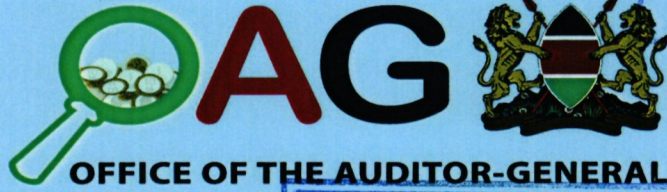


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY
REPORT

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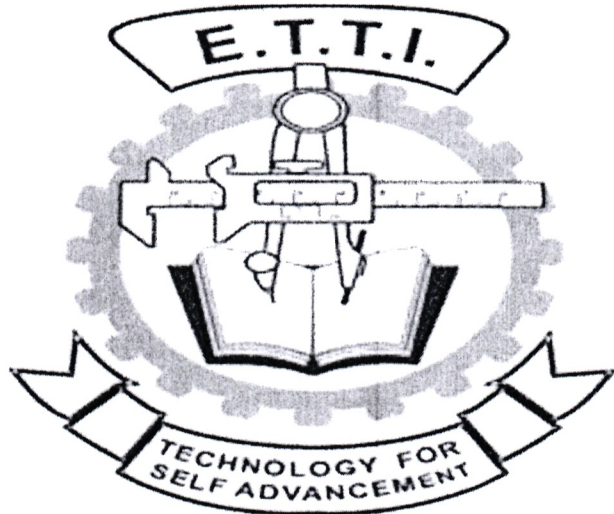
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THE AUDITOR-GENERAL

ON

**EMINING TECHNICAL TRAINING
INSTITUTE**

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



EMINING TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2020

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

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

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1. 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.

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

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 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Jonah Kimengich
2.	Head of Finance	Jecinta Chelelgo
3.	Head of Procurement	Alfred Kosgei
4.	Deputy Principal	Samson Rutto
5.	Registrar	Stephen Kiprono
6.	Dean of Trainees	Kipkorir Changwony

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e) Fiduciary Oversight Arrangements

- **Audit committee activities**

-

During Financial year, 2019/2020, the audit committee members held their meeting once due to corona pandemic. They agreed that there was a need to employ an internal auditor which is now still in process

- **Development partner oversight activities**

During the financial year 2019/2020, the auditors from the ministry of Education did their audit specifically on projects.,

- **Other oversight activities**

During Financial year, 2019/2020, the development committee members held their meeting once due to corona pandemic. They discussed about the project status in school and agreed with the Contractor, that he should finalize the construction.

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EMINING TECHNICAL TRAINING INSTITUTE INFORMATION AND MANAGEMENT
(Continued)

f) Emining Technical Training Institute Headquarters

P.O. Box 208- 20105
MOGOTIO
BARINGO COUNTY
KENYA

g) Emining Technical Training Institute Contacts

Telephone: (254) 796 098 67
E-mail: eminingtti@gmail.com.
Website: www.eminingtti.ac.ke

h) Emining Technical Training Institute Bankers

1. Kenya Commercial Bank
Fee Collection
A/c no: 1175316431
NAKURU
P.O. Box 18
NAKURU 20100
2. Kenya Commercial Bank
Operation Account
A/c no: 1148626859
Nakuru Kenyatta Avenue
P.O Box 18
Nakuru -20100
3. Kenya Commercial Bank
Development Account
A/c no: 1166509710
Flamingo Nakuru
P.O Box 17755
Nakuru- 20100
4. Skyline Sacco
Income Generating Activities Account
A/c no: 5651-005-01721
Emining Branch
P.O Box 660
Eldama Ravine -20103

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i) Independent Auditors





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

j) Principal Legal Adviser





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

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2. THE BOARD OF GOVERNORS




 <p>1. DR.CYNTHIA KIPCHILAT- BOARD CHAIR 2ND AUGUST 1964</p>	<p>Education Background</p> <ul style="list-style-type: none"> - PhD –International business Administration, Florida - MBA ,University of Wales,UK <p>Experience</p> <ul style="list-style-type: none"> - Director ,(EPC)-Export promotion - Director: Kenya Institute of Public Policy Research and Analysis (KIPPRA) -2008-January 2013: - Teaching graduate and undergraduate programs. - Coordinator post graduate programs
 <p>2. VIOLA CHEBII – BOARD MEMBER Date of Birth 24/6/1978</p>	<p>Bachelor of Commerce , Accounting option (Kenyatta University), CPA II Section III</p> <p>Experience:- Assistant finance Manager, Mogotio Sisal Plantations Limited, Auditor.</p>
 <p>3. KIPSANG KETER- BOARD MEMBER Date of Birth -26/09/1955</p>	<p>Bachelor of Science (Honors) in Materials Technology (Leather) British School of Leather Technology University of Northampton – UK</p> <ul style="list-style-type: none"> • Coordinating Leather Development activities in the Ministry • Implementation of Vision 2030 through revitalization of the leather industry in the country. • Writing of project proposal • Supervision of project implementation • Development of SMEs (Rural Mini-Tanneries)
 <p>4. DR. KIRORI MINDO –BOARD MEMBER Date of Birth – 21/03/1982</p>	<p>PhD in Information Technology</p> <p>Experience:- Trainer ICT Provider, Consultancy in ICT</p>

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

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3. MANAGEMENT TEAM

 <p>1. JONAH KIMENGICH –PRINCIPAL Date of Birth – 29/05/1962</p> <ul style="list-style-type: none"> - Bachelor’s Degree in Technology, Moi University. - Diploma in Technical Education KTTC Nairobi. - KNEC Craft Certificate Part III in Plumbing, KTTC. 	<ul style="list-style-type: none"> - Teaching and administering teaching functions. - General Administration. - Human Resource Management. - Financial Management and Control. - Any other relevant Duties as may be assigned by the employer.
 <p>2. SAMSON RUTTO-DEPUTY PRINCIPAL Date of Birth - 5/08/1964</p> <ul style="list-style-type: none"> -Bachelor of Science in wood science and Technology -Postgraduate Diploma in Education -Higher Diploma in Human Resource Management 	<ul style="list-style-type: none"> -Maintaining Trainees Discipline -Supervision and Maintenance of proper inventories of Equipment and supplies in the Institution
 <p>3. STEPHEN KIPRONO –REGISTRAR Date of Birth -27/05/1981</p> <ul style="list-style-type: none"> -Bachelor of Science Agricultural Education and Extension. 	<ul style="list-style-type: none"> -Coordinate and plan utilization of available facilities such as class rooms workshops and laboratories -Deal with general matters regarding registration of trainees and admission. -Facilitate preparation and distribution of prospectus and organize graduation ceremonies and open days in the Institution.

