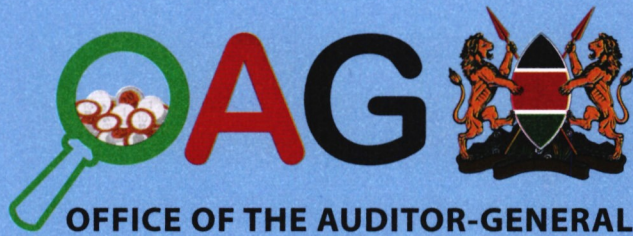


REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY

**REPORT**

20 JUL 2023

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TABLED  
BY:

Hon. Kimani Ichungwaa, MP  
The leader, Majority Party

CLERK-AT  
THE TABLE

OF Miriam modo

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**EMINING TECHNICAL TRAINING  
INSTITUTE**

**FOR THE YEAR ENDED  
30 JUNE, 2022**



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***EMINING TECHNICAL TRAINING INSTITUTE***

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30<sup>TH</sup> JUNE 2022**

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**Emining Technical Training Institute**  
**Annual Report and Financial Statements for the year ended June 30 2022**

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**Emining Technical Training Institute**  
**Annual Report and Financial Statements for the year ended June 30 2022**

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## **I. Key Emining Technical Training Institute Information and Management**

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

Emining Technical Training Institute was incorporated/ established under the TVET Act on **17th February, 2015** with Registration Certificate Number **TVETA/PUBLIC/TVC/0002/2015**. The entity is domiciled in Kenya and has no branches. The institute is under the Ministry of Education.

It has the following departments

- i) Mechanical Engineering department
- ii) Information Technology Department
- iii) Business Department
- iv) Agriculture Department
- v) Hospitality Department
- vi) Building and Civil Engineering.

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

The principal activity of Emining Technical Training Institute is to offer quality Education to the trainees.

#### **(i) Vision:**

- To be a centre of excellence in Science, Technology and Innovation.

#### **(ii) Mission:**

-To produce skilled human capital suitable for the dynamic global economy.

### **(c) Key Management**

The Emining Technical Training Institute's day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Management
- Head of Departments

### **(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Principal	<b>Jonah Kimengich</b>
2.	Deputy principal	<b>Samson Rutto</b>
3	Registrar	<b>Stephen Kiprono</b>
4	Dean of students	<b>Agnes Chebii</b>
5	Finance Officer	<b>Jecinta Chelelgo</b>
6	Internal Auditor	<b>Nicodemus Toroitich</b>
7	Procurement officer	<b>Alfred Kosgei</b>

**(e) Fiduciary Oversight Arrangements**

Responsibilities of the audit committee typically include:

- Overseeing the financial reporting and disclosure process.
  - Monitoring choice of accounting policies and principles.
  - Overseeing hiring, performance and independence of the external auditors.
  - Oversight of regulatory compliance, ethics, and whistle blower hotlines.
  - Monitoring the internal control process.
  - Overseeing the performance of the internal audit function.
  - Discussing risk management policies and practices with management.
- Development partner oversight activities  
For the current financial year we did not have any development partner.

**Key Emining Technical Training Institute Information and Management (Continued)**

**(f) Emining Technical Training Institute Headquarters**

P.O. Box 208-20105 Mogotio  
Mogotio Building/House/Plaza  
Mogotio Road  
Mogotio, KENYA

**(g) Emining Technical Training Institute Contacts**

Telephone: (254) 96 098 672  
E-mail: [eminingtti@gmail.com](mailto:eminingtti@gmail.com)  
Website: [eminingtti.go.ke](http://eminingtti.go.ke)

**(h) Emining Technical Training Institute Bankers**

1. Kenya Commercial Bank  
Operation Account  
A/c no: 1148626859  
Nakuru Kenyatta Avenue  
P.O Box 18  
Nakuru - 20100
2. Kenya Commercial Bank  
Development Account  
A/c no: 1166509710  
Flamingo Nakuru  
P.O Box 17755  
Nakuru – 20100
3. Kenya Commercial Bank  
A/c no: 1281250708  
Mogotio Branch  
P.O Box  
Mogotio -20105
4. Skyline Sacco  
A/c no: 5651-005-01721  
Emining Branch  
P.O Box 660  
Eldama Ravine -20103




**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

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




## II. The Board of Governors

	Member/ Director	Details
1.	 DR. CYNTHIA KIPCHILAT- BOARD CHAIR Date of Birth 02/ 08/ 1964	<b>Education Background</b> <ul style="list-style-type: none"> <li>- PhD –International business Administration, Florida</li> <li>- MBA ,University of Wales,UK</li> </ul> <b>Experience</b> <ul style="list-style-type: none"> <li>- Director, (EPC)-Export promotion</li> <li>- Director CRWWDA</li> <li>- Director: Kenya Institute of Public Policy Research and Analysis (KIPPRA) -2008- January 2013:</li> <li>- Senior Lecturer at Egerton University</li> </ul>
2.	 VIOLA CHEBII – BOARD MEMBER Date of Birth 24/6/1979	Bachelor of Commerce, Accounting option (Kenyatta University), CPA II Section III  Experience: - Assistant finance Manager, Mogotio Sisal Plantations Limited, Auditor.
3.	 KIPSANG KETER- BOARD MEMBER Date of Birth -26/09/1955	Bachelor of Science (Honors) in Materials Technology (Leather) British School of Leather Technology University of Northampton – UK <ul style="list-style-type: none"> <li>• Coordinating Leather Development activities in the Ministry</li> <li>• Implementation of Vision 2030 through revitalization of the leather industry in the country.</li> <li>• Writing of project proposal</li> <li>• Supervision of project implementation</li> <li>• Development of SMEs (Rural Mini-Tanneries)</li> </ul>

**Emining Technical Training Institute**  
**Annual Report and Financial Statements for the year ended June 30 2022**

4.	 1. <b>DR. KIRORI MINDO –BOARD MEMBER</b> Date of Birth – 21/03/1982	PhD in Information Technology  Experience: -  Trainer ICT Provider,  Consultancy in ICT
5.	 2. <b>MARY AKOTH- BOARD MEMBER</b> Date of Birth 01/01/1978	. BSc in Electrical Engineering (Power Option) - Electrical engineer, Private Consultant
6.	 3. <b>MERCY KAHUKO- BOARD MEMBER</b> Date of Birth- 28/05/1977	<b>Education Background</b> -Masters in Business Administration. (Strategic Management Part-time Lecturer in Daystar Leadership & Professional Development Institute (DLPDI) and School of Business & Economics,
7.	 4. <b>FRANCIS KENEI- BOARD MEMBER</b> Date of Birth - 11/03/1966	<b>Education Background</b> BSc. Agricultural Economics Egerton University Njoro, Kenya KATC. Intermediate. KASNEB (RVIST Nakuru, Kenya <b>Experience</b> Senior Administrative Assistant Faculty of Engineering and Technology Egerton University.
8.	 5. <b>JONAH KIMENGICH - BOARD SECRETARY</b> Date of Birth – 29/05/1962	-Bachelor's Degree in Technology, Moi University  -Diploma in Technical Education KTTC Nairobi.  -KNEC Craft Certificate Part III in Plumbing, KTTC.

