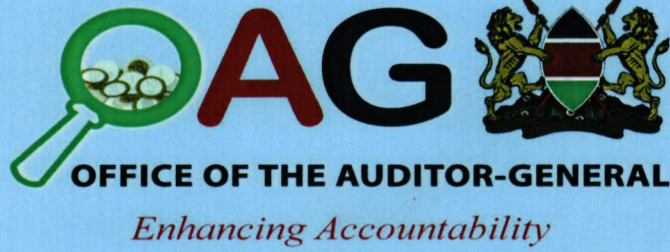


REPUBLIC OF KENYA

PARLIAMENT
OF KENYA
LIBRARY



REPORT


OF

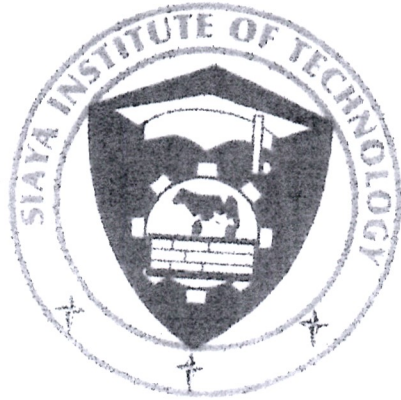
THE AUDITOR-GENERAL

ON

SIAYA INSTITUTE OF TECHNOLOGY

FOR THE YEAR ENDED
30 JUNE, 2020

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 MAR 2022	DAY: Tues
TABLED BY:	LOM
CLERK-AT THE-TABLE:	F. Muniki



**TECHNICAL & VOCATIONAL EDUCATION TRAINING (TVET)
SIAYA INSTITUTE OF TECHNOLOGY**

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)**

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
 SIAYA INSTITUTE OF TECHNOLOGY
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1. KEY INSTITUTE INFORMATION AND MANAGEMENT

(a) Background information

Siaya Institute of Technology (SIT) is a Government Institution under the Ministry of Education. It is situated in Siaya town, along the Siaya-Ugunja Road on a 40-acre piece of land, just after the Siaya County Referral Hospital. It was established in 1987 by the District Development Committee (DDC) Siaya, as a community initiative, to train students in Masonry, Plumbing, Agriculture and Business courses.

Over the years, the Institute has had to invest in infrastructural development to meet the demands of an ever-increasing student population, rapid technological advancement and changes in TVET subsector reforms and market trends. Some of the recent developments include acquisition of construction of more classrooms, a library/administration block complex and equipping the Information Communication Technology (ICT) laboratory. The Institute has also acquired state of the art equipment for Building and Civil Engineering and for Applied Sciences Workshops and Laboratories respectively.

The Institute is staffed by the Public Service Commission (PSC) and is currently headed by a Principal assisted by two Deputy Principals. Admissions, Registration and Assessments of Trainees are coordinated by the Registrar's office. The office of the Dean of Students deals with students' welfare, catering and accommodation issues.

There is very close collaboration of the Institute with the Ministry of Education State Department of Vocational and Technical Training and the Regulator Technical and Vocational Education and Training Authority (TVETA), Kenya National Audit Unit (KENAU) to standards and quality of training as well as management and governance.

Currently there are nine Academic Departments offering various courses at Artisan, Craft certificate, Diploma and Higher Diploma levels which are examined by Kenya National Examinations Council (KNEC), Kenya Accountants and Secretaries National Examination Board (KASNEB) and Curriculum Development Accreditation and Certification Council (CDACC). It also enjoys partnership with professional bodies like Institute of Certified Public Accountants of Kenya (ICPAK) and Kenya Nutritionists and Dieticians Institute (KNDI).

Other non-academic departments such as ICT Services, Performance Contracting, Guidance and Counselling and Co-curricular Activities contribute are embedded in a Quality Assurance and Performance Management system to ensure that SIT products acquire the requisites skills, attitudes and values with competencies to produce an all rounded individual.

As an Institute of Technology, the programs offered have a significant impact in contributing to Kenya's Big Four Agenda of Affordable Housing, Manufacturing, Food Security, and Universal Healthcare all anchored in Vision 2030 and the Sustainable Development Goals (SDG).

The ultimate goal of SIT is to admit and produce competent graduates who meet global industry and market standards. SIT will endeavor to re-engineer and remain relevant in the TVET sector and thus this strategic plan will guide the management in delivering on the set strategies and activities.

(b) Principal Activities

The principal activity/mission/ mandate of the Siaya Institute of Technology is to

- Impart skills to learners
- Promote and carryout research relating to its mandate
- Promote recognition of cultural values through hosting culture week

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KEY INSTITUTE INFORMATION AND MANAGEMENT (Continued)

(c) Key Management

The Siaya Institute of Technology day-to-day management is under the following key organs:

1. Board of Governors
2. Accounting Officer
3. Deputy Principal-Administration, Planning and Development
4. Deputy Principal-Academic and Student Affairs
5. Registrar-Admin
6. Registrar-Academic
7. Dean of Students
8. Finance Officer
9. Supply Chain Officer

(d) Fiduciary Management

The key management personnel who held office during the financial period ended 31st June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Okumu JW Odhiambo
2.	Deputy Principal-Administration, Planning and Development	Daniel Omondi
3.	Deputy Principal – Academic and Student Affairs	Colleta Omondi
4.	Registrar-Admin	Barrack Orem
5.	Registrar- Academics	Harrison Okello
6.	Dean of Student	Hellen Okoth
7.	Head of Finance	Joseph Ochieng
8.	Internal Auditor	Ezekiel Odongo
9.	Head of Procurement	Mary Okoth

(e) Fiduciary Oversight Arrangements

Audit committee Activities/ oversight roles

Obtain the assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably. Monitor's the effectiveness of the entity's reporting functions to ensure integrity of financial reports. Provide oversight in the implementation of accepted audit recommendations. Ensure the entity effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour. Evaluating the adequacy of the control environment to provide reasonable assurance that the systems of internal control are of a high standard and functioning as intended. Performing independent review of the financial statements to ensure the integrity and transparency of the financial reporting process. Engaging with external audit and assessing the adequacy of management response to issues identified by Audit.

Development Partner Oversight Activities

It is the responsibility of this body to ensure that builders work are carried out as per the client's standards, specification, correct materials, workmanship and schedules. Ascertaining that builder's works conform to the relevant project drawings and design. They also ensure that project designs and implementation comply with all legal and regulatory obligations. To prepare interim certificates of payments based on the works already done.

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Other oversight activities

Siaya Institute of Technology collaborated with Institution of Engineering Technologists and Technicians to promote the advancement of registered trainers in order to uphold highest standards of honesty, integrity, impartiality, fairness, ethical conduct and professionalism in their day to day activities.

This collaboration led to the enhancement of professional development among IET registered members.

Siaya Institute of Technology also collaborated with TVETA on accreditation of training programmes and courses before being offered to trainees. Siaya Institute of Technology also worked closely with TVETA on matters registration and licensing of trainers including quality assurance, relevance and standards in programme offered for training.

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KEY INSTITUTE INFORMATION AND MANAGEMENT (Continued)

(f) Institute Headquarters

Siaya Institute of Technology P.O. Box
1087-40600
Along Siaya– Rangala
Road Siaya, Kenya

(g) Institute Contacts

Telephone: 0703 564 522
E-mail: info@siayainstitute.ac.ke, siaya.institute@yahoo.com,
Website: www.siayainstitute.ac.ke

(h) Institute Bankers

1. Kenya Commercial Bank
P.O. Box 52
Siaya, Kenya
Account numbers
110 490 8875
110 685 7135
113 306 6399
125564 3730
125564 4036

2. Cooperative Bank of Kenya
P.o Box
Siaya Branch
Account number 0112025525
5

(i) Independent Auditors



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

(j) Principal Legal


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

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THE BOARD OF GOVERNORS

Name, Passport size photo and key profession/academic qualifications	Qualification(s)	Work Experience
 <p>Mr Moses Kawa BOG Chairman</p>	<p>Master of Education (M. Ed)</p>	<p>A wealth of experience as Secondary school teacher, Teacher educator and Educational institution administrator and manager as Principal of a TVET Institution and Deputy Director (CEMASTE). Experience in related roles of examiner, guidance and counselling as well as mentoring, among others.</p>
 <p>Mr Okumu JW Odhiambo BOG Secretary</p>	<p>B.E.D (Science) and Diploma in Technical Education</p>	<p>He has over 27 years of teaching experience in which he has taught Technical Education in Engineering, Drawing and Metal/ Mechanical Technology besides serving in various administrative positions in public institutions. He has attended and trained in several Executive Management and Corporate Governance programs. He represents National Polytechnics in the TVET Curriculum Development, Assessment and Certificate Council (TVET CDACC). He is a full member with the Kenya Engineering Technologist Registration Board.</p>



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	<p>-Masters in Business Administration -CPA</p>	<p>Has over 18 years' experience in private sector management. 10 of these years was working with multi national companies. Has worked in various capacities in fields such as, Operations Management, Finance and Administration Management, customer and sales support among others. He attended advanced computer handling skills courses at Strathmore university and is also a trained VET counsellor.</p>
<p>Mr Oscar Ungadi BOG Member</p>		