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 <p>4. KIPKORIR CHANGWONY -DEAN OF TRAINEES Date Of Birth -1968 -Bachelor of Education- Economics and Business Studies</p>	<ul style="list-style-type: none"> -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.
 <p>5. JECINTA CHELELGO – FINANCE OFFICER Date of Birth -23/09/1987 Bachelor of Commerce (Accounting option) CPA (K) Holder ICPAK Member-NO. 17014</p>	<ul style="list-style-type: none"> -Preparation of Financial Reports -Preparation of payroll and filing submitting statutory returns -Preparation of Budgets -Human Resource management
 <p>6. ALFRED KOSGEI – PROCUREMENT OFFICER Date of Birth – 11/05/1986 DIPLOMA IN PURCHASING AND SUPPLIES MANAGEMENT KISM Member- 78496</p>	<ul style="list-style-type: none"> - Keep proper records of all the assets - Keep inventory records

EMINING TECHNICAL TRAINING INSTITUTE
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4. CHAIRPERSON'S STATEMENT

It gives me great pleasure to present the 2019/2020 Annual Report to our stakeholders. We are immensely grateful to our staff, students, parents, donors, sponsors and collaborators for their continued commitment and support. Their support motivates and gives us the strength to drive the institution forward, to build on and consolidate the institute's strong profile, good reputation and positive impact. Of particular mention is the increase in student'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.

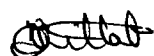
The government's initiative in improving TVET sector brought along several opportunities including increased enrolment, linkages and collaborations. Along these were also high levels of expectations from student, community, employees and other stakeholders. The strategic plan being implemented had envisaged 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 2019-2023 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 very good results that the Institute attained in the performance contracting cycle of the previous year. The trainees also posted good results in the TVET fairs. We have put in place quite a number of measures following the directives of both the Ministry of Health and Ministry of Education in regard to Covid- I 9.

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

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

Dr. Cynthia J. Kipchillat.



BOG Chairperson

Date: 03rd March, 2021

EMINING TECHNICAL TRAINING INSTITUTE
ANNUAL REPORTS AND FINANCIAL STATEMENTS
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5. REPORT OF THE PRINCIPAL

BRIEF PROFILE OF THE INSTITUTE.

Emining Technical Training Institute is an accredited TVET institution situated in Emining, 2.5 Kilometres off Nakuru – Marigat highway, 56 kilometres to the Northern side of Nakuru Town and stands on a 12.85 acre piece of land in Baringo County.

The foundation stone was laid on 7th October 2011. The construction begun immediately and was officially opened on 13th December 2012 as a constituent college of Rift Valley Technical Training Institute – Eldoret. The institute which officially started in May 2013 had its Board appointed in the year 2014.

The first cohorts of 11 trainees were enrolled in May 2013. Currently the, the institute has over 751 registered trainees as at close of the institute on 17/3/2020 due to Covid – 19 pandemic.

The F/Y 2019/2020 was an important year as the gvt continued to emphasize activities of TVET sector, this effort was however disrupted by the outbreak of Covid-19 in the 3rd and 4th quarter leading to the closure of the institution.

HUMAN RESOURCE

The following table shows the breakdown of employees in the institute.

S/N	CATEGORY	NUMBER
1.	Trainers employed by PSC	37
2.	Trainers employed by BOG on contract	8
3.	Non trainers (Support staff)	21
	TOTAL	66

Payment of remuneration for support staff has been a challenge especially when HELB loans and bursary disbursement delay.

The institute now spends **KSH 7,520,240** annually as salaries for category 2 and 3.

MILESTONES ACHIEVED IN TRAINING.

The movement of Technical Teachers from TSC to PSC, by the Ministry of Education has greatly motivated the now Technical Trainers, and this is evident in their work. The ministry went further in 2019/2020 to employ qualified Trainers to add up to the existing training workforce those in engineering departments are registered engineers (some practicing)

In this regard institute has benefited from the Ministry’s step to employ Technical Trainers and as a result, the institute received has so far received qualified trainers in:-

- a. Building and civil engineering.
- b. ICT
- c. Mechanical engineering (production option)
- d. Agriculture and Agricultural engineering.
- e. Electrical and electronics engineering.

These employees have developed their technical skills through training in college, in industry related fields both public and private firms. This Government intervention has enabled us shade off the part time lecturers there before hired. These permanently employed PSC employees will have a say in shaping the institutional training culture and strategy and assist in continually improving and coping with the modern technological trends.

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INFRASTRUCTURE DEVELOPMENT

The institute has one ongoing project. This is the automotive garage/Agricultural Engineering Workshop/Electrical and Electronics workshop. This project whose contract sum is **KSH 23,933,651.00** (amount of money paid to the contractor so far is **KSH 14,314,079**) started in January 2018 and is now 67% complete, it is expected that completion shall be achieved by end of FY 2020. All along from the start of this project, a lot of challenges have been experienced; however, we do not expect the contractor to raise any request for variations.

FACILITIES

LIBRARY AND E - LIBRARY

During the Financial Year 2019/2020, the institute developed a library of sitting and reading capacity of 60 trainees in a given period.

MECHANICAL EQUIPMENT DONATED BY KTTC ON 27/8/2013

The institute received unvalued mechanical equipment from KTTC that is still in use upto now.

The equipment are as follows:-

S/No.	Machine /equipment	Specifications	Model/origin	Number
1.	2 No. Lathe machines	<ul style="list-style-type: none"> • Voltage - 413 • Phase - 3 • Total horse power – 1.05 • Swing – 150mm 	Colchester Bantam (England)	1
		<ul style="list-style-type: none"> • Phase – 3 • Swing - 250 	Colchester 1800 (England)	1
2.	Pillar drilling machine	<ul style="list-style-type: none"> • Hp – 0.5/0.9 • Phased – 3 	Rockwell	1
3.	Bench drilling machined	<ul style="list-style-type: none"> • Voltage – 220v • H. P – 0.5 • Phased – single 	Rockwell (marathon electric)	1 without belt
4.	Bench grinding machine	<ul style="list-style-type: none"> • Phase – 1 	Rockwell	1
5.	Reciprocating power saw	<ul style="list-style-type: none"> • Phased – 3 	Keller	1
6.	Tool grinder	<ul style="list-style-type: none"> • Phased – Abwood 		

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Training programmes.