**III. Management Team**

No.	Member/ Director	Details
1.	 <p><b>JONAH KIMENGICH –PRINCIPAL</b>  Date of Birth – 29/05/1962</p> <ul style="list-style-type: none"> <li>- Bachelor’s Degree in Technology, Moi University.</li> <li>- Diploma in Technical Education KTTC Nairobi.</li> <li>- KNEC Craft Certificate Part III in Plumbing, KTTC.</li> </ul>	<ul style="list-style-type: none"> <li>- Teaching and administering teaching functions.</li> <li>- General Administration.</li> <li>- Human Resource Management.</li> <li>- Financial Management and Control.</li> </ul> <p>Any other relevant Duties as may be assigned by the employer.</p>
2.	 <p><b>SAMSONRUTTO-DEPUTY PRINCIPAL</b>  Date of Birth - 5/08/1964</p> <ul style="list-style-type: none"> <li>-Bachelor of Science in wood science and Technology</li> <li>-Postgraduate Diploma in Education</li> <li>-Higher Diploma in Human Resource Management</li> </ul>	<ul style="list-style-type: none"> <li>-Maintaining Trainees Discipline</li> <li>-Supervision and Maintenance of proper inventories of Equipment and supplies in the Institution</li> </ul>
3.	 <p><b>STEPHEN KIPRONO –REGISTRAR</b>  Date of Birth -27/05/1981</p> <ul style="list-style-type: none"> <li>-Bachelor of Science Agricultural Education and Extension.</li> </ul>	<ul style="list-style-type: none"> <li>-Coordinate and plan utilization of available facilities such as class rooms workshops and laboratories</li> <li>-Deal with general matters regarding registration of trainees and admission.</li> <li>-Facilitate preparation and distribution of prospectus and organize graduation ceremonies and open days in the Institution.</li> </ul>

**Emining Technical Training Institute  
Annual Report and Financial Statements for the year ended June 30 2022**

4.	 <b>AGNESS JEPTOO CHEBII</b> Date of Birth-07/02/1984 Masters in Applied Mathematics	Overall in charge of trainees' welfare in the institution. -Oversee the organization of trainees' Clubs and societies, Games and seminars. -Prepare budget related to all co-curricular activities in the institution
5.	 <b>JECINTA CHELELGO – FINANCE OFFICER</b> Date of Birth -23/09/1987 Bachelor of Commerce (Accounting option) CPA (K) Holder ICPAK Member-NO. 17014	-Preparation of Financial Reports -Preparation of payroll and filing submitting statutory returns -Preparation of Budgets -Human Resource management
6.	 <b>NICODEMUS TOROITICH-INTERNAL AUDITOR</b> Date of Birth 09/09/1982 Bachelor of commerce (Accounting option) CPA (K) Holder ICPAK Member -NO 20039	<ul style="list-style-type: none"> <li>- Managing internal controls</li> <li>- Auditing the institution's records</li> <li>- Dealing with Forensic audit</li> <li>- Tax consultant expert</li> </ul>
7.	 <b>ALFRED KOSGEI – PROCUREMENT OFFICER</b> Date of Birth – 11/05/1986 Diploma In Purchasing and Supplies Management KISM Member- 78496	<ul style="list-style-type: none"> <li>- Keep proper records of all the assets</li> <li>- Keep inventory records</li> <li>- Dealing with procurement duties</li> </ul>

#### **IV. Chairperson's Statement**

I wish to present the 2021/2022 Annual Report to our stakeholders. We are immensely grateful to our staff, students, parents, donors, sponsors and collaborators for their continued commitment and support. Their support motivates and gives us the strength to drive the institution forward, to build on and consolidate the institute's strong profile, good reputation and positive impact. Of particular mention is the increase in student's enrolment that registered big stride through the government initiative in TVET and rigorous marketing. In Kenya, policy and education experts have predicted that the success of economic growth will be hinged on an adequate supply of middle-level technical skills. In an attempt to address this concern, the government has moved to implement the Technical and Vocational Education and Training Act (2013). This has resulted in increased funding for the Technical and Vocational Education and Training institutions through Capitation, Development Grants, HELB loans and bursaries.

The government's initiative in improving TVET sector brought along several opportunities including increased enrolment, linkages and collaborations. Along these were also high levels of expectations from student, community, employees and other stakeholders. The strategic plan being implemented had envisaged to address the emerging challenges and to take advantage of existing opportunities. It provides a clear roadmap to the Board of Governors and management during the period 2021-2022 of the institute's development priorities in tandem with vision 2030. The Institute continues to make tremendous achievement in fulfilling its mandate by continuing to provide physical and training facilities, employing skilled manpower and automating its operations. It is expected that the government will continue to contribute to the realization of the institute's dreams as we look out to other partners and sources of revenue to fund the planned expansion.

Despite the difficulties that were experienced at the second half of the financial year due to Covid-19 pandemic, we managed to complete a number of priority projects earmarked during the financial year. We were more encouraged by the good results that the Institute attained in the performance contracting cycle of the previous year. The trainees also posted good results in the TVET fairs.

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

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

Signed by  .....

**Dr. Cynthia Kipchillat.**  
**The Board Chair**

**V. Report of the Principal**

It gives me much pleasure in presenting the Annual Report and Accounts of the Emining Technical Training Institute for the year ended 30<sup>th</sup> June 2022.

Let me begin by appreciating the fact that this could not have been possible if all the pillars of corporate governance were not there and functioning effectively. I am glad to report that not only was the Board oversight role realized but also internal audit services were received on engagement of internal auditor this assisted a lot in financial management considering that the management environment was really favourable.

The Institute continued to review its strategy as detailed in the institute's strategic plan to deliver quality training and teaching in the FY 2021/2022. I am pleased to inform you that the institute will continue to strive and leverage on existing growth opportunities in programmes offered which are market driven to cope with the world's dynamic change. The valuable deliverables achieved cannot be appreciated without mentioning the Government of Kenya (GOK) which ensured the institute received capitation grants during that challenging year. Other development partners including NG-CDF, HELB were also of great help as our trainees continued to receive loans and bursaries.

Unfortunately, we wish to report to you that we did not receive development grants to fund our active project automotive garage/agricultural engineering workshop/electrical and electronics workshop. Consequently, the Tuition Block and ICT laboratory remained at the same completion rate.

I would also like to pass a message of sincere appreciation to our Trainers, non-teaching staff and the students' governing council, who rendered their invaluable support during the extraordinary financial year.

Finally, I would like to express my special thanks to Emining community at large, suppliers, Government administrators, Church leaders and Baringo County government and not forgetting Emining Technical Training Institute senior staff management who worked tirelessly to ensure smooth operation of this institution.

Signed By.....

THE PRINCIPAL

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

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.

Emining Technical Training Institute has 9 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2019 - FY 2023. These strategic pillars are as follows:

Pillar/ theme/issue 1: To improve on infrastructural facilities to meet training requirements

Pillar/ theme/ issue 2: To enhance information and communication technology systems for efficient operations and training.