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	<ul style="list-style-type: none"> -Bachelor of Education -Diploma in Education 	<p>Secondary School Head of Department Humanities, Guidance & Counselling Teacher, Secondary School Deputy Principal, Principal in a number of secondary Schools and Representative of the Governor to the board</p>
	<ul style="list-style-type: none"> - Bachelor of science in Public Health - Diploma in Community Health and Development from PREMESE Africa 	<p>Ms Dorsyl is currently working a sales and marketing representative at Harsh Distributors Ltd from 2004. Has also volunteered at Foundation Institute (FIA) of Africa as a field assistant. She volunteered at Care Kenya (UHAI Lake Forum) as a data collector. Ms Dorsyl is an ambitious person who has developed a mature and responsible approach to tasks. She is also a team player with excellent communication and presentation skills all acquired through a rich experience background on FMCG and community work.</p>
	<ul style="list-style-type: none"> - Certified Information Systems Auditor (CISA); ISACA - M.Sc (Computer Science); Dundee - B.Ed (Science); UoN 	<p>Jona is a teacher and trainer by profession. Has previously taught Mathematics at high school level (3 years); currently lecturing (part-time), on Information Security and IT Governance, at tertiary / university level (14 years to-date); and a frequent speaker at national and international conferences / seminars / workshops (18 years to-date). He is an information (computer) systems auditor (31 years) and a former Regional IT Audit Manager for Africa, Middle-East, and Pakistan Region (10 years out of the 31 years of auditing), in a global Oil / Energy company. Mr. Owitti has previously been a member of Board of Management (BoM) in four (4) public high schools (2003 – 2011) and currently a BoM member in one High School (since July 2019). He is also a motivational speaker.</p>


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	<p>- Bachelor of Science in Surveying & Photogrammetry</p>	<p>A Licensed Land Surveyor by profession with over 30 years' experience in the field having graduated from University of Nairobi in 1990 and worked with the government for 20 years before joining the private sector.</p> <p>Currently a Consultant Land Surveyor in private practice, with a wealth of experience in surveying, mapping, GIS and GPS positioning.</p> <p>Served as Consultant Surveyor in the Rwanda Land Tenure Regularization Program (2008-2012). Was previously employed as a Land Surveyor in the Kenya Ministry of Lands and Physical Planning and rose through the ranks to the office of Assistant Director of Surveys.</p> <p>Mr. Odhiambo has served as a member of the Sites and Camps Committee of the Kenya Scouts Association. Is currently a member of the Land Surveyors Board, and Board of Management (BoM) of one High School He is also a full member of the Institution of Surveyors of Kenya (MISK), and he plays an active role in his local Church groups.</p>
	<p>Master's in Business Administration Bachelor of Engineering in electrical and telecommunication</p>	<p>A registered graduate member with institute of engineers of Kenya and graduate engineer with engineer's board of Kenya</p> <p>Currently working for Kenya Power and lightening co. as assistant engineer in charge of customer service and operations at maintenance in feeder business unit in Kisumu county.</p> <p>Has a wealth of experience in project management, ICT and IT end user support, management of telecommunications and information systems, data network and customer service excellence experience at operations and maintenance</p>

Mr Joel Odhiambo
BOG Member

Caroline kosgei
BOG Member

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
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 <p>Joan Neto BOG Member</p>	<p>Bachelor degree in Law, post graduate diploma from Kenya School Law. Trained as a mediator by Adeline Christian university and Dancun centre for conflict resolutions and Certificate in supervisory skills development.</p>	<p>Has a wealth of practical legal experience of over ten years as an advocate based in Kisumu town. Has carried out civic Education training and consultancy services for various legal entities including FIDA Kenya, K-met Mago polytechnic, Kisumu polytechnic and trainer of trainers with various NGOs. A trained mediator accredited by the judiciary and is currently the deputy chairperson of the Law Society of Kenya Kisumu chapter as well as head of ethics and complaints committee. Is a current board at Mago foundation, Blue cross Kisumu and the chairperson Vipaji for hope CBO based organisation in Kisumu. Has also engaged as a consultant to train paralegals under auspices of Kenya community paralegal association.</p>
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BOARD OF GOVERNORS COMMITTEES

Siaya Institute of Technology is made up of nine board members divided into three sub committees under the chairmanship of Mr Moses Kawa as follows.

AFI- Administration Finance and Infrastructure whose members are;

- | | | |
|---|----------------------|-------------------------------|
| 1 | Mr Joel Odhiambo | Chairman |
| 2 | Mr. Joseph Sunguti | Regional County Director TVET |
| 3 | Mr Oscar Mujumba | |
| 4 | Ms Dorsyl Otieno | |
| 5 | Ms Carolynne Kosgei | |
| 6 | Ms Joan Neto | |
| 7 | Mr Okumu JW Odhiambo | Secretary |

ERT – Education Research and Training whose members are;




- | | | |
|---|----------------------|-------------------------------|
| 1 | Mr Moses Kawa | Chairman |
| 2 | Mr. Joseph Sunguti, | Regional County Director TVET |
| 3 | Mr Oscar Mujumba | |
| 4 | Mr Jona Owitti | |
| 5 | Mr Stephen Pangla | |
| 6 | Mr Okumu JW Odhiambo | Secretary |

Audit Committee

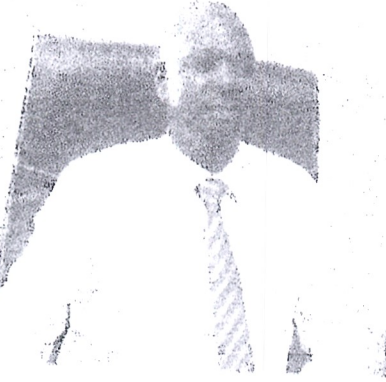


- | | | |
|---|----------------------|-------------------------------|
| 1 | Mr Jonah Owitti | Chairman |
| 2 | Mr. Joseph Sunguti, | Regional County Director TVET |
| 3 | Mr Dorsyl Otieno | |
| 4 | Mr Stephen Pangla | |
| 5 | Mr Okumu JW Odhiambo | Secretary |
| 6 | Mr Ezekiel Odongo | Internal Auditor |

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3. MANAGEMENT TEAM

Name of Staff	Qualification	Area of Responsibility
 1. Okumu JW Odhiambo	B.Ed (Science) and Diploma in Technical Education	Principal Provides innovative and visionary leadership, creates and sustains highly motivated, participatory management team, coordinates the implementation of the board of governor's strategies, promotes academic excellence and efficient administrative and governance practices, maintains public relations as well as linkages among others.
 2. Mr. Daniel Omondi	PhD. in Planning & Economics of Education	Deputy Principal-Administration, Planning & Development.
 3. Colleta Omondi	B.Sc in Agricultural Education and extension	Deputy Principal Academic and Student Affairs.

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 <p>4. Harrison Okello</p>	<p>-Masters in IT -B. Ed (Science)</p>	<p>Registrar - In charge of Academic and Students Affairs</p>
 <p>5. Barrack Orem</p>	<p>-Higher Diploma in Entrepreneurship (Development) -Dip. in Technical Education (Building and Civil Eng. Education)</p>	<p>Registrar -In charge of Administration, Planning and Development</p>
 <p>6. Hellen Okoth</p>	<p>Bachelor of Home Science</p>	<p>Dean -in charge of students welfare, calendar of events, sports, guidance & counselling and catering services</p>

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	<p>- BCom(Finance) and CPA</p>	<p>-Finance Officer in charge of all accounting duties</p>	
<p>7. Joseph Ochieng</p>		<p>-B. Comm(Finance), CPA(K), CIFA and Diploma in Business Management</p>	<p>Internal Auditor - In charge of Internal Controls</p>
<p>8. Ezekiel Odongo</p>		<p>-Bachelor in Procurement and Contract Management</p>	<p>Supply Chain Officer in charge of all procurement duties.</p>
<p>9. Mary Okoth</p>			

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4. CHAIRMAN'S STATEMENT

Siaya Institute of Technology is mandated to undertake/offer courses at Artisan, Craft Certificate, Diploma and Higher Diploma levels in various disciplines.

The Institute mainly produces middle level human resources that are well equipped with technical and business skills required in industry, infrastructure and service sectors.

The Board of Governors comprises of members including the Principal and the county Director TVET, who is the representative of the Permanent Secretary in the Board. The main function of the Board is to give direction/Oversee the management activities in the institution.

The Board is made up of 3 sub committees that is Administration, Finance and Infrastructure committee, Education Research and Training Committee and audit committee of the board.

The Institute conducted interviews for trainers through PSC and the successful ones have already reported on duty. The Institute had planned to offer extension services to the community in trying to achieve Corporate Social Responsibility but this faulted due to changes caused by Covid-19 Pandemic.

• **Budget Allocation**

In the financial year 2019/2020 Siaya Institute of Technology had an original gross budget of Kshs. 240,216,037.00 of which Kshs. 185,609,816.00 was for recurrent vote and Kshs. 54,606,221. for development vote.

• **Key Achievements**

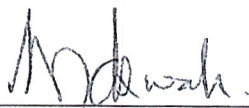
- Completion of proposed Seme Technical and Vocational College up to handing over.
- Construction of administration /Library complex up to 45% level of completion.
- Construction of IM classroom/ Restaurant up to 100% level of completion.
- Construction of 4 no. steel classroom from internally generated funds up to 100% level of completion.
- ISO 9001-2015 certification.
- Compliance with TVET Act 2013 and other statutory and regulatory requirements.
- Introduction of ERP System with the aim of enhancing service delivery.
- Creation of new office spaces to decongest the problem of office space for the Registrar, Finance, Human Resource, Procurement, Internal Audit and System Administration Offices.
- Participating in Regional and National TVET Fair contest.
- Procurement of additional 30 desktops for ICT laboratory and 10 laptops for H.o.Ds.
- Human Resource capacity enhancement by sponsoring staff for various upgrading and on job training programs.
- Developed the new strategic plan for the period 2019-2024 and other policy document like meritorious award policy, internal control policy and human resource policy among others.
- Induction of the BOG on their roles and other emerging issues.
- 12NO Annex, relocations and remodelling of Grace Ogot Hostel, paved walk ways, renovation of dining hall and construction of farm houses.