The courses currently offered at diploma, Craft, and Certificate levels are:

- i. Mechanical engineering (production option)
- ii. Automotive engineering.
- iii. Information communication Technology(ICT)
- iv. Supply Chain management.
- v. Business management.
- vi. Human Resource management
- vii. Motor vehicle mechanic.
- viii. General agriculture.
- ix. Electrical Engineering
- x. Hair dressing
- xi. Beauty Therapy
- xii. Co-operative Management
- xiii. Social Work and Community Development

Innovations and inventions

As a TVET institution, Emining TTI is a research institution and hence as mandated by the TVET Act, has a role in conducting research and engaging in development of innovative projects for transfer of technology.

The table below shows innovations and inventions made by Emining Technical Training Institute trainees and Trainers during the **Financial Year 2019/ 2020**.

S/NO	INNOVATION	OBJECTIVE/INTENDED PURPOSE OF THE INNOVATION	ACHIEVEMENT	REMARKS
1	CELPHONE SNIFFER JAMMER	DETECTING OF MOBILE CELPHONES IN AN EXAMINATION ROOM	REGIONALS	NOT PATENTED
2	MODERN MULTIPURPOSE JIKO	SAVE ENERGY BY HEATING WATER WHILE COOKING	REGIONALS	NOT PATENTED
3	MANUAL METAL SHEET BENDER	BENDING SHEET PLATE FOR FABICATION	REGIONALS	NOT PATENTED
4	PILOWS FROM WASTE HUMAN HAIR	RECYCLING HUMAN HAIR	REGIONALS	NOT PATENTED
5	WASTE CLOTH CAPERTS/WINE BOTTLE DECORATIONS AND SISAL LAMP SHADE	RECYCLING WASTE CLOTHES	REGIONALS	NOT PATENTED

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6	AUTOMATED HEAD LIGHT DIMMER	TO AUTOMATICALLY DIM LIGHTS WHEN VEHICLES ARE APPROCHING ONEANOTHER IN FUL LIGHT	REGIONALS	ON GOING
7	ROD BENDING MACHINE	BENDNG CONSTRUCTION RODS	REGIONALS	NOT PATENTED

ECONOMIC IMPACT OF THE COLLEGE TO THE COMMUNITY.

Its worthwhile mentioning that before Emining Technical Training Institute was built, Emining Trading centre and the entire surrounding was a sleeping rural village with very insignificant economic activities. Now, the contrary is true. Shops, rental houses to eatery places have mushroomed in a very noticeable magnitude. All these are attributed to the presence of the institution in terms of trainees, trainers, workers and of course migrating businessmen and women.

CURRENT ENROLMENT.

Emining Technical Training Institute has come a long way in trainee enrolment up to the current number of 752. This has come with the advent of provision of Capitation and HELB loan/bursary by the Government. However, some trainees have not benefited from HELB loans and Bursaries due to mere refusal to apply. This applies to Capitation – that not all trainees have received the fund owing to logistical challenges faced by the KUCCPS in identifying trainees' KNEC index numbers.

Conclusion

It is my desire that the institution will grow especially now that the government lays great emphasis on training and job creation.



JONAH KIMENGICH

THE PRINCIPAL
03/03/2021

EMMINING TECHNICAL TRAINING INSTITUTE
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6. REVIEW OF EMINING TECHNICAL TRAINING INSTITUTE PERFORMANCE FOR FINANCIAL YEAR 2019/2020.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
<p>Infrastructure facilities and training equipment development</p>	<p>To improve on infrastructural facilities to meet training requirements</p>	<p>Construction of the following facilities:</p> <ul style="list-style-type: none"> i. Classrooms ii. Library room iii. Hair and Beauty therapy facility iv. Building And Civil Engineering Workshop v. Electrical, Automotive and Agricultural engineering workshops vi. Acquired modern equipment vii. serviced and maintained equipment and physical facilities 	<ul style="list-style-type: none"> i. Construct new classes, Library ,Administration block, laboratories and workshops ii. Acquire modern equipment at pace with changing technology iii. Service and maintain existing equipment and physical facilities 	<p>classroom and computer laboratory still under construction, establishment of a research & development unit still under construction</p>

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Industrial attachment ,collaboration and links	To enhance relevant quality practical skills through collaboration with industry and other training institutions	i. Number of industries collaborated with ii. Number of trainees supervised on attachment iii. negotiated insurance	<p>i. Strengthen existing collaborations and partnership ii. Collaboration with industry and other training institutions iii. Improve on supervision of attachment activities iv..Advocate for comprehensive affordable insurance Information and Communication Technology Development iv. cover v. Aggressive sourcing of attachment placements</p>	All the students going for attachment to various industries were insured
Information and Communication Technology Development	To enhance information and communication technology systems for efficient operations and training	Availability of the following ICT enhancers: i. Cellular Phone Lines ii. E-mail address iii. Institute Website iv. Social media v. MIS	<p>i. Acquire Management Information System(MIS) ii. Develop and maintain a database iii. Design an institution website and email services iv. Develop an internet cyber café within the library</p>	All the ict enhancers was developed
Innovation and business incubators	To improve on innovation and establish business incubators	Availability and sustainability of business incubator	<p>i. sustaining the incubation center ii. Inculcate and nurture innovative culture and entrepreneurship</p>	Business incubators sustained