Pillar/ theme/ issue 3: To ensure strict adherence to procurement and disposal procedures.

Emining Technical Training Institute develops its annual work plans based on the above strategic pillars in the strategic plan. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The institution achieved its performance targets set for the FY 2021/2022 period for its strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Pillar / theme / issue 1	To improve on infrastructure facilities to meet training requirements	Construct new classrooms, library, administration block, laboratories and workshops	Construction of building and civil engineering workshop.	The workshop was completed during the 2 <sup>nd</sup> Q FY 2021/2022
Pillar / theme / issue 2	To enhance information and communication technology systems for efficient operations and training	i. Acquire Management Information System(MIS) ii. Develop and maintain a database iii. Design an institution website and email services iv. Provision of LAN to administrative offices v. Develop an internet cyber café within the	- Purchase of ERP software - Purchase of Computers for the Library. - The institute website has been revamped. - LAN has been done to library room.	ALL the mentioned infrastructure has been achieved through the support of The Board

**Eming Technical Training Institute**  
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		<ul style="list-style-type: none"> <li>vi. Promote computer literacy for ICT integration in training</li> <li>vii. Develop an appropriate security system for MIS</li> </ul>		
Pillar / theme / issue 8	To ensure strict adherence to procurement and disposal procedures	<ul style="list-style-type: none"> <li>i. Implement the Government guidelines on procurement and disposal of products and services</li> <li>ii. Computerized stores and supplies operations</li> <li>iii. Training of procurement and disposal committees</li> <li>iv. Identify disposable items</li> </ul>	<ul style="list-style-type: none"> <li>- Training of procurement staff and HoDs as users and initiators of procurement</li> </ul>	<ul style="list-style-type: none"> <li>- Training has of HoDs was done.</li> <li>- Training of Procurement and finance s officers was done on procurement regulations.</li> </ul>
	To enhance Eming TTI corporate image	<ul style="list-style-type: none"> <li>i. Adherence to the provision of the services charter</li> <li>ii. Improve Institute landscaping and beautification</li> <li>iii. Participate in corporate social activities and humanitarian assistance</li> </ul>	<ul style="list-style-type: none"> <li>- The institute has planned to fix cabro flooring from the gate to the entrance of the administrati on block.</li> <li>- In the process of acquiring</li> </ul>	<ul style="list-style-type: none"> <li>- ALL these are underway.</li> </ul>

**Emining Technical Training Institute**  
**Annual Report and Financial Statements for the year ended June 30 2022**

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		<p>iv. Marketing the institution through open days, graduation, sports and games</p> <p>v. Provision of academic scholarship to bright and needy students</p> <p>vi. Enhance health, safety and disaster preparedness</p> <p>vii. Create HIV/AIDS, drugs and substances abuse awareness</p> <p>viii. Promote gender equity</p> <p>ix. Address physical challenge concerns</p> <p>x. Eradicate corruption and corrupt practices</p>	<p>institute driving School vehicle and Van for transportation. It is believed that these will market the college greatly.</p>	
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## **VII. Corporate Governance Statement**

Emining Technical Training Institute is committed to upholding the tenets of good corporate governance which is a reflection of its core values that include integrity, confidentiality, commitment, creativity, innovation and team work.

It is our responsibility to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio - economic development of the institution. It is our undertaking to ensure that Emining Technical Training Institute has a credible Strategic Plan and Performance Contract that will deliver the desired goals. It is also our undertaking that we will perform our responsibilities diligently and to the best of our abilities to support the achievement of the agreed work plans and performance targets.

### **(a) The Board of Governors.**

In the period ending 30th June 2022, the Board was made up to (7) appointed members comprising of Chairperson, Secretary to The Board, and members based on their knowledge and experience in the following areas:-(i) industry (ii) technology (iii) manufacturing iv) engineering (v) ICT (vi) leadership and Management (vii) Finance.

### **(b) The Board Committees in place**

1. Audit and Risk Committee
2. Finance and Development Committee
3. Academic and Marketing committee.
4. Technical and Human Resource

The following are the number of Board meetings held in the period ending 30th June 2022

Meeting	No. of Meetings	Membership	Average Attendance (%)
Full Board	3	7	100
Audit and Risk Committee	3	3	100
Finance and Development Committee	3	3	100
Academic and Marketing	3	3	100
Technical and Human Resource	3	3	100

### **VIII. Management Discussion and Analysis**

The Management team of Emining Technical Training Institute comprised of the following - - The Principal, Deputy Principal, Registrar, Dean of Students, Examination officer, Finance officer, Procurement officer and ALL Departmental Heads of Departments and Heads of section are responsible for the development and implementation of Emining Technical Training strategic plan and the overall day-to-day running of the institute.

This is done inconsistency with the institute's strategic objectives to enable the Board to perform its responsibilities. This facilitates effective participation of stakeholders in matters relating to the governance and promotion of training by the institution.

During the Financial Year ended 30<sup>th</sup> June 2022, the student population increased from 516 to 839. The institution received intake of students for May 2021 intake, September 2021 intake thus increasing the number of students.

During the Financial Year 2021/2022 sort and skill based courses have continued to gain popularity an example of this is Hair Dressing and Beauty Therapy which got an improved population of 30 students in a single class. The institution has collaborated with Mogotio NG - CDF and sponsored 100 students on short skill based courses starting from September 2021 to December 2021 duration of three months. Most competitive short courses have duration of less than one year therefore cannot be funded through Ministry Of Education Capitation while most students prefer Government sponsorship.

During the year, the Tuition Block and ICT Lab structure is still at 70% completion and this is where most learning took place. The construction of the new workshops was still going on while the institution utilised the ground floor as a workshop for plumbing due to strain in our current workshops which could not accommodate an increased population especially in the engineering department. The institution also shifted the library to increase the sitting capacity and introduced more computers to the facility to facilitate e-library and therefore increased books available in the library. During the financial year, the institution procured more teaching and learning resources due to increased population especially in technical departments.

**IX. Environmental And Sustainability Reporting Statement**  
**(Two-to-three pages)**

Emining Technical Training Institute exists to offer quality training services. Our purpose is to provide quality technical and entrepreneurship skills, research and innovation that meet the human resource needs for industrial, societal and industrial development. It's what guides us to deliver our strategy, which is founded on 8 pillars:

1. Curriculum implementation
2. Physical Infrastructure
3. Governance and leadership
4. Machines, Equipment and ICT infrastructure
5. Financial capacity
6. Human resource
7. Collaboration, partnership and linkages.
8. Research and Innovation

Below is a brief highlight of our achievements in each pillar:

**Curriculum implementation**

In the implementation of the curriculum the management ensured that the training offered was of high quality. Instructional training, continuous assessment and evaluation conducted in line with the academic policy. External examinations were conducted.

**Physical Infrastructure**

During the period the construction of building and Civil workshop was under taken.

**Governance and leadership**

Reviewed an organogram exists for clear identification of reporting mechanisms among various positions.