• **Challenges**

In the financial year 2019/2020, Siaya Institute of Technology faced the following challenges:-

- Low funding from the ministry as no operational grant was received against a budget of kshs 20,000,000.00as well as grants for the ongoing construction of the proposed Administration/Library Complex which had a budget of kshs 49,163,721.00 to completion.
- The hard effects of corona virus experienced in several sectors including Education sector.
- Inadequate resources to efficiently handle the procedures for back to college protocol.
- Acute shortage of classrooms for training as a result of increasing number of students.
- Acute shortage of equipment for training in Technical departments

Sign: _____



Date: _____

03/05/2021

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
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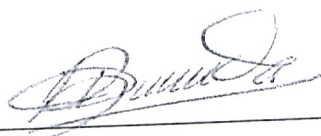
5. REPORT OF THE PRINCIPAL

Siaya Institute of Technology is a training Institute charged with the mandate to offer courses at Artisan, Craft Certificate, Diploma and Higher Diploma levels in various disciplines. Since its inception in 1987, Siaya Institute of Technology has made several milestones despite a number of challenges attributed to lack of enough trainers, training facilities, equipment and enhanced funding from the Government of Kenya for infrastructural development.

The milestones include:-

- Construction of classrooms
- Construction of electrical, building and automotive workshop.
- Construction of ICT laboratory
- Acquisition of a 62 seater bus
- Acquisition of science laboratory equipment from the ministry
- Acquisition of state of art equipment for building technology
- Construction of dining hall
- Moderation of the existing building through repair, maintenance and improvement
- Hosting 3 graduation ceremonies
- Continuous planting of trees in the compound
- Partnering with Kenya Seeds for improved food security
- Establishment of new programs to meet the market and industry demands
- The B.O.G endeavours to continue serving the nation by providing quality service, efficiently and effectively.
- ISO 9001:2015, Quality management system certification.
- Construction of 3no floor 12no Annex to accommodate departmental offices.
- Acquisition and installation of ERP System
- Construction of 4no classroom
- Construction of Institutional Management block for production and service.
- Paved walk ways connecting all buildings in the institute.
- Fencing of the entire Institute plot with concrete posts and chain-link.
- Murraming of access roads and paths within S.I.T.
- 3 phase power circulation within S.I.T compound.
- Construction of storage and workshop yards.

Sign: _____



Date: _____

08/05/2021

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
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6. REVIEW OF SIAYA INSTITUTE OF TECHNOLOGY'S 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. Siaya Institute of Technology has 4 strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

Pillar 1: Quality Training for Sustainable Development

Pillar 2: Resource mobilization and financial sustainability

Pillar 3: Research, Innovation and Technology

Pillar 4: Corporate Governance, Partnerships and Linkages for Effective Service Delivery. Siaya Institute of Technology develops its annual work plans based on the above 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Siaya Institute of Technology achieved its performance targets set for the FY 2019/2020 period for its 4 strategic pillars, as indicated in the diagram below:

REVIEW OF SIAYA INSTITUTE OF TECHNOLOGY PERFORMANCE FOR FY 2019/2020

Strategic Pillar	Objective	Key Performance Indicator	Activities	Achievements
Pillar I: Quality training for sustainable development	To offer accessible, equitable, quality and relevant technical Training	<ul style="list-style-type: none"> Number of market driven courses Number of open and distance learning(ODEL) programmes Number of capacity built trainers Number of workshops/laboratories built or rehabilitated Strengthened private-public partnership Affordable training 	<ul style="list-style-type: none"> Launch market driven courses Establish open and distance learning programme Improve infrastructure for STEM Strengthen private-public partnership Sensitize students on opportunities for student financing 	<ul style="list-style-type: none"> Increased enrolment Increased enrolment in STEM programmes Increased access to training
Pillar II: Resource mobilization and financial sustainability	To achieve financial sustainability for SIT to carry out its mandate and function	<ul style="list-style-type: none"> Number of staff sensitized Number of classrooms constructed/rehabilitated Number of production units commercialized Risk and disaster policy 	<ul style="list-style-type: none"> Sensitize staff on financial management Expanded infrastructure to accommodate increased enrolment Commercialize and generate revenue from production unit Enhance risk and disaster preparedness 	<ul style="list-style-type: none"> Improved financial management Increased number of classrooms Developed financial management policy
Pillar III: Research, Innovation and Technology	To continuously improve research and innovation capacities	<ul style="list-style-type: none"> Number of trained staff and trainees Number of strategic research partnership Number of research publications Number of departments with digital instruction content 	<ul style="list-style-type: none"> Develop capacities for SIT staff and trainees in research methodology. Engagement in strategic research partnership Facilitate publication of research works 	<ul style="list-style-type: none"> Improved innovations Enhanced community entrepreneurial partnerships Improved publications Improved access to digital content

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		<ul style="list-style-type: none"> • Number of innovations • A repository 	<ul style="list-style-type: none"> • Establish research to encourage creativity and innovativeness • Establish repository for dissemination and sharing of research findings 	<ul style="list-style-type: none"> • Improved research
pillar IV: Corporate governance, partnerships and linkages for effective Service Delivery	To ensure Compliance, Collaboration, Linkages and Partnership and best practices in Corporate Governance,	<ul style="list-style-type: none"> • Improved corporate governance and quality management system • Number of benchmark conducted • Number of linkages developed • Number of infrastructure for ICT developed • A communication and media strategy • Departmental policies and procedures 	<ul style="list-style-type: none"> • Development and operationalization of corporate governance • Best practice benchmark • Strengthen linkages with development partners • Develop infrastructure for ICT • Develop a communication and media strategy • Develop, review and implement departmental policies and procedures 	<ul style="list-style-type: none"> • Enhanced corporate governance and quality management system • Improved governance and accountability • Strengthened linkages with development partners • ICT compliant institution • Improved publicity and image • Number of departmental policies developed/reviewed

7. CORPORATE GOVERNANCE STATEMENT.

- Siaya Institute of Technology, Board of Governance is accountable to the stakeholders and to the government of Kenya for the board's performance and governance.
- The Board has a guide clearly establishing the relationship between the Board and the management.
- The primary role of the Board is to provide the overall oversight on the management team. Currently, the Board has established two committees to give detailed consideration to policy matters and key issues in respect of corporate management.
- The Board meets frequently and has the formal schedule to that effect. In the year under review, the board comprised of ten members with seven being institutional and industry representatives, the principal who is also the secretary to the Board, the ministry representative and the chairman.
- The board shall endeavour to remain committed to transforming the lives of Kenyans by imparting skills to trainees that matches markets and industry needs.

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8. MANAGEMENT DISCUSSION AND ANALYSIS

SIAYA INSTITUTE OF TECHNOLOGY OPERATIONAL AND FINANCIAL PERFORMANCE

Siaya Institute of Technology is National institution under the Ministry of Education Directorate of TVET. The institution was established by the government to foster its agencies in food production and extension of farm services. Over times the institution has been embracing government policies and strategies as stipulated in the parent ministries policy paper and strategies.

The G.O.K under vision 2030 has come up with vibrant strategies to achieve vision 2030 M.D.G's and achieve the Big 4 Agenda of the government. This government development strategy has been castigated to ministries, government agencies. The institution as a government agency has adopted the ministry policies and strategies as follows;

- The institution has developed a strategic plan incorporating the government agenda.
- The institute has numerous courses and training programmes that are industry driven and oriented.
- The institute has vibrantly marketed itself and increased the student population taking various courses to help industrialize Kenya.
- The institute has implemented the National Cohesion Policy in employment and administration.

In implementing the above strategies, the institute has experienced the following challenges.

- Lack of adequate funding to support the programmes.
- Lack of adequate skilled manpower to drive the strategies and policies
- Strain on limited resources that exist within its environment.
- Competition from higher learning institution e.g universities and national polytechnics
- Drugs and substance abuse by youths that form a larger population of the largest group.
- Negative attitude towards technical education

Opportunities

- Linkages with industries mounting industry driven courses
- Government policies strategies and commitments in sponsoring of trainees through KUCCPS and HELB
- A large population of high school leavers
- Development partner's willingness to support TVET sector.
- Employment opportunities in the private sector

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

1. Sustainability strategy and profile -

Siaya institute of technology (SIT) exist to produce competent human resource for sustainable development. The mandate of SIT is derived from TVET act 2013 which include to offer and sustain innovate quality and technical training that will enhance industry opportunities and self-reliance for the institute graduates; continually monitor and review performance of the institute system for sustained improvement of service delivery and advanced knowledge and its practical applications through research innovation and outreach programs. It is what guides us to deliver our strategy, which is founded on four pillars; quality training for sustainable development, resource mobilisation and financial sustainability, research, innovation and technology, corporate governance, partnerships and linkages for effective service

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delivery, putting the customer first delivering relevant goods and services and improving operational excellence.

Below is a brief highlight of our achievement in each pillar

Strategic Pillar	Categories	Description/ Achievements	Failures
Pillar I: Quality training for sustainable development	Sustainability strategy and profile	<p>Existence of The TVET Act 2013. In order to fulfil its mandate under TVET act, the Institute has implemented continual networking and linkages with national and county government to enhance accessibility and equity in training.</p> <p>The Institute subscribes to national and international organizations such as TVETA, KATTI, KNEC, CAPA, KASNEB, HELB, KUCCPS etc. these organizations provide opportunities of growth in science, technology, innovation and technical education in Kenya</p>	
	Environmental performance	<p>The NEMA Act 2015 provides that all learning institutions in Kenya are entitled to a healthy environment which they are required to safeguard and enhance.</p> <ul style="list-style-type: none"> • SIT has always installed and serviced fire extinguishers in <p>SIT received and installed fabricated dust bins in strategic places from County Government of Siaya to enhance to manage solid wastes</p>	Develop and operationalize Waste management policy
	Employee welfare	<p>Human Resource Policies and Procedures Manual for BOG staff, SIT has Gender mainstreaming and disability mainstreaming committees as per the guidelines issues by NCPWDs. SIT conduct annual Performance appraisal. A career progression guideline is in place for employees that determines and outlines the route to follow for career development, gaining a broader skill base. This helps enhance decision making and provide job satisfaction.</p> <p>In order to fulfil requirements of the (OSHA) Occupational Safety and health act of 2007, (OSHA). The Institute has a Health and Safety committee in place. Routine inspection by county health</p>	Gender parity among the teaching staff is yet to be achieved

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		officials for compliance with their guidelines.	
	Market place practices	SIT has a Corruption Risk Mitigation Plan & Submit quarterly and annual performance reports to EACC. SIT adheres to Access to Government Procurement Opportunities and promotion of local content.	
	Community engagement	SIT network with the community by training of local farmers on production of early maturing food crops and train local artisans on low cost building technologies	
Pillar II: Resource mobilization and financial sustainability	Sustainability strategy	SIT will rely more on student fee collection that majorly depends on Government capitation, HELB and CDF. The institution has also initiated vibrant Production Union activities	Resources are inadequate to achieve the various agreed strategic objectives as planned
Pillar III: Research, Innovation and Technology	Sustainability strategy	SIT has developed innovations for commercialization to the community SIT has developed an Intellectual Property Policy	
	Community engagement	Community have been invited to Annual open day in the institute to view the exhibits and also showcase their innovations	
Pillar IV: Corporate Governance, Partnerships and Linkages for Effective Service Delivery	Sustainability strategy	SIT has subscribed to several statutory and regulatory bodies which check on the standards of service delivery and has further established linkages with some of the industries and the community with which it interacts.	Strengthening existing roles with the industry, the community as well as collaboration with other academic institutions.