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Competitiveness, quality assurance and standards	To enhance competitiveness, quality assurance and standards in service delivery	i. Lesson attendance and training ii. Presence of academic policy iii. Presence of Quality Management System	monitoring and evaluation of curriculum implementation in the institution	Curriculum implemented and monitored
Training and Research	To facilitate relevant training and research	i. Presence of a Research & Development Unit ii. amount of allocated funds iii. number of industrial visits	i. Establishment of a Research & Development unit ii. Allocate funds for training and research from MOE, Donors and other stakeholders iii. Enhance industrial visits	
Production and service units	To improve and diversify income generating activities	Diversified and improved income generating activities	Quality feeds used	Animal feeds bought despite frequent changes in quality
Procurement and Disposal units	To ensure strict adherence to procurement and disposal procedures	i. Presence of guidelines for procurements ii. Staff trained on procurement procedures	i. Implement the Government guidelines on procurement and disposal of products and services ii. Training of procurement and disposal committees	Staff trained on procurement and also procurements procedures adhered to

Institute's corporate image	To enhance corporate image	i. presence of service charter ii. Marketing Activities iii. present of fraud policy	i. Adherence to the provision of the services charter ii. Marketing the institution through open days, graduation, sports and games iii. Eradicate corruption and corrupt practices	Fraud policy developed and marketing the institution was done in Baringo and Kericho, Keiy o, Uasin
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EMINING TECHNICAL TRAINING INSTITUTE
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

7. 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 and 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. 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 performance targets.

(a) The Board of Directors

In the period ending 30th June 2020, the Board was made up to (9) members comprising of Chairperson, Secretary, and members representing industry, technology, and manufacturing.

(b) The Board Committees

1. Board Audit and Finance Committee
2. Board Development Committee
3. Board Academic Committee

The following are the number of Board meetings held in the period ending 30th June 2020

Meeting	No. of Meetings	Membership	Average Attendance (%)
Full board	4	7	85
Board Audit & Finance	1	4	100
Board Development	2	4	100
Board Academic and Marketing	2	4	100

- There were changes in the Board members as from March 2020, because 4 members retired and new members were appointed.

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8. MANAGEMENT DISCUSSION AND ANALYSIS

The Principal, together with the management team comprising of the Deputy Principal, Registrar, Dean of Students, Examination officer, Finance officer, Procurement officer and all Departmental Heads of Departments 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 in consistency 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 2019/2020 the student's population increased from 664 to 752 this was a slight increase as a result of COVID 19 which affected the institution's May intake in which the institution did not enrol new students. A new policy from KNEC which initially scraped November examination series and introduced March series affected January 2020 enrolment and therefore most of the institution's marketing strategy was geared towards May 2020 intake because most of our courses are KNEC examined courses and modular. First year students require three terms to sit for module one exam.

During the Financial Year 2019/2020 CBET Courses continued to record poor enrolment. Hair Dressing and Beauty Therapy got an improved population of 15 students. The institution managed collaboration With Mogotio NG CDF to sponsor 200 students on CBET Courses which was to take place between May and December 2020 which would have boosted the CBET enrolment. Most competitive CBET 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 Financial Year 2019/2020 the number of PSC trainers increased from 21 to 36 this eased the budget of Board of Governors trainers as the number reduced. The increased PSC trainer population necessitated us to increase more rooms and furniture to accommodate them.

During the year, the institution introduced Diploma in Electrical Engineering, Diploma and Craft in Building and Construction and Artisan in Hair Dressing and Beauty Therapy. Business courses continued to register poor enrolment.

During the year, the Tuition Block and ICT Lab structure is 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.

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TRAINEES POPULATION 2018-2020



EMINING TECHNICAL TRAINING INSTITUTE
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9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

- i) Undertaking risks assessments, reacting and adapting to climate change, minimizing the environmental impact of all aspects of our Institute's operations.
- ii) Recycling office and project waste materials where practicable and cost-effective.
- iii) Minimizing business-related travel and promoting the use of public transport and shared travel/commuting wherever practicable and cost-effective.
- iv) Communicating the requirements and needs of our environmental management system.
- v) Rendering ourselves accountable to all our stakeholders through annual sustainability reports documenting our most important environmental, social and economic impacts.
- vi) Supporting the communities in which we operate through charitable donations and environmental education.
- vii) Using local suppliers.

2. Environmental performance

The institution has planted trees in the school compound.

3. Employee welfare

- i) Promoting initiatives that support staff and their families, beyond the provision of employment.
- ii) Promoting initiatives that recognize the contribution of the students to the community

4. Market place practices-

a) Responsible competition practice.

- Emining Technical Training Institute ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors by ensuring that the following are met:
 - i. Ensuring there is a proper Open Tendering system in place
 - ii. Always attempts to ensure that suppliers are paid within thirty (30) days from the time of receipt of invoices to avoid delay in processing of payments.
 - iii) Use of the price list provided by the Public Procurement Oversight Authority.
 - iv) Suggestion box has been availed to receive feedback from suppliers.
 - v) Practice the open door policy where suppliers can express their views.

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b) 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 by subscribing to:

- i) Ensure that suppliers fully understand the procurement process, including procedures, requirements and selection and evaluation criteria.
- ii) Misleading information is not given to suppliers.
- iii) Clarifications are circulated to all suppliers.

c) 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 Disposal Act 2015 by advertising its tendering opportunities and marketing of the Institution in the dedicated Government tenders' portal or in its own website, or a notice in at least two daily newspapers of nationwide circulation, post advertisements at any conspicuous place reserved for this purpose in the Emining TTI premises.

d) Product stewardship

Emining Technical Training Institute endeavors to efficiently safeguard consumer rights and interests by fulfilling these five procurement objectives:

- i) Ensuring that the goods, works and services procured are of the Right Quality;
- ii.) Goods, works and services procured are made available at the Right Time;
- iii) Goods, works and services procured are issued to the Right Place of consumption when supplied;
- iv) Goods, works and services procured are in the Right Quantity subject to the availability of funds and
- v) Procured at the Right price that is within the prevailing market rates.
- vi) Production and service units servicing and fabrication of community equipment and machines
- vii) Procurement and Disposal units

5. Community Engagements-

- Attending Community functions

**EMINING TECHNICAL TRAINING INSTITUTE
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FOR THE YEAR ENDED JUNE 30, 2020**

10. REPORT OF THE BOARD OF GOVERNORS

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

Principal activities

- The principal activities of the entity are (continue to be) training and assessment of trainees.