**Machines, Equipment and ICT infrastructure**

Maintenance of the existing machines, equipment and renovations of structures was enhanced,

**Financial capacity**

Mobilisation of resources through cost cutting measures, policy implementation regarding daily operations

**Human resource**

Persons with the right qualifications and competence were hired following established process of advertising existing posts, receiving applications, shortlisting of qualified candidates and inviting for an interview conducted based on established criteria that include gender consideration, experiences and relevant qualifications.

**Collaboration, Partnership and Linkages.**

Partnered with the community in tree planting to increase the Kenya's forest cover.

**Research and Innovation**

During the year under review, Trainers and Trainees participated in TVET fairs for presentations in research writing competitions, robotics and innovations.

**Market place practices-**

**i) Responsible competition practice**

Emining Technical Training Institute ensures responsible competitive practices with her customers. Issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

**ii) Responsible Supply chain and supplier relations**

Emining Technical Training Institute's administration always ensures that Supply Chain Officers/Procurement Staff and other employees remain in good standing by maintaining high personal integrity, moral standards and sound reputation.

**iii) Responsible Marketing and advertisement.**

Emining Technical Training Institute upholds ethical marketing practices especially in procurement of goods, works and services for the institution by ensuring that it abides by Article 96(2) of the Public Procurement and Asset

**iv) Product stewardship**

Emining Technical Training Institute endeavours to efficiently safeguard consumer rights and interests.

**Corporate Social Responsibility / Community Engagements**

During the FY 2021/2022 Emining Technical Training Institute hosted a tree planting function organised by Boresha Sacco, Skyline sacco where Emining Primary, Emining Special school and Churches and the community at large attended.

**Emining Technical Training Institute**  
**Annual Report and Financial Statements for the year ended June 30 2022**

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**X. Report of the Board of Governors**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the Emining Technical Training Institute's affairs.

**Principal activities**

The principal activities of the Emining Technical Training Institute are (continue to be) training and assessment of trainees.

**Results**

The results of the Emining Technical Training Institute for the year ended June 30 are set out on page 1 to 5.

**Board of Governors**

The members of the Board who served during the year are shown on page viii to ix. During the year no director retired/ resigned and none was appointed.

**Auditors**

The Auditor General is responsible for the statutory audit of the Emining Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2022.

By Order of the Board

  
.....  
Secretary of the Board  
Nairobi  
Date:

**XI. Statement of Board of Governors Responsibilities**

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


The board members are responsible for the preparation and presentation of the Emining Technical Training Institute's financial statements, which give a true and fair view of the state of affairs of the Emining Technical Training Institute for and as at the end of the financial year (period) ended on June 30, 2022. 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 Emining Technical Training Institute, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Emining Technical Training Institute, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Emining Technical Training Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act) – entities should quote applicable legislation as indicated under). The board members are of the opinion that the Emining Technical Training Institute's financial statements give a true and fair view of the state of Emining Technical Training Institute's transactions during the financial year ended June 30, 2022, and of the Emining Technical Training Institute's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the Emining Technical Training Institute, which have been relied upon in the preparation of the Emining Technical Training Institute's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The Emining Technical Training Institute's financial statements were approved by the Board on 23-05-2023 and signed on its behalf by:

 Cynthia Kipchillat

Name

**Chairperson of the Board**

 JACOB KOTISI

Name

**Accounting Officer/Principal**

# REPUBLIC OF KENYA



*Enhancing Accountability*

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Website: www.oagkenya.go.ke

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

## **REPORT OF THE AUDITOR-GENERAL ON EMINING TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and overall governance systems are properly designed and were working effectively in the financial year under review.

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Emining Technical Training Institute set out on pages 1 to 26, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Emining Technical Training Institute as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Fuel and Oil Expenditure**

The statement of financial performance reflects use of goods and services amounting to Kshs.26,363,328. The amount includes fuel and oil expenditure of Kshs.361,500 as disclosed in Note 10 to the financial statements. However, the fuel and oil expenditure was not supported by supply contract, fuel register, detail orders, ETR receipts and supplier statement.

In the circumstances, the accuracy, completeness and propriety of the fuel and oil expenditure amounting to Kshs.361,500 could not be confirmed.

#### **2. Unsupported Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs.106,022,312. The amount includes land valued at Kshs.15,000,000 as disclosed in Note 18 to the financial statements. However, as previously reported, land ownership documents such as allotment letters and title deeds were not provided for audit. Further, the property, plant and equipment amount excludes the value of equipment, furniture and computers donated to the Institute which have not been revalued.

In addition, the balance includes biological assets amounting to Kshs.1,390,000 which was not supported by a valuation report. The biological assets were also not categorized by their broad group contrary to the provisions of the International Accounting Standards (IAS) Number 41 on Agriculture which requires that an entity shall provide a description the group of biological assets.

In the circumstances, the accuracy, ownership and completeness of property, plant and equipment amounting to Kshs.106,022,312 could not be confirmed.

#### **3. Unsupported Travelling and Accommodation**

The statement of financial performance use of goods and services amounting to Kshs.26,363,328. The amount includes traveling and accommodation expenditure of Kshs.1,960,600 as disclosed in Note 10 of the financial statements. Review of documents revealed that various officers were issued with cash to facilitate travelling expenses to attend various invited trainings, meetings and seminars. This is contrary to Regulation

93(3) of the Public Finance Management (National Government) Regulations, 2015 which requires officers to be issued with temporary imprests in respect of official journeys and are intended to provide officers with funds with which they can meet travelling, accommodation and incidental expenses. Further, the expenditure was not supported by motor vehicle work tickets or bus tickets, invitation letters and signed attendance list.

In the circumstances, the accuracy and completeness of the traveling and accommodation expenditure of Kshs.1,960,600 could not be confirmed

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

### **Key Audit Matters**

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

### **Other Matter**

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

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.64,603,285 and Kshs.49,282,025 respectively resulting to revenue shortfall of Kshs.15,321,260 or 24% of the budget. Similarly, the Institute expended Kshs.47,946,680 against approved final budget of Kshs.64,603,284 resulting to an under-expenditure of Kshs.16,656,604 or 26% of the budget.

In the circumstances, the under-funding and under-performance affected the planned activities of the Institute and may have impacted negatively on service delivery to the stakeholders.

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

### **Conclusion**

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

## **Basis for Conclusion**

### **1. Unsupported Transfers from other National Government Entities**

The statement of financial performance reflects transfers from other National Government entities-capitation grants amounting to Kshs.17,062,500 being capitation grants as disclosed in Note 6 to the financial statements. However, the validated list of beneficiaries, duplicate of receipts issued and copy of returns to the Director, Technical Education were not provided.

In the circumstances, it was not confirmed whether the Funds were applied for the intended purpose.