2. Environmental performance

Siaya Institute of Technology is a Research and Training institution is a responsible corporate citizen committed to the conservation of the environment, prevention of pollution, effective waste management, minimization of consumption of resources and overall environmental degradation in all its day to day operations.

We recognize environmental protection as one of the guiding principles and a key component of sound organizational performance. We are committed to providing quality services as we promote and embrace the principle of responsible stewardship of the natural environment. In compliance to this here is a report of our compliance.

Successes

The institution has been able to Introduce the 3 R's in its day to day activities and decision making i.e. Reduce Waste, Reuse Resources, and Recycle Materials.

Siaya Institute has also Organized tree planting days at the institution and communicated to the community that trees are important to the Siaya Institute environment.

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Members of the Siaya Institute are always communicated to and Encouraged to switch off all appliances and lights when not in use.

Shortcomings

In the course of implementation, the institution encountered several challenges which with standing did not hinder the implementation as such.

Finances: the institution did not had challenges with finances which hindered the full accomplishment of the environmental policy and had to stagger some of the activities. That led to cutting of implementation **cost**, affected quality of consultants, led to lack of human resources, effect on the existing organizational structures etc.

Efforts on Bio Diversity

The institution has planted trees, maintained its land by conserving water, avoided draining water bodies on the institutional compound by providing water channels, constructed fences and path ways to protect the institutional compound and other sensitive habitats from trampling and other disturbances.

Waste Management Policy

Siaya Institute of Technology has adopted the principles of the 'best practicable environmental option' in the delivery of its waste management services through waste pits and soak pits. The Institute will apply a 'waste hierarchical approach', to reduce waste pollution, reuse waste where possible, recycle and recover waste products in preference to the disposal of waste to landfill and other areas.

3. Employee welfare

Recruitment Process

As outlined in the Siaya Institute of Technology Human Resource Policies and Procedures Manual for BOG staff, Section 2: 2.5(h) on gender and disability issues:

- The principles of affirmative action, gender and persons living with disability and national values will apply. The institute shall observe gender mainstreaming, balance on appointments, promotion and ensure that not more than two - thirds are of either gender.
- The Institute has established gender mainstreaming and disability mainstreaming committees as per the guidelines issues by the National Council for People with Disabilities.
- The Institute has a gender mainstreaming policy and a gender mainstreaming committee to advice on gender balance, so that men, women and people with disability as well as the youth are given an equal opportunity throughout the recruitment process as indicated in job advertisement.
- Stakeholders are also engaged through the County Government, the Community, potential employers and the Board of Governors.

Improving Skills, Managing Careers and Performance Management

Performance appraisal is a critical component of the management of performance of staff.

- Performance appraisal is an ongoing process throughout the performance period. Every employee is appraised by the immediate supervisor to review performance every year. The appraiser and appraisee set targets and evaluate during a discussion. Milestones over the review period are documented and maintained in the appraisee's personal file.
- The Institute has undertaken to continually train staff based on recommendations derived from performance appraisal reports which are periodically conducted.
- A career progression guideline is in place for employees that determines and outlines the route to follow for career development, gaining a broader skill base. This helps enhance decision making and provide job satisfaction.

Health and Safety

- In order to fulfil requirements of the (OSHA) Occupational Safety and health act of 2007, (OSHA). The Institute has a Health and Safety committee in place. Members are appointed and issued with appointment letters to perform the following functions:
 - (a) Assisting in fulfilling requirements in relation to policies, management systems and performance with respect to environmental health, safety and wellness matters.
 - (b) Ensuring compliance with food safety and product.
 - (c) Advising on legal and regulatory requirements.
- Food handlers undergo medical check-up and public health certification renewal every six months are also issued with protective gear to ensure their safety during work and the safety of food consumers.
- Routine inspection by county health officials for compliance with their guidelines.
- Fire extinguishers are installed at designated places for emergency in case of fire outbreak and firefighting drills for their quick response to prevent accidents.

4. Market place practices-

The organization should outline its effort to:

Responsible competition practice

Explain how the organization ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

Responsible marketing and advertisement- outline efforts to maintain ethical marketing practices
Siaya institute of technology is involved in responsible marketing and advertisement by producing brochures which are freely distributed to the prospective clients. This is done during the institute's open forum, during visits to secondary school parent days and career talks. Public barazas have also been a fertile ground for the distribution of the brochures.

The courses advertised on the brochures are all approved by TVETA and have qualified and competent trainees.

Radio and TV adverts are also used to reach the wider target market.

Our institution is charging the actual fees recommended by the ministry of education through the state department of vocational and technical education.

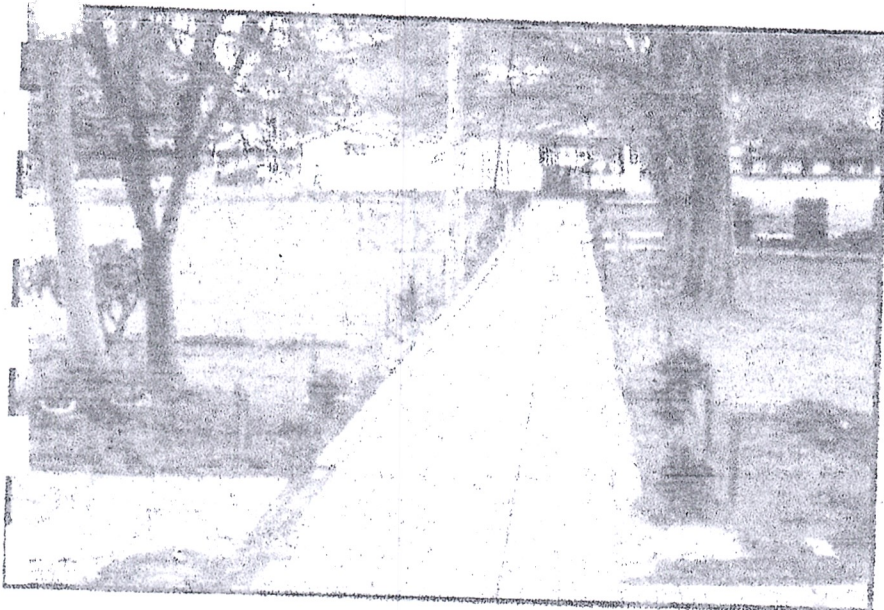
There are no any hidden charges on the fees that is announced to the general public.

Most importantly the institute has the office of the ombudsman that handles any complaints from our stakeholders. All the complaints are promptly responded to by the concerned personnel.

Product stewardship – outline efforts to safeguard consumer rights and interests.

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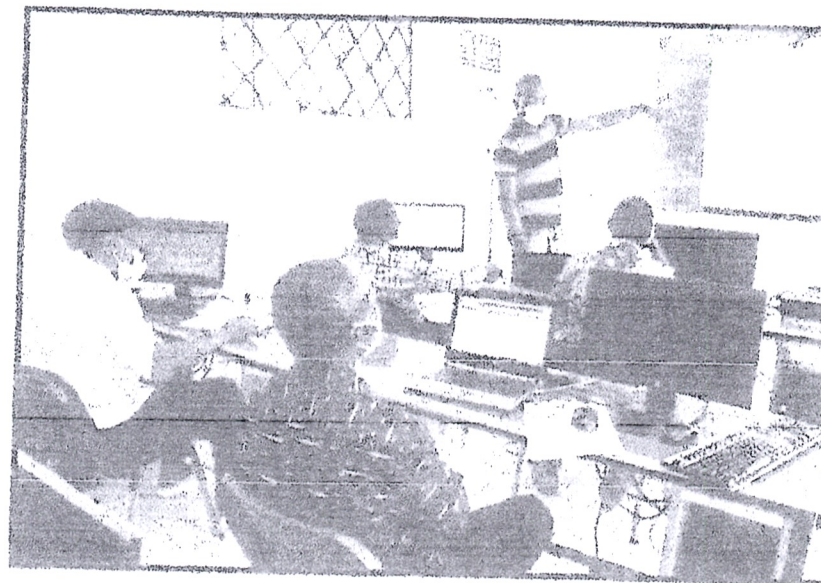
5. Community Engagements-



Construction of paved walk ways to improve sanitation by enabling human traffic to walk on cleaner surfaces

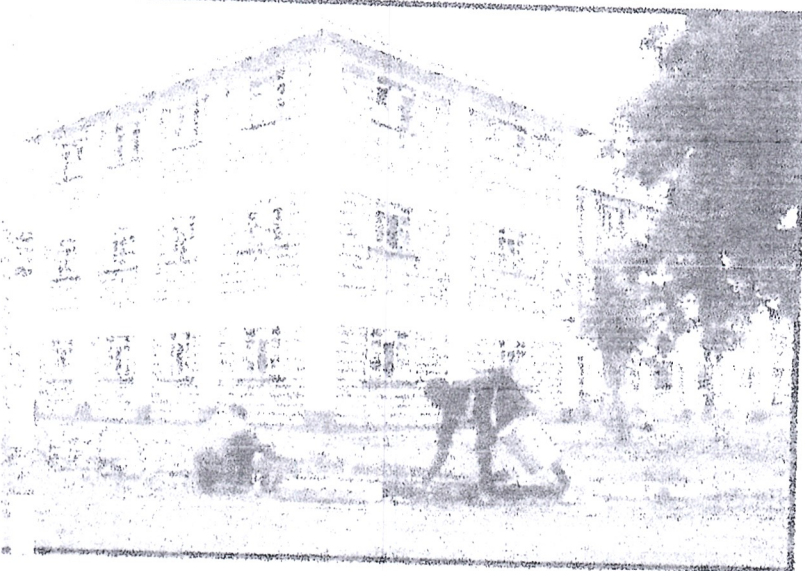
Picture 1. Paved walk ways

Staff involved in online learning training in response to COVID 19 guidelines.



