
Cattles (2 Friesians and 1 Ayrshire)	230,000	230,000
Total biological assets	230,000	230,000

SOT TECHNICAL TRAINING INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17 PROPERTY, PLANT AND EQUIPMENT

The institute received several equipment from the parent ministry whose value was not issued at the time of donation. The board of governance is in the process of contracting a professional valuer who will revalue all the assets of the institution. The cost of the donated equipment has not yet been established and therefore, it's not included in the movement schedule below. Also the institute has four parcels of land and we have written to the ministry of lands to assist us in valuing the land so as to incorporate it on the movement schedule.

Cost	Buildings		Furniture and fittings		Computers		Plant and equipment		Capital		Total	
	Shs	2%	Shs	13%	Shs	30%	Shs	20%	Work in progress	Shs	Shs	Shs
At 1 st July 2017	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-
At 3 ⁰ th June 2018	4,187,000	-	4,400,772	-	2,870,399	-	-	-	-	-	-	11,458,171
Additions	-	-	-	-	-	-	61,440,072	-	12,291,041	-	-	73,731,113
At 3 ⁰ th June 2019	4,187,000	-	4,400,772	-	2,870,399	-	61,440,072	-	12,291,041	-	-	85,189,284
Additions	-	-	-	-	-	-	-	-	29,053,322	-	-	29,053,322
At 3 ⁰ th June 2020	4,187,000	-	4,400,772	-	2,870,399	-	61,440,072	-	41,344,363	-	-	114,242,606
Depreciation and impairment	-	-	-	-	-	-	-	-	-	-	-	-
At 1 st July 2018	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	83,740	-	550,097	-	861,120.00	-	12,288,014	-	-	-	-	13,782,971
At 30 June 2019	83,740	-	550,097	-	861,120	-	12,288,014	-	-	-	-	13,782,971
Depreciation	82,065	-	481,334	-	602,784	-	9,830,412	-	-	-	-	10,996,595
At 30 June 2020	165,805	-	1,031,431	-	1,463,904	-	22,118,426	-	-	-	-	24,779,566
Net book values	-	-	-	-	-	-	-	-	-	-	-	-
At 3 ⁰ th June 2020	4,021,195	-	3,369,341	-	1,406,495	-	39,321,646	-	41,344,363	-	-	89,463,040
At 3 ⁰ th June 2019	4,103,260	-	3,850,675	-	2,009,279	-	49,152,058	-	12,291,041	-	-	71,406,313
At 3 ⁰ th June 2018	4,187,000	-	4,400,772	-	2,870,399	-	-	-	-	-	-	11,458,171

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18 INTANGIBLE ASSETS(MIS)

Cost	340,000	-
Total intangible assets	340,000	-

19 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	1,084,930	534,450
Fees paid in advance	28,805,150	353,345
Total trade and other payables	29,890,080	887,795

20 REFUNDABLE DEPOSITS FROM STUDENTS (CAUTION MONEY)

Caution money	1,240,304	581,256
Total deposits	1,240,304	581,256

21 PRIOR YEAR ADJUSTMENTS

Accumulated as at 30 June 2019	-	35,770,787
Prior year expenses not recorded	-	(30,004)
Accumulated surplus restated	-	35,740,783

22 CASHFLOW FROM OPERATING ACTIVITIES

Surplus for the year	54,063,737	19,373,015
Adjusted for:		
Depreciation	10,996,595	13,782,971
Decrease/(increase) in receivables	(44,477,476)	(11,892,781)
(Decrease)/increase in payables	29,661,333	1,469,051
Net cash flow from operating activities	50,244,189	22,732,256

23 FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs
At 30 June 2020			
Receivables from exchange transactions	56,370,256	-	56,370,256
Bank balances	33,646,880	33,646,880	-
Total	90,017,136	33,646,880	56,370,256

	Total amount Kshs	Fully performing Kshs	Past due Kshs
At 30 June 2019			
Receivables from exchange transactions	11,892,781	-	11,892,781
Bank balances	12,796,012	12,796,012	-
Total	24,688,793	12,796,012	11,892,781

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 institute potentially irrecoverable amounts.

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

The board of governors sets the institute'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 Institute's board of governors, who have built an appropriate liquidity risk management framework for the management of the Institute's short, medium and long-term funding and liquidity management requirements. The Institute manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

At 30 June 2020				
Trade payables		1,084,930		1,084,930
Caution money		-	1,240,304	1,240,304
Total		1,084,930	1,240,304	2,325,234

At 30 June 2019				
Trade payables		529,450	358,345	887,795
Caution money		-	581,256	581,256
Total		529,450	586,256	1,469,051

24 RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the *Institute*, holding 100% of the *Institute's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Institute, 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
Transactions with related parties		
a) Grants from the Government		
Grants from National Government	36,729,500	33,789,500
Donations in kind	48,118,677	59,115,272
Total	84,848,177	92,904,772
b) Key management compensation		
Directors' emoluments	-	-
Total	-	-

25 EVENTS AFTER THE REPORTING PERIOD

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

26 ULTIMATE AND HOLDING ENTITY

The Institute is a State Corporation under the Ministry of Education State Department of vocational and technical training institutions. Its ultimate parent is the Government of Kenya.

27 CURRENCY

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

SOT TECHNICAL TRAINING INSTITUTE
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020
APPENDIX I: PROJECTS IMPLEMENTED BY THE INSTITUTE

Projects

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	SCIENCE LABORATORY&DISPENSARY	4,592,572.40		100%	1,200,000		FEES&REQUESTED FROM GOK
2	FOOD AND BEVERAGE WORKSHOP	28,180,908.15	9,785,000	35%	12,000,000		FEES
3	WING B WORKSHOP	21,740,171	8,907,885	41%	21,740,171	5,094,500	GOK

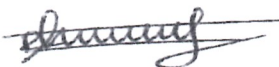
APPENDIX II: INTER-ENTITY TRANSFERS

ENTITY NAME:		SOT TECHNICAL TRAINING INSTITUTE		
Break down of Transfers from the State Department of Education				
FY 19/20				
a. Recurrent Grants				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		10 th June 2020	31,635,000	2019/2020
		10 th July 2019	25,695,000	2018/2019
b. Development Grants				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		8 th July 2019	5,094,500	2019/2020
		Total	36,729,500	

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

Finance Officer
 Sot TTI entity
 Ronald Rono

Head of Accounting Unit
 Education Ministry


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Sign-----