### **2. Irregular Procurement - Use of Goods and Services**

The statement of financial performance reflects use of goods and services amounting to Kshs.26,363,328. The amount includes administration fees of Kshs.2,624,691 as disclosed in Note 10 to the financial statements. However, the procurement of the services was done under low value procurement method for cash which exceeded the maximum threshold of Kshs.50,000 per year. This is contrary to the requirement of the Second Schedule of the Public Procurement and Assets Disposal Regulations, 2020, which indicates that the maximum level of expenditure under the low value procurement is Kshs.50,000 for goods and services and kshs.100,000 for works. Further, the expenditure was not support by ETR Tax Receipts in compliance with Regulation 93 (2) of the Public Procurement and Assets Disposal Regulations, 2020, which requires any cash procurement to be supported by the original Kenya Revenue Authority Electronic Tax Receipt (KRA ETR Receipt) duly signed by the person undertaking the low value procurement of goods, works or services.

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

### **3. Failure to Deduct Pay as You Earn (PAYE) from Board Allowances**

The statement of financial performance reflects board expenses amounting to Kshs.1,173,500 in respect of board sitting allowances as disclosed in Note 12 to the financial statements. However, Pay as You Earn (PAYE) was not recovered from the allowances paid. This is contrary to Section 37(1) of the Income Tax Act CAP 470 which requires an employer paying emoluments to an employee to deduct therefrom, and account for tax thereon.

In the circumstances, 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, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

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

### **Responsibilities of Management and the Board of Governors**

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

In preparing the financial statements, Management is responsible for assessing the Institute's ability to 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 terminate Institute or to cease its 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 Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 controls would not necessarily disclose all matters in the internal controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 controls.

- 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 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 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 controls 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**

**10 July, 2023**

**Emining Technical Training Institute**  
**Annual Report and Financial Statements for the year ended June 30 2022**

**XIII. Statement of Financial Performance for the year ended 30 June 2022**

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities-capitation grants and CDF	6	17,062,500.00	23,597,500.00
		<b>17,062,500.00</b>	<b>23,597,500.00</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	32,194,890.00	20,273,886.00
Sale of goods	8	24,635.00	40,000.00
Other income	9	0.00	4000.00
<b>Revenue from Exchange transactions</b>		<b>32,219,525.00</b>	<b>20,317,886.00</b>
<b>Total Revenue</b>		<b>49,282,025.00</b>	<b>43,915,386.00</b>
<b>Expenses</b>			
Use of Goods Expenses	10	26,363,328.00	19,727,452.00
Employee costs	11	7,720,196.00	7,041,369.00
Board Expenses	12	1,173,500.00	0.00
Depreciation and amortization expense	13	4,429,619.00	2,065,614.00
Repairs and maintenance	14	420,290.00	470,019.00
<b>Total Expenses</b>		<b>40,106,933.00</b>	<b>29,304,454.00</b>
<b>Net surplus for the year</b>		<b>9,175,092.00</b>	<b>14,610,932.00</b>

The notes set out on pages 22 to 28 form an integral part of the Annual Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed by:



Chairperson of Board

Date 23.05.2023



Finance Officer

ICPAK No 17014

Date 22/5/2023



Principal

Date

22/5/2023

**Emining Technical Training Institute**  
**Annual Report and Financial Statements for the year ended June 30 2022**

**XIV. Statement of Financial Position as at 30th June 2022**

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15	12,138,378.00	25,764,562.00
Current portion of receivables from exchange transactions	16	38,400,938.00	29,705,483.00
Investments		-	-
		<b>50,539,316.00</b>	<b>55,470,045.00</b>
<b>Non-Current Assets</b>			
Long term receivables from exchange transactions	17	1,000,000.00	1,146,500.00
Property, plant, and equipment	18	106,022,312.00	97,457,565.00
Intangible assets	19	2,062,500.00	137,500.00
<b>Total Assets</b>		<b>159,624,128.00</b>	<b>154,211,610.00</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	20	4,297,126.00	8,059,704.00
Refundable deposits from customers	21	804,700.00	804,700.00
		<b>5,101,826.00</b>	<b>8,864,404.00</b>
<b>Total Liabilities</b>		-	-
<b>Net Assets</b>		-	-
Accumulated Surplus		53,283,020.00	44,107,924.00
Capital Fund		101,239,282.00	101,239,282.00
<b>Total Net Assets and Liabilities</b>		<b>159,624,128.00</b>	<b>145,347,206.00</b>

The Financial Statements set out on pages 1 to 5 were signed by:



Chairperson of Board

Date 23.05.2023



Finance Officer

ICPAK No 17014

Date 22/5/2023



Principal

Date

22/5/2023

**Engineering Technical Training Institute**  
**Annual Report and Financial Statements for the year ended June 30 2022**

**XV. Statement of Changes in Net Asset for the year ended 30 June 2022**

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
<b>At July 1, 2020</b>			29,496,992.00	101,239,282.00	130,736,274.00
Revaluation gain					
Fair value adjustment on quoted investments		-		-	
Total comprehensive income		-	14,610,932.00	-	14,610,932.00
Capital/development grants received during the year				-	
Transfer of depreciation/amortisation from capital fund to Retained earnings				-	
<b>At June 30, 2021</b>			44,107,924.00	101,239,282.00	145,347,206.00
<b>At July 1, 2021</b>					
Revaluation gain		-		-	
Fair value adjustment on quoted investments		-		-	
Total comprehensive income		-	9,175,092.00	-	9,175,092.00
Capital/development grants received during the year				-	
Transfer of depreciation/amortisation from capital fund to Retained earnings				-	
<b>At June 30, 2022</b>			53,283,016.00	101,239,282.00	154,522,298.00

**Eming Technical Training Institute**  
**Annual Report and Financial Statements for the year ended June 30 2022**

**XVI. Statement of Cash Flows for the year ended 30 June 2022**


Description		2021-2022	2020-2021
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other government entities/govt. Grants		17,062,500.00	23,597,500.00
Rendering of services- fees from students		23,057,361.00	4,507,064.00
Sale of goods		24,635.00	44,000.00
Grants Received on behalf of other institutions		1,500,000.00	21,042,500.00
<b>Total Receipts</b>		<b>41,644,496.00</b>	<b>49,191,064.00</b>
<b>Payments</b>			
Employee costs		7,720,196.00	7,041,369.00
General Expenses		26,363,328.00	19,727,452.00
Board Allowances		1,173,500.00	0.00
Transfers to other institutions- Ravine, Chepsirei, Kipsoen		7,320,000.00	20,063,660.00,
Repairs and Maintenance Expenses		420,290.00	470,019.00
Capital Expenditure		0.00	2,065,614.00
<b>Total Payments</b>		<b>42,997,314.00</b>	<b>49,368,114.00</b>
<b>Net Cash Flows from operating activities</b>	22	<b>(1,356,818.00)</b>	<b>(177,050.00)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(12,269,366.00)	(2,807,123.00)
Proceeds from sale of property, plant and equipment		-	-
<b>Net cash flows used in investing activities</b>		<b>(12,269,366.00)</b>	<b>(2,984,173.00)</b>
<b>Cash flows from financing activities</b>			
Deposits receipts		-	-
<b>Net cash flows used in financing activities</b>		-	-
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>(13,626,184.00)</b>	<b>(2,984,173.00)</b>
Cash and Cash equivalents at 1 JULY	15	<b>25,764,562.00</b>	<b>28,748,735.00</b>
<b>Cash and Cash equivalents at 30 JUNE</b>	15	<b>12,138,378.00</b>	<b>25,764,562.00</b>