Results

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

BOARD OF GOVERNORS

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

Auditors

The Auditor General is responsible for the statutory audit of the Emining TTI in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board



Jonah Kimengich
BOG Secretary
Emining TTI

Date: 3/3/2021

EMINING TECHNICAL TRAINING INSTITUTE
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11. STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013) require the Board members to prepare financial statements in respect of 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 the year 2019/2020. 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 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, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the 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) 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, 2020, 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 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 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 03rd March 2021 and signed on its behalf by:



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Chairperson of the Board

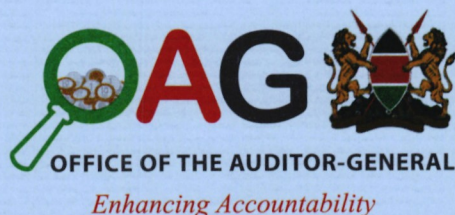


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Accounting officer/Principal

REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified of Opinion

I have audited the accompanying financial statements of Emining Technical Training Institute set out on pages 1 to 28, which comprise the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in equity, statement of cash flows and the 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.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Emining Technical Training Institute as at 30 June, 2020 and of its financial performance and its cash flows for the year ended, in accordance International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical Training Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified of Opinion

1. Inaccuracies in the Financial Statements

The annual reports and the financial statements prepared and presented for audit had the following inaccuracies: -

- i. Note 20 on cash generated from operations reflects decrease in payables balance of Kshs.2,076,582 whereas the correct calculations as per statement of financial position was an increase of Kshs.7,960,180 resulting to an unexplained and unreconciled variance amounting to Kshs.10,036,762.
- ii. The statement of cash flow has omitted increase in refundable deposits from customers amounting to Kshs.222,600 as reflected in the statement of financial position.

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

2. Unsupported Revenue from Non-Exchange Transactions

The statement of financial performance reflects revenue from non-exchange transactions amount of Kshs.16,365,000 while the supporting ledger availed for audit reflects an amount of Kshs.16,080,000 resulting to an unexplained and unreconciled variance of Kshs.285,000.

Consequently, the accuracy and completeness of the revenue from non-exchange transactions amount of Kshs.16,365,000 could not be confirmed.

3. Inaccurate Statement of Cash Flows

The statement of cash flows reflects revenue from rendering services balance of Kshs.31,117,192 with no corresponding Note which was at variance from the statement of financial performance amount of Kshs.23,265,963 resulting to unexplained and unreconciled variance of Kshs.7,851,229. Further, the statement of cash flows reflects cash from investing activities amount of Kshs.3,329,297 for purchase of property plant and equipment while Note 16 reflects a balance of Kshs.3,799,297 resulting to an unexplained and unreconciled variance amounting to Kshs.470,000.

Consequently, the accuracy and completeness of the cash flows statement could not be confirmed.

4. Unsupported Receivable from Exchange Transactions

The statement of financial position and as disclosed in Note 14 to the financial statements reflects trade receivables balance of Kshs.20,220,058. However, the figure was not supported by aging analysis report. Further Management did not provide for audit review the Institute's debt collection policy. In addition, there was no provisions made for likely impairment by way of provision of bad and doubtful debts.

In the circumstances, the accuracy, completeness and recoverability of the trade receivables balance of Kshs.20,220,058 could not be confirmed.

5. Unsupported Caution Money

The statement of financial position and as disclosed in Note 18 to the financial statements reflects refundable deposits balance of Kshs.804,700. However, the certificate of bank balance was not provided for audit review.

In the circumstances, the accuracy and completeness of the refundable deposits balance of Kshs.804,700 could not be confirmed.

6. Fair Statement of Property Plant and Equipment

As previously reported, the statement of financial position reflects property, plant and equipment balance of Kshs.96,473,864. The following issues were noted;

- i. The balance includes land valued at Kshs.15,000,000 whose ownership documents were not provided for audit. However, the basis for the valuation of the land could not be established as this was neither based on historical cost nor valuation.
- ii. The balance excludes donations of undermined value comprising of equipment, furniture and computers.
- iii. The includes biological assets balance of Kshs.1,420,000. However, the biological assets balance were not supported by a valuation report. It was also noted that the biological assets were not categorized by their broad group. This was contrary to the provisions of Paragraph 41 of the International Accounting Standards (IAS) No 41 on Agriculture which requires an entity to provide a description of group of biological assets.
- iv. The statement of financial performance for the year ended 30 June, 2020 reflects loss on sale of biological asset of Kshs.80,000 which was not supported by any Note in the financial statements. Further, there was no sale agreement neither a valuation report stating the value of the sold biological asset.

Consequently, the accuracy, ownership, valuation, presentation and disclosure of property, plant and equipment balance of Kshs.96,473,864 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 comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.70,234,524 and Kshs.42,840,992, respectively

resulting to an under-funding of Kshs.27,393,532 or 39% of the budget. Similarly, the Institute expended Kshs.33,206,487 against an approved budget of Kshs.70,234,524 resulting to an under-expenditure of Kshs.37,028,037 or 53% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delay in Project Completion

Audit inspection of two (2) projects with a total contract sum of Kshs.55,933,651 and payments of Kshs.39,603,677 at the time of the audit in February, 2021 were at 67% and 80% complete respectively. However the contractors were not on site. Management attributed the delay in completion of the project to lack of funding from the Ministry of Education.

Consequently, value for money has not been realised in implementation of the projects and there is risk of cost escalation.

2. Deposits Held in a Non-Financial Institution

As previously reported, the cash and cash equivalents balance in the statement of financial position reflects a balance of Kshs.28,877,670 and as disclosed in Note 13 to the financial statements. Included is a balance of Kshs.1,095,450 maintained at a Sacco Society. However, Management did not seek authority from The National Treasury to operate the account in a non-financial institution.

Consequently, the Institute is 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 procedures performed, except for the matters described in the Conclusion on Effectiveness of Internal Controls section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of Risk Management and Fraud Policies

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

Consequently, the Institute is exposed to the risks.

2. Lack of Information Technology Strategy

There is no IT strategy in place which could provide guidance to IT-related decision-making processes, with IT task prioritized and implemented using the plan as a framework. The Institute did not produce the minutes of the strategic committee meetings. In addition, the management has no back-up data stored in an off-site location.

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

Responsibilities of Management and the Board of Governors

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

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue to sustain services, disclosing, as applicable, matters related

to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the Institute or cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public money is applied in an effective manner.

