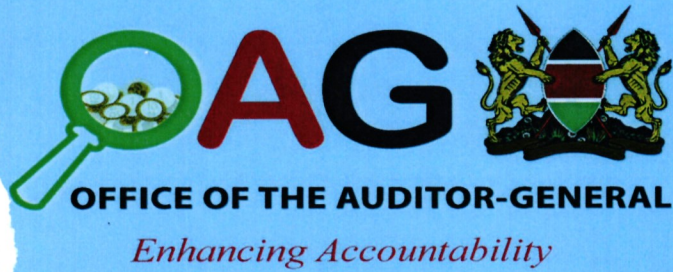


REPUBLIC OF KENYA



REPORT

PARLIAMENT
OF KENYA
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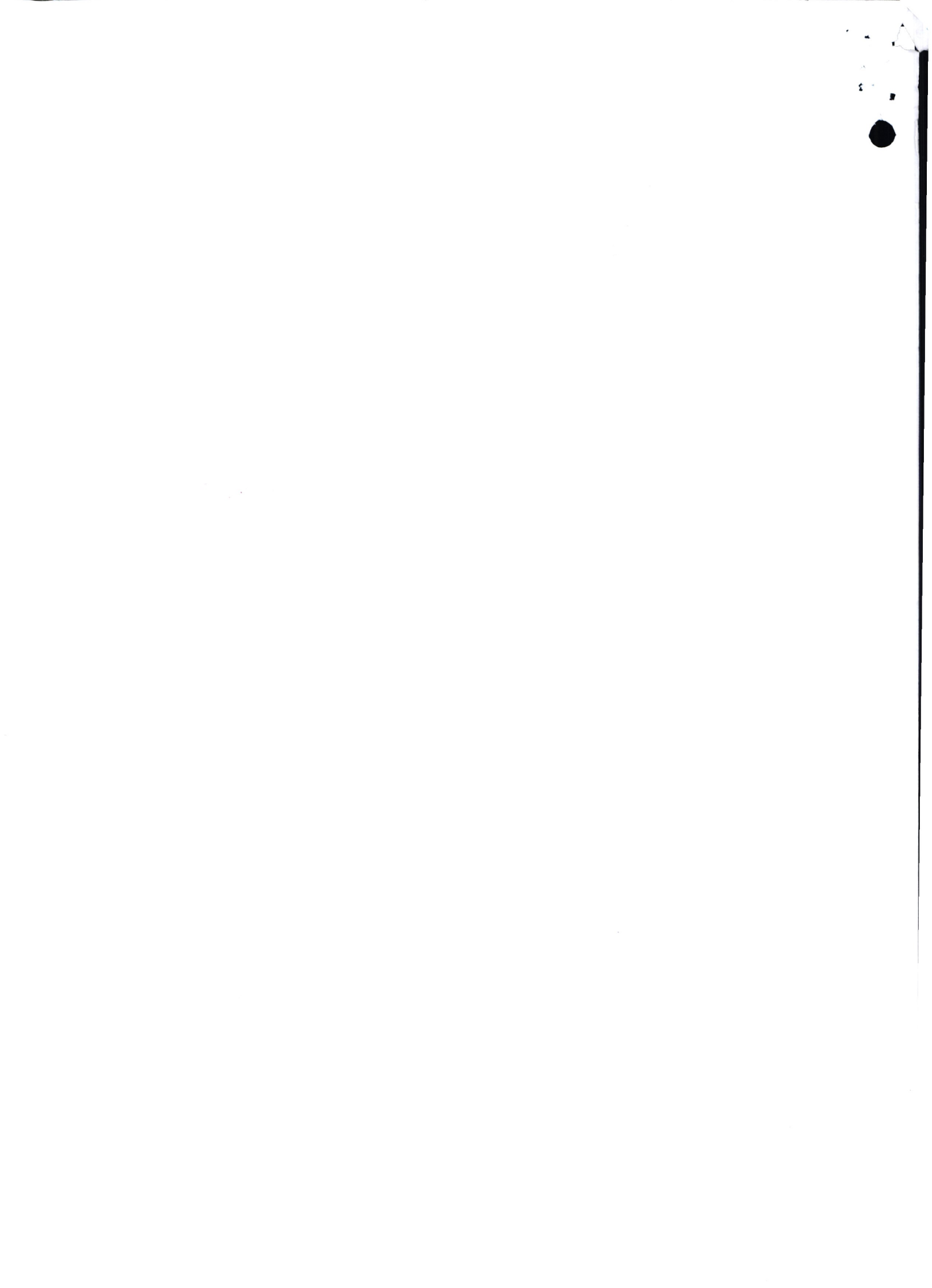
THE NATIONAL ASSEMBLY	
DATE: 29 NOV 2022	
OF	TUESDAY
TABLED BY:	L O M
CLERK-AT THE-TABLE:	Moses Lemuna