The Financial Statements set out on pages 1 to 5 were signed by:



Chairperson of Board

Date 23.05.2023



Finance Officer

ICPAK No 17014

Date 22/5/2023



Principal

Date 22/5/2023

**Emili Technical Training Institute**  
**Annual Report and Financial Statements for the year ended June 30 2022**

**XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022**

Description	Original budget 2021-2022	Adjustments 2021-2022	Final budget 2021-2022	Actual on comparable basis 2021-2022	Performance difference 2021-2022	Utilization Difference 2021-2022
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Transfers from other govt entities and govt grants	22,500,000.00	-	22,500,000.00	17,062,500.00	(5,437,500.00)	75.83
Development grants	12,313,285.00	-	12,313,285.00	0.00	(12,313,285.00)	0
Rendering of services- fees from students	29,430,000.00	-	29,430,000.00	32,194,890.00	2,764,890.00	109.4
Sale of goods	360,000.00	-	360,000.00	24,635.00	(335,365.00)	6.84
<b>Total Income</b>	<b>64,603,285.00</b>	<b>-</b>	<b>64,603,285.00</b>	<b>49,282,025.00</b>	<b>(15,312,260.00)</b>	<b>74.18</b>
<b>Expenses</b>						
Employee cost	9,564,000.00	-	9,564,000.00	7,720,196.00	1,843,804.00	80.72
Use of goods and services	37,296,000.00	-	37,296,000.00	26,363,328.00	10,932,672.00	70.68
Repair and maintenance	405,000.00	-	405,000.00	420,290.00	(15,290.00)	103.78
Capital expenditure	17,338,284.00	-	17,338,284.00	12,269,366.00	5,068,918.00	70.76
Remuneration of directors	-	-	-	1,173,500.00	(1,173,500.00)	-
<b>Total Expenditure</b>	<b>64,603,284.00</b>	<b>0.00</b>	<b>64,603,284.00</b>	<b>47,946,680.00</b>	<b>17,106,387.00</b>	<b>73.86</b>
<b>Surplus For the Period</b>	<b>1.00</b>	<b>0.00</b>	<b>1.00</b>	<b>1,785,128.00</b>	<b>(1,785,127.00)</b>	<b>83.48</b>

1. There was more than 10% difference due to development grants not received and we did not received quarter four capitation.
  2. The total expenses are not equal to the performance figure because depreciation is included but not included in budget figures.
- Statement of performance expense figure is ksh**40,331,416** while actual figures in budget is ksh **47,946,680.00** which includes capital expenditure of **12,269,366** and does not include depreciation of **4,429,619** the difference is ksh **7,839,747.00**.

**XVIII. Notes to the Financial Statements**

**1. General Information**

Emining Technical Training Institute is established by and derives its authority and accountability from PFM Act, the State Corporations Act and the TVET Act.

The Emining Technical Training Institute's principal activity is to provide quality training in technical, industrial, vocational and entrepreneurship.

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

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

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

**3. Adoption of New and Revised Standards**

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.**

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.**

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Emining Technical Training Institute’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Emining Technical Training Institute’s risk management strategies and the accounting treatment for instruments held as part of the risk management</li> </ul>

Standard	Effective date and impact:
	<p>strategy.</p> <p>Emining TTI did not adopt this standard</p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity;  (b) The key features of the operation of those social benefit schemes; and  (c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows.</p> <p>Emining TTI did not adopt this standard.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Emining TTI did not adopt this standard.</p>
<p>Other improvements to IPSAS</p>	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• IPSAS 22 Disclosure of Financial Information about the General Government Sector.</li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• IPSAS 39: Employee Benefits</li> </ul>

Standard	Effective date and impact:
	<p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b> Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul>
IPSAS 43	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of Emining Technical Training Institute.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>Emining TTI did not adopt this standard.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>Emining TTI did not adopt this standard.</p>

### iii. Early adoption of standards

The Emining Technical Training Institute did not early-adopt any new or amended standards in year 2022.

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

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

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.

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

##### **a) Budget information**

The original budget for FY 2021/2022 was approved by the Board on **04/06/2021**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.. Accordingly, the Emining Technical Training Institute did not recorded additional appropriations on the FY 2021/2022 budget following the Board's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section **13 of financial provisions of TVET Act no .29 of 2013** of these financial statements.

##### **b) Taxes**

###### **Current income tax**

Emining Technical Training Institute is exempt from paying taxes as per 1<sup>st</sup> schedule subsection (a) and (b) of the income tax Act 2010.

The institution however deducts and submits the same to KRA.

**c) Property, plant and equipment**

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

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

	<u>Rate %</u>
Buildings	2.5
Plant and machinery	12.5
Motor Vehicles	25
Library books	25
Furniture and fittings	12.5
Computer equipment	30

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

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

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

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

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

**d) Intangible assets**

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

**Computer software**

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be 4 years.

**e) Research and development costs**

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

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

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

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

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

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

#### **f) 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.

#### **g) Comparative figures**

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

#### **h) 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, 2022.

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

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

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

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

**6. Transfers from other National Government entities**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Unconditional Grants</b>		
Capitation Grants	17,062,500.00	22,597,500.00
Other grants-CDF	0.00	1,000,000.00
	<b>17,062,500.00</b>	<b>23,597,500.00</b>

**(a) Transfers from other Government entities (Categorized)**

<b>Emining Technical Training Institute</b>	<b>Amount recognized to Statement of Comprehensive Income Kshs</b>	<b>Amount deferred under deferred income Kshs</b>	<b>Amount recognised in capital fund.</b>	<b>Total grant income during the year</b>	<b>2020-2021</b>
			<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
State Department	17,062,500.00	0.00	0.00	17,062,500.00	22,597,500.00
<b>Mogotio NG CDF</b>	0.00	0.00	0.00	0.00	1,000,000.00
<b>Total</b>	<b>17,062,500.00</b>	<b>0.00</b>	<b>0.00</b>	<b>17,062,500.00</b>	<b>23,597,500.00</b>

The details of the reconciliation have been included under appendix 1

**7. Rendering of Services**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Tuition Fees	20,967,370.00	11,926,986.00
Examination Fees	5,750,920.00	4,288,900.00
Boarding Fees	5,476,600.00	4,058,000.00
<b>Total Revenue from The Rendering Of Services</b>	<b>32,194,890.00</b>	<b>20,273,886.00</b>

Boarding Fees for regular students is ksh 15,500 and for NYS is ksh 23,100

Tuition Fees for regular students is 26,420 per year and NYS Students 21,000 per term

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

**8. Sale of Goods**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Sale of Farm Produce	24,635.00	40,000.00
<b>Total Revenue from Sale of Goods</b>	<b>24,635.00</b>	<b>40,000.00</b>