The Board of Governors are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the 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 of Kenya. 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 when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a time period by employees in the normal course of performing their assigned functions.

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

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

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

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


CPA Nancy Oathungu, CBS
AUDITOR-GENERAL

Nairobi

16 February, 2022

EMINING TECHNICAL TRAINING INSTITUTE
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FOR THE YEAR ENDED JUNE 30, 2020

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

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – Capitation grants	6	16,365,000	11,595,000
		16,365,000	11,595,000
Revenue from exchange transactions			
Rendering of services- Fees from students	7	23,265,963	27,936,276
Sale of goods	8	37,234	329,324
Revenue from exchange transactions		23,303,197	28,265,600
Total revenue		39,668,197	39,860,600
Expenses			
Use of Goods	9	19,191,661	17,658,438
Employee costs	10	7,520,240	5,464,092
Depreciation and amortization expense	11	2,267,926	2,681,908
Repairs and maintenance	12	427,363	1,543,390
Total expenses		29,407,190	27,347,828
Loss on Sale of a cow		-80,000	
Total other gains/(losses)		-80,000	-
Net Surplus for the year		10,181,007	12,512,772
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		-	-

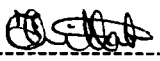
The notes set out on pages 6 to 23 form an integral part of the Annual Financial Statements.


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

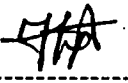
14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020.

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	13	28,748,735	3,900,076
Receivables from exchange transactions	14	20,220,058	25,926,556
		48,968,793	29,826,632
Non-current assets			
Property, plant and equipment	16	96,473,864	94,939,368
Intangible assets	17	309,375	412,500
Receivables from Non-Exchange transactions	15	1,043,050	
		97,826,289	95,351,868
Total assets		146,795,082	125,178,500
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	15,254,108	7,293,928
Refundable deposits from customers	19	804,700	582,100
		16,058,808	7,876,028
Non-current liabilities			
Non-current employee benefit obligation		-	-
Non-current provisions		-	-
		-	-
Total liabilities		-	-
Net assets		-	-
Reserves		-	-
Accumulated surplus		29,496,992	19,315,985
Capital Fund		101,239,282	97,986,487
Total net assets and liabilities		146,795,082	125,178,500

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


 Chairman of Board
 Date... 3/3/2021


 Finance Officer
 ICPAK No 17014
 Date... 3/3/2021


 Principal
 Date ... 3/3/2021

EMERSON TECHNOLOGICAL PARTNERS LIMITED
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15. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED JUNE 30, 2020

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2018	-	-	6,803,213	94,733,692	101,536,905
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	12,512,772	-	12,512,772
Capital/Development grants received during the year	-	-	-	3,252,759	3,252,795
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2019	-	-	19,315,985	97,986,487	117,302,472
At July 1, 2019	-	-	19,315,985	97,986,487	117,302,472
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	10,181,007	-	10,181,007
Capital/Development grants received during the year	-	-	-	3,252,795	3,252,795
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2020	-	-	29,496,992	101,239,282	130,736,274

EMERSON TECHNICAL TRAINING INSTITUTE
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FOR THE YEAR ENDED JUNE 30, 2020

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

	2019-2020	2018-2019
	Kshs	Kshs
Cash flows from operating activities		
Receipts		
Transfers from other Government entities/Govt. grants	16,365,000	11,595,000
Development Grants	3,252,795	3,252,795
Funds received on behalf of Kipsoen , E/Ravine ,Chepsirei	4,545,000	4,000,000
Sale of goods	37,234	329,324
Receipts from Service rendering	31,117,192	
Total Receipts	55,317,221	19,177,119
Payments		
Employee Cost	7,520,240	5,464,092
Repairs and Maintenance	427,363	1,581,280
Use Of Goods	19,191,661	17,658,438
Examination Fees		3,283,860
Other payments		719,918
Total Payments	27,139,264	25,665,920
Net cash flows from operating activities	28,177,957	(6,488,801)
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets ¹⁶	(3,329,297)	(9,504,345)
Net cash flows used in investing activities	(3,329,297)	(9,504,345)
Cash flows from financing activities		
Increase in deposits	0	10,535,250
Net cash flows used in financing activities	0	(10,535,250)
Net increase/(decrease) in cash and cash equivalents	24,848,660	(-5,457,896)
Cash and cash equivalents at 1 st JULY 2019	3,900,075	9,357,971
Cash and cash equivalents at 30 JUNE 2020	28,748,735	3,900,075

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

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference	
	2019-2020	Kshs	2019-2020	Kshs	2019-2020	Kshs	2019-2020	Kshs	2019-2020	Kshs
Revenue										
Transfers from other Government entities – Operation grants	23,100,000		-		23,100,000		16,365,000		6,735,000	
Development Grants	15,566,124		-		15,566,124		3,252,795		12,313,329	
Rendering of services- Fees from students	31,568,400		-		31,568,400		23,265,963		8,302,437	
Sale of goods	-		-		-		-42,766		42,766	
Total income	70,234,524		-		70,234,524		42,840,992		27,393,532	
Expenses										
Employee Costs	8,421,600		-		8,421,600		7,520,240		901,360	
Repairs and Maintenance	4,681,500		-		4,681,500		427,363		4,254,137	
Capital Expenditure	20,716,124		-		20,716,124		3,799,297		16,916,827	
Depreciation	-		-		-		2,267,926		(2,267,926)	
Use of goods	36,415,300		-		36,415,300		19,191,661		17,223,639	
Grants and subsidies paid	-		-		-		-		-	
Total expenditure	70,234,524		-		70,234,524		33,206,487		37,028,037	
Surplus for the period	-		-		-		9,634,505		(9,634,505)	

Budget notes

- The institution did not utilise the funds as per the budget because the capitation delayed
- The students did not pay their fees in time
- There were no operations in the 4th quarter due to Corona pandemic.

EMINING TECHNICAL TRAINING INSTITUTE
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18. 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 entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The institute is established under the Ministry of Higher Education, Science and Technology via certificate number **TVETA/PUBLIC/ TVC/0002/2015**.

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Emining Technical Training Institute's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5

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

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.

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3. ADOPTION OF NEW AND REVISED STANDARDS

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

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

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Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

ii. Early adoption of standards

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

NOTES TO THE FINANCIAL STATEMENTS (Continue)

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Revenue from non-exchange transactions

Fees

The Eming TTI recognizes revenues from transfers from government through student capitation.