Picture 2. Staff Training-Online Learning

Skilled and unskilled construction workers were outsourced from the local community to work in several internally funded projects as illustrated in the following attached photographs



Picture 3. 12 Number Annex- Departmental Offices

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The construction of Building and Engineering workshops enhance and facilitate training for the local community in building and construction industry.

Picture 4. Building and Civil Engineering workshop

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10. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the Siaya Institute of Technology affairs.

Results

The results of the Institute for the year ended June 30th 2020 are set out on page 1 to 6

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page iv to ix.

Auditors

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

By Order of the Board



Daniel O. Randa
Principal/BoG Secretary
Siaya
Date: 02/05/2021

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11. STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES

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


The council members are responsible for the preparation and presentation of the *Siaya Institute of Technology's* financial statements, which give a true and fair view of the state of affairs of the *Siaya Institute of Technology* for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *Siaya Institute of Technology*; (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 *Siaya Institute of Technology*; (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 *Siaya Institute of Technology's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*) – *entities should quote applicable legislation as indicated under*). The council members are of the opinion that the *Siaya Institute of Technology's* financial statements give a true and fair view of the state of *Siaya Institute of Technology's* transactions during the financial year ended 30th June, 2020 and of the *Siaya Institute of Technology's* financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the *Siaya Institute of Technology*, which have been relied upon in the preparation of the *Siaya Institute of Technology's* financial statements as well as the adequacy of the systems of internal financial control.

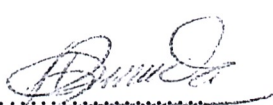
Nothing has come to the attention of the council members to indicate that the *Siaya Institute of Technology* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The *Siaya Institute of Technology's* financial statements were approved by the Board on 31st August 2020 and signed on its behalf by:

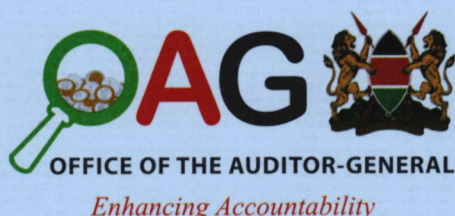

.....

Chairperson of the Board


.....

Accounting officer/Principal

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON SIAYA INSTITUTE OF TECHNOLOGY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Siaya Institute of Technology set out on pages 1 to 31, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in equity, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Siaya Institute of Technology 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 do not comply with Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1.0 Inaccuracies of the Financial Statements

1.1 Comparative Balances

The statement for changes in net assets for the year ended 30 June, 2020 reflects comparative balances for capital reserve of Kshs.295,766,707 and retained earnings of Kshs.35,947,429 while the certified financial statements for year 2018-2019 reflect Kshs.299,805,813 and Kshs.31,908,323 respectively, both resulting in a variance of Kshs.4,039,106.

In the circumstance, the accuracy and completeness of the capital reserve and retained earnings balances as at 30 June, 2020 could not be confirmed.

1.2 Cash Flow Statement

The statement of cash flow for the year ended 30 June, 2020 reported cash and cash equivalent balance of Kshs.24,669,682. However, recasting of the cash flow statement revealed a closing cash and cash equivalent balance of Kshs.101,666,339 resulting in an unexplained variance of Kshs.76,996,657. In addition, the statement reflects a net decrease in cash in hand amount of Kshs.76,996,657 and not the correct casted amount of Kshs.47,582,237 resulting in an unexplained variance of Kshs.124,578,894. Further, the resultant casted cash and cash equivalent balance of Kshs.101,666,339 varies with the balance reflected in the statement of financial position of Kshs.24,669,682.

The statement of cash flow for the year ended 30 June, 2020 also reflects development income of Kshs.68,822,592 disclosed at Note 22 and development expenses of Kshs.47,511,379 disclosed at Note 23(i). However, the development income and expenditure were not supported by documentary evidence and which the Management has not explained.

Consequently, the accuracy and completeness of the statement of cashflow for the year ended 30 June, 2020 and the cash and cash equivalent balance of Kshs.24,669,682 reflected in the statement of financial position could not be confirmed.

1.3 Revenue from Exchange Transaction

The statement of financial performance for the year ended 30 June, 2020 reflects revenue from rendering of services (fees from students) balance of Kshs.100,054,455. However, the corresponding Note 7 to the financial statements reflects Kshs.146,747,760 resulting to unreconciled difference of Kshs.46,693,305 and which has not been explained by the Management.

In the circumstances, the accuracy, validity and completeness of revenue from exchange transaction of Kshs.100,054,455 for the year ended 30 June, 2020 could not be confirmed.

2.0 Unsupported Revaluation of Assets

The statement of changes in net assets for the year ended 30 June, 2020 reflects revaluation reserve of Kshs.2,941,206 in respect to revaluation of land. However, the land valuation report was not provided for audit review.

Consequently, accuracy and validity of the revaluation reserve of Kshs.2,941,206 as at 30 June, 2020 could not be confirmed.

3.0 Unsupported Provision for Bad Debts

The statement of financial position as at 30 June, 2020 and as disclosed in Note 18 reflects receivables from exchange transactions balance of Kshs.22,014,556. This balance is net of Kshs.15,847,500 in respect to provision of bad and doubtful debts.

However, Management has not provided for audit review a debt management policy to support the provision or a Board of Governors approval.

Consequently, the accuracy of the receivables from exchange transactions balance of Kshs.22,014,556 as at 30 June, 2020 could not be confirmed.

4.0 Unsupported Receivables from Non-Exchange Transactions

Disclosed in Note 19 to the financial statements and reflected in the statement of financial position as at 30 June, 2020 is receivables from non-exchange transaction of Kshs.49,163,721. However, the amount is not reflected as a development grant income in the statement of changes in net assets.

Consequently, the accuracy of the receivables of non-exchange transaction of Kshs.49,163,721 as at 30 June, 2020 could not be confirmed.

5.0 Unconfirmed Depreciation Charge

Included in the statement of financial position as at 30 June, 2020 and as disclosed under Note 23 is property, plant and equipment netbook value of Kshs.332,231,163. However, the Board of Governors had not approved the fixed assets depreciation policy. Therefore, the validity of the cumulative depreciation of Kshs.12,803,079 and the respective depreciation rates per annum could not be confirmed.

Consequently, the accuracy and completeness of the property, plant and equipment balance of Kshs.332,231,163 could not be confirmed as at 30 June, 2020.

6.0 Unsupported Retention Fees

The statement of financial position and Note 24 to the financial statements, reflects a balance of Kshs.31,360,613 as at 30 June, 2020 in respect of current liabilities. This balance includes retention fees of Kshs.2,813,761 which were not supported with documentary evidence including the interim payment certificates on projects funded.

In the circumstances, the accuracy and completeness of retention fees of Kshs.2,813,761 could not be confirmed as at 30 June, 2020.

7.0 Misclassification General Administration Cost

Disclosed in Note 14 to the financial statements and reflected in the statement of financial performance for the year ended 30 June, 2020 is general administration cost of Kshs.14,175,334. However, the schedule in support of the administration cost included expenditure on board allowances, extraneous duty allowance and staff salary totalling to Kshs.300,000.

In the circumstances, the accuracy of the general administration cost of Kshs.14,175,334 for the year ended 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Siaya Institute of Technology Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other

ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse 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 of the current year. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2020 reflects total final budget receipts of Kshs.240,216,037 and actual receipts of Kshs.153,306,763 resulting to a budget shortfall of Kshs.86,909,274 or 36% of the budget. Similarly, the Institute spent Kshs.127,873,662 against a total final expenditure budget of Kshs.181,465,021 resulting to a budget under absorption of Kshs.53,591,359 or 30% of the budget.

The budget shortfall and under absorption may have negatively impacted on the delivery of services goods and services or works were not delivered.

Further, the statement of comparison of budget and actual amounts for the year ended 30 June, 2020 reflects an original revenue budget of Kshs.323,687,803 and adjusted revenue budget of Kshs.240,216,037 resulting in budget adjustments totalling Kshs.83,471,766. However, no approval by the Board of Governors of the revised budget was provided for audit review.

Consequently, the accuracy, validity, and completeness of the budgeted revenue figure of Kshs.240, 216,037 for the year ended 30 June, 2020 could not be confirmed.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Improper Disclosure of Assets

The statement of financial position as at 30 June, 2020 and as disclosed in Note 21 reflects mattresses and animals balances of Kshs.450,000 and Kshs.97,600

respectively. However, the mattresses and the animals should have been classified under inventories and biological assets respectively.

This is contrary to requirements of IPSAS 1 on presentation of financial statements and in the circumstances the financial statements do not comply with the prescribed reporting framework.