This is income from sale of milk from July 2021 to June 2022

**9. Other Income**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Income from sale of tender	0.00	4,000.00
<b>Total other income</b>	<b>0.00</b>	<b>4,000.00</b>

**10. Use Of Goods And Services**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Teaching and learning materials	7,200,595.00	3,240,160.00
Insurance and Industrial attachment costs	382,713.00	14,760.00
Electricity water and conservation	410,685.00	401,613.00
Student union expense	426,290.00	295,400.00
Cleaning and maintenance	425,221.00	475,425.00
Subscriptions	207,600.00	33,600.00
Advertising and marketing	644,966.00	318,580.00
Examination fees	3,823,560.00	4,520,780.00
Admin Fees	2,624,691.00	849,587.00
Catering, conferences, and delegations	0.00	478,850.00
Travelling and accommodation	1,960,600.00	1,217,800.00
Fuel and oil	361,500.00	0.00
Performance contract	493,900.00	85,840.00
Medical expenses	193,050.00	173,580.00
Activity expenses	1,753,204.00	60,450.00
Printing and stationery	528,579.00	490,850.00
Boarding expenses	3,917,015.00	5,105,108.00
Motor vehicles expenses	210,250.00	0.00
Telephone expenses	244,500.00	285,100.00
Internet expenses	543,101.00	538,116.00
Bank charges	11,308.00	13,353.00
<b>Total good and services</b>	<b>26,363,328.00</b>	<b>18,598,952.00</b>

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

**11. Employee Costs**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Salaries and wages	7,629,796.00	6,956,369.00
Social contributions-NSSF	90,400.00	85,000.00
<b>Employee Costs</b>	<b>7,720,196.00</b>	<b>7,041,369.00</b>

**12. Board Expenses**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Board sitting Allowances	1,173,500.00	0.00
<b>Total</b>	<b>1,173,500.00</b>	<b>0.00</b>

**13. Depreciation and Amortization expense**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Property, plant and equipment	3,604,619.00	1,893,739.00
Intangible assets-amortization	825,000.00	171,875.00
<b>Total depreciation and amortization</b>	<b>4,429,619.00</b>	<b>2,065,614.00</b>

**14. Repairs and Maintenance**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Property	420,290.00	470,019.00
<b>Total Repairs and Maintenance</b>	<b>420,290.00</b>	<b>470,019.00</b>

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

**15. (a) Cash and Cash Equivalents**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Current Account	12,138,378.00	25,764,562.00
<b>Total Cash and Cash Equivalents</b>	<b>12,138,378.00</b>	<b>25,764,562.00</b>

**15 (b). Detailed Analysis of Cash and Cash equivalents**

<b>Financial Institution</b>	<b>Account number</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>a) Current Account</b>			
Kenya Commercial Bank-Operations	1148626859	12,109,403.00	24,747,023.00
Kenya Commercial Bank-Development	1166509710	16,110.00	17,427.00
Skyline Sacco	5651-005-01721	9,176.00	112.00
KCB Bank-CDF	1175316431	3,689.00	1,000,000.00
		<b>12,138,378.00</b>	<b>25,764,562.00</b>

**16. Receivables from Exchange transactions**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Current Receivables</b>		
Student Debtors	38,400,938.00	29,705,483.00
<b>Total Current Receivables</b>	<b>38,400,938.00</b>	<b>29,705,483.00</b>

**17. Receivables from Non-Exchange transactions**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Current Receivables</b>		
Advance payment to contractor-ETTI	1,000,000.00	1000,000.00
Imprest to staff and supplier	0.00	146,500.00
<b>Total Current Receivables</b>	<b>1000,000.00</b>	<b>1,146,500.00</b>

**Emining Technical Training Institute**  
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Notes to the Financial Statements (Continued)

**18. Property, Plant and Equipment**

Cost	Buildings Shs	Motor Vehicles	Land Shs	Furniture and fittings Shs	Computers Shs	Biological assets Shs	Text books Shs	Plant and equipment Shs	Capital Work in progress Shs	Shs
At July 2020	34,964,259.53 2.5%		15,000,000.00	2,289,277.5 12.5%	1,292,303.7 30%	1,420,000.00	597,527.25 25%	1,450,410.50 12.5%	41,624,887.00	98,641,665.4
Additions	2,807,438.00		-	-	-	120,000.00	-	-	-	-
Disposals	-		-	-	-	-	-	-	-	-
Transfers/adjustments	-		-	-	-	-	-	-	-	-
At 30 <sup>th</sup> June 2021	37,771,697.00		15,000,000.00	2,289,277.50	1,292,303.70	1,540,000.00	597,527.25	1,450,410.50	41,627,887.00	98,641,665.4
Additions	4,338,528.00	6,657,356.00	-	-	805,963.00	-	467,519.00	-	-	12,269,366.0
Disposals	-		-	-	-	-	-	-	-	-
Transfer/adjustments	-		-	-	-	-	-	-	-	-
At 30 <sup>th</sup> June 2022	42,110,225.00	6,657,356.00	15,000,000.00	2,289,277.50	2,098,266.70	1,540,000.00	1,065,046.25	1,450,410.50	41,627,887.00	98,641,665.4
Depreciation and impairment										
At July 2021	(1,796,546.00)		-	(1,001,560.00)	(659,076.00)	-	(261,418.00)	(339,941.00)	-	(1,823,553.00)
Depreciation			-			-			-	
Impairment			-			-			-	
At 30 June 2022	(1,007,842.00)	(1,664,339.00)	-	(160,965.00)	(431,757.00)	-	(200,907.00)	(138,809.00)	-	(3,604,619.00)
Depreciation			-			-			-	
At 30 <sup>th</sup> June 2022	(2,804,388.00)	(1,664,339.00)	-	(1,162,525.00)	(1,090,833.00)	-	(462,325.00)	(478,850.00)	-	(5,498,358.00)
Net book values										
At 30 <sup>th</sup> June 2022	39,305,838.00	4,993,017.00	15,000,000.00	1,126,753.00	1,007,434.00	1,390,000.00	602,722.00	971,661.00	41,624,887.00	106,022,312.00
At 30 <sup>th</sup> June 2021	35,975,152.00	0.00	15,000,000.00	1,287,718.00	633,229.00	1,490,000.00	448,145.00	1,110,470.00	41,624,887.00	97,457,565.00

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

**Valuation**

Emining Technical Training Institute did not undertake Valuation

**19. Intangible Assets**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Cost</b>		
<b>At beginning of the year</b>	137,500.00	309,375.00
Additions	2,750,000.00	-
<b>At end of the year</b>	2,887,500.00	309,375.00
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization	-	-
<b>At end of the year</b>	-	-
Impairment loss	-	-
<b>At end of the year</b>	825,000.00	171,875.00
<b>NBV</b>	<b>2,062,500.00</b>	<b>137,500.00</b>

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

**20. Trade and Other Payables from Exchange transactions**

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	587,500.00	300,682.00
Fees paid in advance	3,530,122.00	1,696,910.00
Third-Party Payments	156,860.00	6,019,910.00
Other Payables	22,644.00	42,323.00
<b>Total Trade and Other Payables</b>	<b>4,297,126.00</b>	<b>8,059,704.00</b>

**21. Refundable Deposits from Customers/Students**

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumer deposits	-	-
Caution money	804,700.00	804,700.00
Other refundable deposits	-	-
<b>Total Deposits</b>	<b>804,700.00</b>	<b>804,700.00</b>

The Emining Technical Training Institute also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Emining Technical Training Institute's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 15,200 per employee per month.