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

Transfers from other government entities

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

Recurrent grants are recognized in the statement of comprehensive income.

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

ii) Revenue from exchange transactions

Rendering of services

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

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

a) Budget information

The original budget for FY 2019/2020 was approved by the Council or Board on 27/06/2019. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The Eming TTI'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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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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

The entity is exempt from paying taxes as per schedule Cap 470 of the income tax Act, The institution however deducts PAYE from the staff and submits the same to KRA.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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
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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software

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

e) Nature and purpose of reserves

a. Accumulated surpluses

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

b. Capital reserves

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

f) Changes in accounting policies and estimates

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

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

g) Employee benefits

Retirement benefit plans

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

h) Related parties

Emining TTI regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Institution, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Principal, Head of Finance and Head of Procurement.

The government of Kenya through the ministry of education is also related party to the Emining TTI.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Cash and cash equivalents

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

j) Biological assets

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

k) Comparative figures

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

5) SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

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

Useful lives and residual values

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Capitation Grants	16,365,000	11,595,000
Other grants	-	-
Total government grants and subsidies	16,365,000	11,595,000

6b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	2018-2019 KShs
Education Ministry/State Department	16,365,000	-	3,252,795	19,617,795	14,487,795
Education Ministry	-	-	-	-	-
Total	16,365,000	-	3,252,795	19,617,795	14,487,795

7) RENDERING OF SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Tuition fees	15,021,623	21,182,496
Examination fees	2,133,090	-
Boarding Fees	5,546,250	6,043,500
Admission fees	565,250	651,000
Computer Packages		56,000
Sale of scrap		3,280
Total revenue from the rendering of services	23,265,963	27,936,276

NYS students pay 20000 per term for 2 terms

Self-sponsored Students pay 8,807 fees per term

Boarding fees includes lunch at 3,500 per student and full board is 15,500 per student.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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8) SALE OF GOODS

Description	2019-2020	2018-2019
	KShs	KShs
Sale of goods		
Sale of milk	37,234	329,324
Total revenue from the sale of goods	37,234	329,324

9) USE OF GOODS

Description	2019-2020	2018-2019
	KShs	KShs
Advertising	434,520	380,800
Admin fees	2,794,752	2,929,293
Travelling fees	1,191,070	1,991,680
Conferences and delegations	150,611	72,800
Subscriptions	11,200	240,000
Student Union Expenses	109,845	0
Electricity, Water and conservation	413,454	599,468
Medical Expenses	86,020	21,260
Activity Expenses	241,900	698,479
Performance Contract	110,000	216,400
Fuel and oil	92,780	12,200
Insurance	114,251	123,091
Board sitting allowances	739,500	695,500
Training Materials	3,580,664	3,185,380
Internet Services	366,936	188,700
Printing and stationery	337,010	181,640
Boarding Expenses	5,173,230	5,006,487
Farm Expenses	0	243,000
Research and Development	15,000	0
Cleaning and Maintenance	837,445	209,200
Skills development levies	0	120,000
Library Expenses	0	53,400
Telecommunication	150,000	291,000
Examination Fees	2,228,590	0
Bank Charges	12,883	920
Other	0	197,740
Total good and services	19,191,661	17,658,438

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10) EMPLOYEE COSTS

	2019-2020	2018-2019
	KShs	KShs
Salaries and wages	7,433,040	5,464,092
Social contributions-NSSF	87,200	-
Employee costs	7,520,240	5,464,092

11) DEPRECIATION AND AMORTIZATION EXPENSE

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment	2,164,801	2,544,408
Intangible assets	103,125	137,500
Total depreciation and amortization	2,267,926	2,681,908

12) REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	KShs	KShs
Property	427,363	1,543,390
Investment property – earning rentals	-	-
Total repairs and maintenance	427,363	1,543,390

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13) (a) CASH AND CASH EQUIVALENTS

Description	2019-2020	2018-2019
	KShs	KShs
Current account	28,748,735	3,900,076
On - call deposits	-	-
Fixed deposits account	-	-
Staff car loan/ mortgage	-	-
Others(specify)	-	-
Total cash and cash equivalents	28,748,735	3,900,076

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

Financial institution	Account number	2019-2020	2018-2019
		KShs	KShs
a) Current account			
KCB Bank-Operations	1148626859	26,393,828	1,785,963
KCB Bank-Development	1166509710	1,244,153	856,775
Skyline Sacco	5651-005-01721	1,095,450	556,093
KCB Bank-Fees Collection	1175316431	15,304	91,547
Sub- total		28,748,735	3,290,378
b) Others(specify)			
Cash in hand		-	609,898
Sub- total		-	-
Grand total		28,748,735	3,900,076

14) RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Student debtors	20,220,058	25,926,556
Total current receivables	20,220,058	25,926,556

15) RECEIVABLES FROM NON- EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Advance Payments to Contractor	1,000,000	
Money paid on behalf of Chepsirei	43,050	
Total current receivables	1,043,050	