2.0 Failure to Deduct Income Tax

Disclosed in Note 11 to the financial statements and reflected in the statement of financial performance for the year ended 30 June, 2020 is Board of Governors expenses of Kshs.2,224,240. However, out of the board allowances paid, Kshs.1,396,500 was on sitting allowances from which taxes were not deducted contrary to Section 5(2)(a) of the Income Tax Act Cap 470 which requires sitting allowances to be taxed at 30% of the gross figure and be remitted to the Commissioner of Domestic Taxes.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, I confirm that, internal controls, risk management and governance were not effective.

Basis of Conclusion

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

Responsibilities of Management and Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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 abolish 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.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance 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 applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the 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

14 February, 2022

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
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13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2020

Statement of Financial Performance	Notes	2019/2020	2018/2019
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from National Government Ministries Operational Grants	6	5,442,500.00	5,956,550.00
Total Revenue from non-exchange transactions		5,442,500.00	5,956,550.00
Revenue from exchange transactions			
Rendering of services- Fees from students	7	100,054,455.00	123,643,484.00
Other income	8	1,116,503.00	5,528,211.00
Revenue from exchange transactions		101,170,958.00	129,171,695.00
Total revenue		106,613,458.00	135,128,245.00
Expenses			
Employee costs	10	24,925,291.00	13,963,389.00
Remuneration of Board of Governors	11	2,224,240.00	1,253,000.00
Repairs and Maintenance	13	3,845,074.00	3,706,948.00
Contracted services	15	2,963,529.00	1,864,319.00
General/Admin Cost	14	14,175,334.00	9,806,368.00
Depreciation	12	12,803,079.00	48,397,427.00
Rendering of Training Services – Expenses	9	51,089,615.00	24,228,473.00
Bad and doubtful debt		15,847,500.00	
Total expenses		127,873,662.00	103,219,922.00
Net Deficit/Surplus for the year		(21,260,204.00)	31,908,323.00
Attributable to:			
Surplus/(deficit) attributable to minority interest			
Surplus attributable to owners of the controlling Institute			

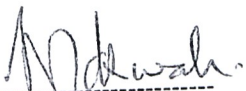
The notes set out on pages 6 to 28 form an integral part of the Annual Financial Statements.

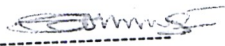
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14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

Statement of Financial Position	Notes	2019/2020	2018/2019
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	24,669,682.00	54,084,102.00
Receivables from exchange transactions	18	22,014,556.00	60,630,563.00
Receivables from non-exchange transactions	19	49,163,721.00	44,390,888.00
Inventories	20	534,863.00	1,850,000.00
Mattresses	21	450,000.00	500,000.00
Animals	21	97,600.00	77,600.00
Total Current Assets		96,930,422.00	161,533,153.00
Non-current assets			
Property, plant and equipment	23	332,231,163.00	251,177,961.00
Total Non-current Assets		332,231,163.00	251,755,561.00
Total assets		429,161,585.00	412,711,114.00
Liabilities			
Current liabilities	24	31,360,613.00	35,369,829.00
Total Current Liabilities		31,360,613.00	35,369,829.00
Capital reserve fund		380,172,541.00	376,763,685.00
Retained Earnings		17,628,431.00	31,908,323.00
Total Net Assets and Liabilities		429,161,585.00	412,711,114.00

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


 B.o.G Chairman
 Date: 03/05/2021


 Finance Officer
 ICPAK No
 Date: 1/5/2021


 Principal
 Date: 03/05/2021

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15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2020

Details	Capital Reserve	Fair value Adjustment Reserve	Retained Earnings	Total
Surplus for the period			31,908,323.00	31,908,323.00
Retained Earnings			4,039,106.00	4,039,106.00
Capital Reserve	295,766,707.00	21,025,742.00		316,792,449.00
Balance as at 30th June 2019	295,766,707.00	21,025,742.00	35,947,429.00	352,739,878.00
Balance as at 1 st July 2019			35,947,429.00	35,947,429.00
Revaluation Reserve			2,941,206.00	2,941,206.00
Retained Earnings			(21,260,204.00)	(21,260,204.00)
Capital Reserve	316,792,449.00	63,380,092.00	00	380,172,541.00
Balance as at 30th June 2020	316,792,449.00	63,380,092.00	17,628,431.00	397,800,972.00

N/B The institute assets had been valued by a committee approved by the principal as was advised by the National Treasury and did not involve a professional valuer on valuation of its assets due to lack of funds for the same. The figures therefore are not very accurate since the Institute is yet to involve the services of an expert in valuation of assets

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16. STATEMENT OF CASH FLOW AS AT 30TH JUNE 2020

Statement of Cash Flow	Note	2019/2020	2018/2019
		Kshs	Kshs
Cashflowsfromoperatingactivities			
Receipts			
Transfers from other Government entities/Govt. grants	6	5,442,500.00	5,956,550.00
Renderingofservices- Fees from students	25	114,601,583.00	123,643,484.00
Other Income	8	1,116,503.00	5,528,211.00
Total Receipts		121,160,586.00	135,128,245.00
Payments			
Employee Costs	27	24,911,106.00	13,963,389.00
Remuneration of Board of governors	11	2,224,240.00	1,253,000.00
Repairs and Maintenance	13	3,845,074.00	3,706,948.00
Contracted Services	15	2,963,529.00	1,864,319.00
General Expenses	14	14,175,334.00	9,806,368.00
Rendering of Training Services – Expenses	26	41,327,779.00	24,228,473.00
Mentorship cost	29	5,442,500.00	
Total Payments		94,889,562.00	103,219,922.00
Netcashflowsfromoperatingactivities		26,271,024.00	31,908,323.00
Cash flow from investing activities			
Development Expenses	23	(47,511,379.00)	(36,271,646.00)
Net Cash flow from investing activities		(21,240,355.00)	(4,363,323.00)
Cash flow from financing activities			
Development Income	22	68,822,592.00	21,025,742.00
Net Cash flow from financing Activities		47,582,237.00	16,662,419.00
Net Increase/Decrease in Cash in Hand		(76,996,657.00)	37,421,683.00
Cash and cash equivalent as at 1 st July 2019	17	54,084,102.00	
Cashandcashequivalent as at 30th June 2020		24,669,682.00	54,084,102.00

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

Statement of Comparison of Budget & Actual Amounts	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Explanations
	2019-2020	Kshs	2019-2020	Kshs	2019-2020	Kshs	2019-2020	Kshs	2019-2020	Kshs	
Revenue											
Transfers from Govt entities (Govt grants)	172,230,989.00		-117,624,768.00		54,606,221.00		5,442,500.00		-49,163,721.00		a
Rending of services- Fees from students	140,509,793.00		44,100,023.00		184,609,816.00		146,747,760.00		-37,862,056.00		b
Production unit	10,947,021.00		-9,947,021.00		1,000,000.00		1,116,503.00		116,503.00		c
Total income	323,687,803.00		- 83,471,766.00		240,216,037.00		153,306,763.00		-86,909,274.00		
Expenses											
Compensation of employees	24,389,400.00		502,891.00		24,892,291.00		24,925,291.00		-33,000.00		
Rending of services	157,600,948.00		(58,377,865.00)		99,223,083.00		51,089,615.00		48,133,468.00		d
Repair and Maintenance	9,627,000.00		-6,000,000.00		3,627,000.00		3,845,074.00		218,074.00		
Contracted Services	2,400,000.00		563,529.00		2,963,529.00		2,963,529.00		0.00		
Gen/Admin cost	14,378,320.00		5,230,219.00		19,608,539.00		14,175,334.00		5,433,205.00		e
Depreciation	12,644,719.00		00		12,803,079.00		12,803,079.00		0.00		
Bad and doubtful debts	00		15,847,500.00		15,847,500.00		15,847,500.00		0.00		
Remuneration of directors	2,500,000.00		00		2,500,000.00		2,224,240.00		275,760.00		f
Total expenditure	223,540,387.00		-42,233,726.00		181,465,021.00		127,873,662.00		53,591,359.00		
Surplus for the period	100,147,416.00		-125,705,492.00		58,909,376.00		25,433,101.00		-33,317,915.00		

Explanatory Notes

- Non-disbursement of funds from the ministry
- Poor performance due to non-disbursement of 4th quarter capitation funds and delayed disbursement of HELB bursaries.
- Expenditure on production unit was dependent on the revenue as stated in b above.
- Under performance due to COVID 19 containment measures.
- Under performance due to COVID 19 containment measures.
- Under performance due to COVID 19 containment measures

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18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Siaya Institute of Technology is established by and derives its authority and accountability from TVET Act 2015. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is Training.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Institute's accounting policies.

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Early adoption of standards

The Institute did not early – adopt any new or amended standards in financial year 2019/2020.

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 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 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.

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 Council or Board on 2nd July 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. There were no additional appropriations on the FY 2019/2020 budget following the Board's approval.

Siaya Institute of Technology 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.

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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 on page 1 of these financial statements.

c) Taxes

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 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 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.

f) Leases

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

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

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

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

g) Intangible assets

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

h) Research and development costs

The Institute expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Institute can demonstrate:

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

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 Institute determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

The Institute assesses at each reporting date whether there is objective evidence that a financial asset or an Institute of financial assets is impaired. A financial asset or a Institute 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 cashflows of the financial asset or the Institute of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a Institute 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 Institute determines the classification of its financial liabilities at initial recognition.

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

Loans and borrowing

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

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

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

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 Institute.

j) Provisions

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

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Where the Institute expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

k) Nature and purpose of reserves

The Institute creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

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.

p) Related parties

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

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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, 2020.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by 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

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 ____

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.