**22. Cash generated from operations**

	2021-2022	2020-2021
	Kshs	Kshs
<b>Surplus for the year before tax</b>		
<b>Adjusted for:</b>	9,175,092.00	14,610,932.00
Depreciation	4,429,619.00	2,065,614.00
<b>Working Capital Adjustments</b>	13,604,711.00	12,545,318.00
Decrease in Payables	(3,762,578.00)	(7,194,404.00)
Increase in Receivables	(8,695,455.00)	(9,485,425.00)
<b>Net Cash Flow from Operating Activities</b>	<b>1,146,678.00</b>	<b>(4,134,511.00)</b>

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

**23. Financial Risk Management**

Emining TTI's activities expose it to a variety of financial risks including credit and liquidity risks. The institute'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 institution does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

Emining TTI financial risk management objectives and policies are detailed below:

**(i) Credit risk**

Emining TTI 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.

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

	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30 June 2020</b>				
Receivables from exchange transactions	29,705,000.00	29,705,000.00		
Bank balances	25,764,562.00	25,764,562.00		
<b>Total</b>	<b>55,469,562.00</b>	<b>55,469,562.00</b>		
<b>At 30 June 2021</b>				
Receivables from exchange transactions	38,400,938.00	38,400,938.00		
Bank balances	12,138,378.00	12,138,378.00		
<b>Total</b>	<b>50,539,316.00</b>	<b>50,539,316.00</b>		

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

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

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

Emining TTI has significant concentration of credit risk on amounts due from students

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

**(ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the 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. Emining TTI manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

	<b>Less than 1 month</b>	<b>Between 1-3 months</b>	<b>Over 5 months</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June 2020</b>				
Trade payables	6,019,910.00	1,042,884.00	996,910.00	8,059,704.00
<b>Total</b>	<b>6,019,910.00</b>	<b>1,042,884.00</b>	<b>996,910.00</b>	<b>8,059,704.00</b>
<b>At 30 June 2021</b>				
Trade payables	2,599,591.00	500,625.00	1,196,910.00	4,297,126.00
<b>Total</b>	<b>2,599,591.00</b>	<b>500,625.00</b>	<b>1,196,910.00</b>	<b>6,298,005.00</b>

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

**24. RELATED PARTY BALANCES**

**Nature of related party relationships**

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

**Government of Kenya**

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

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

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Transactions with related parties</b>		
<b>b) Purchases from related parties</b>		
Purchases of electricity from KPLC	404,685.00	<b>401,613.00</b>
<b>Total</b>	404,685.00	401,613.00
<b>a) Grants /Transfers from the Government</b>		
Grants from National Govt	17,062,500.00	22,597,500.00
Grants from National Government -CDF	0.00	1,000,000.00
Donations in kind	101,239,282.00	101,239,282.00
<b>Total</b>	<b>118,301,782.00</b>	<b>124,739,282.00</b>
<b>b) Key management compensation</b>		
Directors' emoluments	1,173,500.00	1,128,500.00
<b>Total</b>	1,173,500.00	1,128,500.00

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

**25. Events After The Reporting Period**

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

**26. Ultimate And Holding Emining Technical Training Institute**

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

**27. Currency**

The financial statements are presented in Kenya Shillings (Kshs)

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Weak Human Resource Management System	In the Process of developing HR policy and scheme of service	Not resolved	October 2022
	Weak Internal Control System	The ERP software system was purchased which assisted in control	Resolved	October 2022
	Property Plant and Equipment	The valuation of the assets has not been done	Not Resolved	June 2023
	Inaccuracies in the financial statement	The amount has been reconciled	Resolved	October 2023
	Budgetary control and performance	The institution not yet able to spend 100%	Not Resolved	June 2023
	Unsupported Refundable deposits-Caution Money	Separate audit account has not been opened	Not Resolved	June 2023
	Misstatement of cash and cash equivalents	The account number has been disclosed	Resolved	October 2023
	Unsupported travelling and accommodation	The institution commits to comply with the requirements	Resolved	October 2022
	Lack of Risk Management and Fraud Policies	Started the process of developing the policies	Not resolved	October 2022



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**Name**  
**Accounting Officer**  
**Principal Emining Technical Training Institute**  
**Date**

**Appendix II: Projects Implemented by Emining Technical Training Institute**

**Projects**

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

<b>Project title</b>	<b>Project Number</b>	<b>Donor</b>	<b>Period/ duration</b>	<b>Donor commitment</b>	<b>Separate donor reporting required as per the donor agreement (Yes/No)</b>	<b>Consolidated in these financial statements (Yes/No)</b>
1. TUITION BLOCK & ICT LAB	ETTI/CTBIL/T/01/2014-2015	GOK	1 year		yes	yes
2. AUTOMOTIVE GARAGE WORKSHOP	ETTI/0PNT/01/2017-2018	GOK	1 year		yes	yes

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**Status of Projects completion**

	<b>Project</b>	<b>Total project Cost</b>	<b>Total expended to date</b>	<b>Completion % to date</b>	<b>Budget</b>	<b>Actual</b>	<b>Sources of funds</b>
1	TUITION BLOCK & ICT LAB	32,000,000.00	25,289,598.00	80%	32,000,000.00	25,289,598.00	GOK
2	AUTOMOTIVE GARAGE WORKSHOP	23,933,651.00	14,314,079.00	67%	23,933,651.00	14,314,079.00	GOK
3							

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**Appendix III- Inter-Emining Technical Training Institute Confirmation Letter**



**MINISTRY OF EDUCATION**  
**STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING**  
**EMINING TECHNICAL TRAINING INSTITUTE**

Email: [eminingti@gmail.com](mailto:eminingti@gmail.com) WEBSITE: [www.eminingti.ac.ke](http://www.eminingti.ac.ke)  
P.O BOX 208-20105, MOGOTIO, Tel: 0796098672



**Confirmation of amounts received by Emining Technical Training Institute as at 30<sup>th</sup> June 2022**

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022			Amount Received by [beneficiary Emining Technical Training Institute] (KShs) as at 30 <sup>th</sup> June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
	18/11/2021	5,647,500.00			5,647,500.00	
	02/03/2022	5,647,500.00			5,647,500.00	
	03/06/2022	5,767,500.00			5,767,500.00	
<b>Total</b>		<b>17,062,500.00</b>			<b>17,062,500.00</b>	<b>22,500,000 (5,437,500.00)</b>

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

**Head of Accounts department of beneficiary Emining Technical Training Institute:**

Name ..... *P. Prisca Chelagor* ..... Sign ..... *[Signature]* ..... Date ..... *22/5/2023* .....

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