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

16) PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings		Land		Furniture and fittings		Computers		Biological Assets		Text Books		Plant and equipment		Capital Work in progress	
		Shs		Shs		Shs		Shs		Shs		Shs		Shs		Shs
Cost																
At 1 July 2018	35,860,779		15,000,000		1,450,134		403,231		640,000		739,237		976,112		32,909,939	87,979,432
Additions	-		-		1,602,236		1,191,500		410,000		57,466		681,500		5,561,643	9,504,345
Disposals	-		-		-		-		-		-		-		-	-
Transfers/adjustments	-		-		-		-		-		-		-		-	-
At 30th June 2019	35,860,779		15,000,000		3,052,370		1,594,731		1,050,000		796,703		1,657,612		38,471,582	97,483,777
Additions	-		-		-		175,992		470,000		-		-		3,153,305	3,799,297
Disposals	-		-		-		-		-		-		-		-	-
Transfer/adjustments	-		-		-		-		-		-		-		-	-
At 30th June 2019	35,860,779		15,000,000		3,052,370		1,770,723		1,520,000		796,703		1,657,612		41,624,887	101,283,074
Depreciation and impairment																
At 1 July 2018	(896,519.48)		-		(763,092.5)		(478,419.3)		-		(199,175.75)		(207,201.5)		-	(2,544,408.5)
Depreciation	-		-		-		-		-		-		-		-	-
Impairment	-		-		-		-		-		-		-		-	-
At 30th June	(896,519.48)		-		(763,092.5)		(478,419.3)		(199,175.75)		(199,175.75)		(207,201.5)		-	(2,544,408.5)
Depreciation	(874,106.53)		-		(572,319.5)		(387,691.7)		(100,000)		(149,382.25)		(181,301.5)		-	(2,164,801.48)
Disposals	-		-		-		-		-		-		-		-	(100,000)
Impairment	-		-		-		-		-		-		-		-	-
Transfer/adjustment	-		-		-		-		-		-		-		-	-
At 30th June 200	(1,770,626.01)		-		(1,335,412)		(866,111)		(348,558)		(348,558)		(388,503)		-	(4,809,210.01)
Net book values																
At 30 th June 2020	34,090,153		15,000,000		1,716,958		904,612		1,420,000		448,145		1,269,109		41,624,887	96,473,864
At 30 th June 2019	34,964,259.53		15,000,000		2,289,277.5		1,116,311.7		1,050,000		597,527.25		1,450,410.5		38,471,582	94,939,368.4

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17) INTANGIBLE ASSETS-SOFTWARE

Description	2019-2020	2018-2019
	KShs	KShs
Cost		
At beginning of the year	412,500	0
Additions	-	550,000
At end of the year	-	550,000
Additions–internal development	-	-
At end of the year	412,500	550,000
Amortization and impairment		
At beginning of the year	-	-
Amortization	103,125	137,500
At end of the year		-
Impairment loss	-	-
At end of the year	103,125	137,500
NBV	309,375	412,500

18) TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Trade payables	959,732	3,744,625
Fees paid in advance	9,458,297	549,303
Employee advances	-	-
Third-party payments	4,836,079	3,000,000
Other payables		-
Total trade and other payables	15,254,108	7,293,928

19) REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2019-2020	2018-2019
	KShs	KShs
Caution money	804,700	582,100
Other refundable deposits	-	-
Total deposits	804,700	582,100

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20) CASH GENERATED FROM OPERATIONS

	2019-2020
Surplus for the year before tax	10,181,007
Adjusted for :	0
Depreciation	2,267,926
Non-cash grants received	0
Contributed assets	0
Impairment	0
Gains and losses on disposal of assets	80,000
Contribution to provisions	0
Contribution to impairment allowance	0
Finance income	0
Finance cost	0
Working Capital adjustments	0
Increase in inventory	0
Decrease in receivables	4,663,448
Increase in deferred income	0
Decrease in payables	2,076,582
Increase in payments received in advance	8,908,994
Net cash flow from operating activities	28,177,957

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

21) 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:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2019				
Receivables from exchange transactions	25,926,556		25,926,556	-
Bank balances	3,900,076		3,900,076	-
Total	29,826,632		29,826,556	-
At 30 June 2020				
Receivables from exchange transactions	20,220,058		20,220,058	-
Bank balances	28,748,735		28,748,735	-
Total	48,968,793		48,968,793	-

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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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2019				
Trade payables	3,896,340	2,520,675	876,913	7,293,928
Total	3,896,340	2,520,675	876,913	7,293,928
At 30 June 2020				
Trade payables	12,420,900	601,700	2,231,508	15,254,108
Total	12,420,900	601,700	2,231,508	15,254,108

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

22) 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;

	2019-2020	2018-2019
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Government-Capitation	16,365,000	11,595,000
Donations in kind	101,239,282	97,986,487
Total	117,604,282	109,581,487
b) Key management compensation		
Board Sitting allowances	670,000	695,500
Total	670,000	695,500

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23) EVENTS AFTER THE REPORTING PERIOD

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

24) ULTIMATE AND HOLDING ENTITY

The entity is a Semi- Autonomous Government Agency under the Ministry of education. Its ultimate parent is the Government of Kenya.

25) Currency

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

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25. APPENDICES

**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS
EMINING TECHNICAL TRAINING INSTITUTE**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		NOT YET RESOLVED			

Emining Technical Financial reports for the FY 2016/2017, 2017/2018 and 2018 /2019 have been audited the institution is waiting for the final report from the office of the auditor General.



Chairman of the Board

Date...3/3/2021.....

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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

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

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1.	TUITION BLOCK & ICT LAB	32,000,000	25,289,598	80%	32,000,000	25,289,598	GOK
2	AUTOMOTIVE GARAGE WORKSHOP	23,933,651	14,314,079	67%	23,933,651	14,314,079	GOK
3							

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APPENDIX III: INTER-ENTITY TRANSFERS

	ENTITY NAME:	EMINING TECHNICAL TRAINING INSTITUTE		
	Break down of Transfers from the State Department of Ministry of Education			
	FY 2019/2020			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		10/07/2019	8,595,000	2018/2019
		18/10/2019	3,847,500	2019/2020
		6/10/2020	3,922,500	2019/2020
		Total	16,365,000	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		5/07/2019	3,252,795	2019/2020
		Total	3,252,795	

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

Finance Manager
Emining Technical

Sign 

Head of accounting Unit
Ministry of Education

Sign-----

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	On behalf of Institutions	Others - must be specific	
Ministry of Education		Recurrent							
	10/07/2019		8,595,000	8,595,000					8,595,000
	18/10/2019		3,847,500	3,847,500					3,847,500
	06/05/2020		3,922,500	3,922,500					3,922,500
			16,365,000	16,365,000					16,365,000
Ministry of Education		Development							
	05/07/2019		3,252,795		3,252,795				3,252,795
			3,252,795						
Ministry of Education		Operation							
	27/04/2020	Eldama Ravine TVC	1,000,000				1,000,000		1,000,000
	27/04/2020	Kipsoen Tvc	1,000,000				1,000,000		1,000,000
	28/04/2020	Chepsirei tvc	1,000,000				1,000,000		1,000,000
	06/05/2020	Kipsoen Tvc	1,545,000				1,545,000		1,545,000
			4,545,000				4,545,000		4,545,000
Total			24,162,795	16,365,000	3,252,795		4,545,000		24,162,795

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