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6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Operational grant	0.00	5,956,550.00
	0.00	5,956,550.00
Conditional grants		
Ugenya TVC	1,225,000.00	6,070,000.00
Seme TVC	4,217,500.00	13,723,973.00
Admin/Library Complex	0.00	5,290,000.00
	5,442,500.00	25,083,973.00
Total government grants and subsidies	5,442,500.00	31,040,523.00

7 RENDERING OF SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Tuition fees	88,403,416.00	108,067,517.00
Personal Emoluments	14,006,900.00	
EWC	5,527,595.00	1,316,715.00
L,T&T	3,683,800.00	1,069,715.00
RMI	5,528,700.00	
Activity	3,683,800.00	2,571,797.00
Admin cost	8,560,095.00	
Library fees	1,787,300.00	193,150.00
Students Organisation	596,800.00	187,175.00
Medical	893,600.00	163,370.00
Registration	1,217,600.00	582,665.00
Development	3,683,800.00	
Industrial Attachment	3,774,150.00	1,284,505.00
Boarding fee	3,907,054.00	7,303,475.00
Practical	1,459,000.00	-
Examination	4,750.00	903,400.00
Application fees	29,400.00	-
Total revenue from the rendering of services	146,747,760.00	123,643,484.00

NB i) Shs 52,013,862.00 under inter entity transfers was for rendering of training services (Being capitation fund.) this had been distributed under note number 7 across vote heads as per the approved fee structure for 2019/2020FY.

ii) Kshs. 46,693,305.00 had been capitalised from Appropriation In Aid for the current year.

8 SALE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Sale of goods		
Bus Hire	167,000.00	-
School Based Programmes	752,350.00	-

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Sale of farm produce	197,153.00	-
Hotel Proceeds	0.00	5,484,211.00
Sale of Tender Documents	0.00	44,000.00
Total revenue from the sale of goods	1,116,503.00	5,528,211.00

9 RENDERING OF TRAINING SERVICES (USE OF GOODS AND SERVICES)

Description	2019-2020	2018-2019
	KShs	KShs
Tuition expense (School Equipment and Stores)	43,962,575.00	9,684,150.00
Boarding	3,078,771.00	6,772,927.00
Local Transport & Traveling	1,465,669.00	2,511,885.00
Electricity, Water & Conservancy	1,197,333.00	992,843.00
Activity	1,098,280.00	1,287,390.00
Medical	113,572.00	62,664.00
Student Organization	131,560.00	140,360.00
Industrial Attachment	0.00	1,384,626.00
Graduation	0.00	1,384,128.00
Library	41,855.00	7,500.00
Total revenue from the rendering of services	51,089,615.00	24,228,473.00

10 EMPLOYEE COSTS

Description	2019-2020	2018-2019
	KShs	KShs
Salaries and wages	23,233,627.00	12,562,434.00
Employee related costs	1,691,664.00	1,400,955.00
Employee costs	24,925,291.00	13,963,389.00

11 REMUNERATION OF BOARD OF GOVERNORS

Description	2019-2020	2018-2019
	KShs	KShs
BoG Allowances	2,224,240.00	1,253,000.00
Total BoG Allowances	2,224,240.00	1,253,000.00

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12 DEPRECIATION AND AMORTIZATION EXPENSE

Cost	Land (Revaluation)	Buildings (7%)	Motor vehicles (3%)	Furniture and fittings (5%)	Computer s (5%)	Machinery (Revaluation)	ERP System (3%)	Tools and Equipment (3%)	Capital Work in progress	Expendable Stores	Library Material (3%)	Cutleries (3%)	Total	
													Shs	Shs
At 1 st July 2018	32,036,734	169,180,905	13,776,363	5,134,090	3,172,006	77,729,706	0	3,410,995.00	20,462,723	46,120	3,215,430	1,886,505	330,051,577	
Depreciation	00	26,460,381	10,138,363	3,675,437	1,423,771	3,546,830	00	1,787,710	00	31,880	564,530	768,525	48,397,427	
Book Value at 30 th June 2019	32,036,734	142,720,524	3,638,000	1,458,653	1,748,235	74,182,876	8,004,000	1,623,285	20,462,723	14,240	2,650,900	1,117,980	281,654,150	
At 1 st July 2019	32,036,734	142,720,524	3,638,000	1,458,653	1,748,235	74,182,876	8,004,000	1,623,285	20,462,723	14,240	2,650,900	1,117,980	281,654,150	
Additions	2,942,206	17,668,255	00	3,626,847.	2,618,000	00	00	00	28,520,784	0	0	0	63,380,092	
At 30 th June 2020	34,978,940	160,388,779	3,638,000	5,085,500	4,366,235	74,182,876	8,004,000	1,623,285	48,983,507	14,240	2,650,900	1,117,980	345,034,242	
Depreciation	00	11,227,214	109,140	254,275	218,312	592,253	240,120	48,699	00	00	79,527	33,539	12,803,079	

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13 REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	KShs	KShs
Paint works	0.00	607,268.00
Cleaning materials	228,505.00	437,264.00
Fumigation	0.00	119,000.00
Masonry works	2,733,990.00	2,059,840.00
Plumbing Works	882,579.00	483,576.00
Totalrepairsandmaintenance	3,845,074.00	3,706,948.00

14 GENERAL/ADMIN COST

Description	2019-2020	2018-2019
	KShs	KShs
Research & Innovation	439,100.00	1,772,290.00
Performance Contracting	0.00	2,387,473.00
Printing Services	1,877,016.00	489,027.00
ISO Certification Course	0.00	1,061,978.00
Subscriptions	335,000.00	90,000.00
Skills Development Costs	6,864,084.00	4,005,600.00
Other Admin Costs	4,660,134.00	0.00
TotalGeneral/Admin Cost	14,175,334.00	9,806,368.00

15 CONTRACTED SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Security Services	2,963,529.00	1,864,319.00
Totalcontractedservices	2,963,529.00	1,864,319.00

16 CASH AND CASH EQUIVALENTS

Description	2019-2020	2018-2019
	KShs	KShs
Current account	14,136,075.00	31,105,236.00
On-call Deposit	10,514,607.00	22,895,638.00
Others-Cash in Hand	19,000.00	83,228.00
Totalcashandcashequivalents	24,669,682.00	54,084,102.00

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17 DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2019-2020	2018-2019
		KShs	KShs
a) Current account			
Kenya Commercial bank	1106857135	13,662,301.00	17,912,011.00
Kenya Commercial bank	1256543730	384,111.00	8,214,808.00
Kenya Commercial bank	1255644036	157.00	4,793,209.00
Cooperative Bank	01120255255900	89,503.00	185,208.00
Sub- total		14,136,074.00	31,105,236.00
b) Savings Account			
Kenya Commercial bank	1104908875	454,268.00	20,388,274.00
Kenya Commercial bank	1113066399	10,060,339.00	2,507,364.00
Sub- total		10,514,608.00	22,895,638.00
c) Others(Specify)			
Cash in hand		19,000.00	83,228.00
Sub- total		19,000.00	83,228.00
Grand total		24,669,682.00	54,084,102.00

18 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Currentreceivables		
Student debtors	37,862,056.00	60,630,563.00
Provision for doubtful debts(Capitation)	(15,847,500.00)	00
Totalcurrentreceivables	22,014,556.00	60,630,563.00

The provision for bad and doubtful debts was created as a result of non-disbursement of capitation funds for the fourth quarter of 2019/2020FY since the students were out of session as a result of Covid 19 containment measures hence no service provided

19 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Adjusted Budget	54,606,221.00	65,416,630.00
Actual Receipts	5,442,500.00	21,025,742.00
Receivable from Non exchange transactions	49,163,721.00	44,390,888.00

This was anticipated amountof development grant for G.o.K funded projects and therefore not affecting statement of financial performance.

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20 INVENTORIES

Description	2019-2020	2018-2019
	KShs	KShs
Consumable stores	00	800,000.00
Maintenance stores	00	158,000.00
Health Unit stores	00	28,500.00
Electrical stores	00	256,500.00
Stationery	151,388.00	00
Cleaning materials stores	114,729.00	209,500.00
Catering stores	268,746.00	397,500.00
Total inventories at the lower of cost and net realizable value	534,863.00	1,850,000.00

21 OTHER CURRENT ASSETS

Description	2019-2020	2018-2019
	KShs	KShs
Mattresses	450,000.00	500,000.00
Animals	97,600.00	77,600.00
Total Other Current Assets	547,600.00	577,600.00

22 DEVELOPMENT INCOME

Description	2019-2020	2018-2019
	KShs	KShs
A.I.A	68,822,592.00	15,735,742.00
G.O.K	0.00	5,290,000.00
Total Development Income	68,822,592.00	21,025,742.00

Appropriation in Aid for 2018/2019FY in form of arrears from NYS funds for students sponsored Kshs 41,995,416.00, Capitation for the fourth quarter of 2018/2019FY of shs 22,515,000 and HELB arrears of shs 2,067,576.00 and internal receipts for the period under review of shs 2,244,600.00 was capitalised to finance internally funded projects.

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23 PROPERTY, PLANT AND EQUIPMENT

Cost	Land (Revaluation)	Buildings (7%)	Motor vehicles (5%)	Furniture and fittings (5%)	Computers (5%)	Machinery (Revaluation)	ERP System (3%)	Tools and Equipment (3%)	Capital Work in progress	Expendable Stores	Library Materials (3%)	Outlets (3%)	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 st July 2018	32,036,734	169,180,905	13,776,363	5,134,090	3,172,006	77,729,706	0	3,410,995,000	20,462,723	46,120	3,215,430	1,886,505	330,051,577
Depreciation	00	26,460,381	10,138,363	3,675,437	1,423,771	3,546,830	00	1,787,710	00	31,880	564,530	768,525	48,397,427
Book Value at 30 th June 2019	32,036,734	142,720,524	3,638,000	1,458,653	1,748,235	74,182,876	8,004,000	1,623,285	20,462,723	14,240	2,650,900	1,117,980	281,654,150
At 1 st July 2019	32,036,734	142,720,524	3,638,000	1,458,653	1,748,235	74,182,876	8,004,000	1,623,285	20,462,723	14,240	2,650,900	1,117,980	281,654,150
Additions	2,942,206	17,668,255	00	3,626,847	2,618,000	00	00	00	28,520,784	0	0	0	63,380,092
At 30 th June 2020	34,978,940	160,388,779	3,638,000	5,085,500	4,366,235	74,182,876	8,004,000	1,623,285	48,983,507	14,240	2,650,900	1,117,980	345,034,242
Depreciation	00	11,227,214	109,140	254,275	218,312	592,253	240,120	48,699	00	00	79,527	33,539	12,803,079
Book Value at 30 th June 2020	34,978,940	149,161,565	3,528,860	4,831,225	4,147,923	73,590,623	7,763,880	1,574,586	48,983,507	14,240	2,571,373	1,084,441	332,231,163

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

23(i) DEVELOPMENT EXPENSE

Description	2019-2020 KShs	2018-2019 KShs
Development Expense Accrued	63,380,092.00	36,271,646.00
Payable for projects	(13,054,952.00)	
Retention fee	(2,813,761.00)	
Total actual expense	47,511,379.00	36,271,646.00

24 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020 KShs	2018-2019 KShs
Trade payables	9,761,836.00	11,513,781.00
Fees paid in advance	5,715,879.00	7,682,641.00
Payables for projects	13,054,952.00	16,173,407.00
Retention	2,813,761.00	
Employee obligation(PAYE)	14,185.00	
Total trade and other payables	31,360,613.00	35,369,829.00

25 ACTUAL RECEIPTS FROM STUDENTS

Description	2019-2020 KShs
Receipts from students accrued	146,747,760.00
Arrears	(37,862,056.00)
Prepaid fee	5,715,879.00
Actual receipts	114,601,583.00

26 ACTUAL RENDERING OF TRAINING SERVICES(EXPENSES)

Description	2019-2020 KShs
Rendering of training services expenses(Accrued)	51,089,615.00
Trade payables	(9,761,836.00)
Actual rendering of training services(Expenses)	41,327,779.00

27 ACTUAL EMPLOYEE COST

Description	2019-2020 KShs

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Employee cost(Accrued)	24,925,291.00
Employee benefit obligation(Payee)	(14,185.00)
Actual employee cost	24,911,106.00

28 REVALUATION GAIN

Description	2019-2020
	KShs
Value of land as at 30 th June 2020	34,978,940.00
Value of land as at 1 st July 2019	32,036,734.00
Revaluation gain (9.18)	2,942,206.00

This was occasioned by doing chain-link fence around the 15.95 ha piece of land around the compound, planting of trees, creation of new playground and paved walkways to the tune of the gain reported.

29 MENTORSHIP COST

Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Operational grant	0.00	5,956,550.00
	0.00	5,956,550.00
Conditional grants		
Ugenya TVC	1,225,000.00	6,070,000.00
Seme TVC	4,217,500.00	13,723,973.00
	5,442,500.00	19,793,973.00
Total government grants and subsidies	5,442,500.00	25,750,523.00

30 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

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by the company's management based on prior experience and their assessment of the current economic environment.

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 Technical and Vocational Training.

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.

(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.

31 CAPITAL COMMITMENTS

Adjusted Budget	54,606,221.00
Actual Receipts	5,442,500.00
Planned and not Received	49,163,721.00

N/B Work in progress in this case comprised of certified works for Admin/Library Complex as per the 5th Interim Certificate less materials on site i.e.

Work Certified	30,544,982.00
Materials on site	(2,024,198.00)
Total Permanent Works(Works in progress)	28,520,784.0

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32 EVENTS AFTER THE REPORTING PERIOD

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

33 ULTIMATE AND HOLDING ENTITY

The Institute is a State Corporation Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

34 Currency

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

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19. APPENDICES

APPENDIX I: 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)

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.

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APPENDIX II: PROJECTS IMPLEMENTED BY THE INSTITUTE

Status of Projects completion

S/NO	PROJECT NAME/TENDER NO.	NAME OF CONTRACTOR	CONTRACT SUM	AMOUNT PAID	PROJECT TIMELINES	PROJECT COMPLETION RATE (%)	PROJECT FUNDING	REMARKS
1	Renovation of Dinning Hall SIT/DH/05/2019/2020	Bajach Ltd	3,650,000.00	1,048,421.00	Start Date. 27/06/2020 Project Duration. 3M End Date. 27/08/200	98	B.o.G	Dining hall was renovated to address emerging issues and an annex was constructed to provide more seating space.
2	Renovation of Ablution Blocks SIT/ABL/03/2019/2020	Denpa Laboratory Supplies	2,788,229.00	961,053.00	Start Date. 27/06/2020 Project Duration. 3M End Date. 27/08/200	70	B.o.G	Renovation works was undertaken in the admin block and Jaramogi Oginga Hostel. The Ablution block in Grace Ogot block was renovated to serve both male and female students.
3	Fencing along Rangala Road, Farm and Play grounds SIT/F/04/2019/2020	Smike International Construction	1,210,790.00	916,369.00	Start Date. 27/06/2020 Project Duration. 3M End Date. 27/08/200	80	B.o.G	Main perimeter of SIT plot together with the farm and playground were fenced using concrete poles and chain link.
4	Completion of 12NO. Annex SIT/12NO. A/02/2019/2020	Cool Base Enterprises and Hardware	3,947,989.00	2,096,843.00	Start Date. 27/06/2020 Project Duration. 3M	100	B.o.G	A 3No floor annex was constructed beside the 12no. block to provide more office space for departments

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						End Date. 27/08/2020			and HoDs
5	Renovation of Grace Ogot Hostel SIT/ABL/03/2019/2020	Cool Base Enterprises and Hardware	2,235,469.00	1,397,894.00		Start Date. 27/06/2020 Project Duration. 3M End Date. 27/08/2020	100	B.o.G	This block was remodeled and renovated to accommodate 4no classroom as a measure to address shortage of classrooms.
6	Construction of Electrical installation workshop SIT/EW/06/2019/2020	Evalovely Investment Ltd	1,061,910.00	1,059,630.00		Start Date. 27/06/2020 Project Duration. 3M End Date. 27/08/2020	95	B.o.G	A new workshop was constructed behind the ESP block to be used for practical by certificate electrical trainees
7	Renovation of Jaramogi Odinga Hostel SIT/JRH/07/2019/2020	Kenjwa Enterprises Ltd	1,454,689.00	1,454,689.00		Start Date. 27/06/2020 Project Duration. 3M End Date. 27/08/2020	95	B.o.G	Renovation works included branding to receive ceiling finish floor tiling and painting of the entire block in order to improve habitation
8	Tiling of Classrooms, corridors and offices SIT/T/08/2020/2021	Kenjwa Enterprises Ltd	703,494.00	0		Start Date. 27/06/2020 Project Duration. 3M End Date.	60	B.o.G	This was done to facilitate sanitization of floors.

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					27/08/2020					
9	Re-painting of Classrooms SIT/P/09/2020/2021	Kenjwa Enterprises Ltd	1,278,225.00	0	Start Date. 27/06/2020 Project Duration. 3M End Date. 27/08/2020	70	B.o.G	This was undertaken to improve appearance		
10	Proposed Administration/Library Complex SIT/A&L/001/2017/2018	Winam Contractors	77,338,714.00	28,137,610.00	Start Date. 1/9/2018 Initial Project Duration. 52weeks Revised Project Duration. Not Yet Determine. Due to financial constraints Estimated Date of Completion. Yet to be determined	48	G.o.K	The project commenced on 1 st September 2018 and it comprised of 3 wing i.e wing A,B& C. currently the 2 nd suspended floor for wing A and 1 st suspended floor for wing C, has been casted. Columns to support 1 st suspended floor for wing B has been casted. Construction works have since been suspended due to non-disbursement of funds from M.O.E. Refer to Annex 1 for more details.		

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11	Renovation of Old Administration Block SIT/RFP/2019/2020/04	Shevanna Enterprises	4,903,964.00	4,057,261.00	Start Date. 16/12/2019 Duration. 4 Weeks End Date. 5/1/2020	100	B.o.G	This block was remodeled and renovated to accommodate the offices of senior management, reception, conference room and washroom
12	Relocation of ICT lab SIT/RFP/2019/2020	Infrasec	2,140,780.00	648,546.00	Start Date. 16/12/2019 Duration. 4 Weeks End Date. 5/1/2020	90	B.o.G	Four classrooms in the 12no block were renovated to accommodate four. Power and internet cabling works are still outstanding.
13	Repainting of Classrooms and Office SIT/P/10/2020/2021	Cool Base Enterprises and Hardware	1,119,651.00	0	Start Date. Duration. End Date.	70	BoG	Works in progress
14	Design, Relocation, Installation, Testing and Commissioning for 2 No. Building & Civil Eng. Workshops	Vanshi Enterprises	8,000,000.00	6,624,996.00	Start Date. 16/12/2019 Duration. 4 Weeks End Date. 5/1/2020	100	BoG	2 No. workshops were constructed
	Design of the gate and Hospitality Complex	Plan House	346,608.00	150,000.00				
	Total		111,833,904.00	48,403,312.00				

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APPENDIX III: INTER-ENTITY TRANSFERS

	ENTITY NAME:	SIAYA INSTITUTE OF TECHNOLOGY		
	Break down of Transfers from the State Department of Vocational and Technical Training			
	FY 2019/2020			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Ugenya TVC	27/04/2020	1,000,000.00	2019/2020
	Seme TVC	27/04/2020	1,000,000.00	2019/2020
	Siaya Institute of Technology	-	-	
		Total	2,000,000.00	
b.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Siaya Institute of Technology	18/10/2019	12,885,000.00	2019/2020
	Siaya Institute of Technology	10/06/2020	12,330,000.00	2019/2020
	Siaya Institute of Technology	03/07/2020	12,607,500.00	2019/2020
	Seme TVC	07/05/2020	2,145,000.00	2019/2020
	Seme TVC	03/07/2020	1,072,500.00	2019/2020
	Ugenya TVC	07/05/2020	225,000.00	2019/2020
		Total	41,265,000.00	