THE AUDITOR-GENERAL

ON

**TSEIKURU TECHNICAL TRAINING
INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2021**



OFFICE OF THE AUDITOR GENERAL
P.O. BOX 10000 - 00100, NAIROBI
KENYA
26 JUL 2022
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**International Public Sector Accounting Standards (IPSAS)
Annual Financial Reporting Template for
Technical Vocational Education Training (TVET) Institutions, National Polytechnics and
Teacher Training Colleges**

TSEIKURU TECHNICAL TRAINING INSTITUTE

AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2021**

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

 THE NATIONAL ASSEMBLY P.O. BOX 10000 - 00100, NAIROBI KENYA	
DATE: 29 NOV 2022	
PAY.	
TABLED BY:	
CLERK AT THE TABLE:	



10/10/10

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The *institution* was incorporated/ established under the TVET Act on January, 2016. The entity is domiciled in Kenya. The institute is under the Ministry of Education.

(b) Principal Activities

Mandate

Provide Technical, Vocational Education and Entrepreneurship Training geared towards Self-Reliance to meet the Labour Market needs.

Vision Statement

A Centre of Excellence in technological training and innovation.

Mission Statement

To offer world class quality and relevant technological training that develops talents, skills attitudes and nurtures creativity in partnership with industry

Core values

- Customer satisfaction
- Courtesy and confidentiality
- Quality Service Delivery
- Teamwork and collaboration
- Honesty and Integrity
- Professionalism
- Innovation and creativity

Institute Motto

Quality training for skills acquisition

Objectives

1. To enhance access and equity in Technical Vocational Education and Training (TVET)
2. To promote institutional corporate governance
3. To enhance skills and expertise in Technical Vocational Education and Training (TVET) courses
4. To Create collaborations and linkages with labour markets and partners
5. To promote optimistic attitude towards science, technical and research

(c) Key Management

The Institute day-day management and is under the following key organs:

- i. The principal
- ii. Deputy principal
- iii. Registrar
- iv. Dean of students
- v. Finance officer
- vi. Procurement

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Kariuki G Kiarie
2.	Deputy principal	Meshach Mwithui Munyithya
3	Registrar	Johnson Wambua
4	Dean of students	Josiah M Kasimba
5	Head of Finance	Joel K Zakayo
6	Head of Procurement	Phoebe K Musyoki

(e) Fiduciary Oversight Arrangements

Finance committee of the BOG

The Committee shall exercise all the powers of Board of Governors in financial matters except in relation to the items which are reserved to Board of Governors in these Standing Orders, on which the Committee shall advise Board of Governors.

Terms of Reference

The role of the Committee shall be to monitor the financial status of the Institute on behalf of Board of Governors. In addition to advising Board of Governors on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters.
- b) To receive reports from the Principal and the Finance Officer.
- c) To monitor implementation of the strategy for the Institute estate.
- d) To receive reports of the extent and condition of the Institute estate including the efficiency of space utilisation, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for Institute services and facilities.
- g) To supervise the financial administration of the Institute and make recommendations to Board of Governors where appropriate.
- h) To supervise the arrangements for safeguarding the Institute's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the Institute's intellectual property.
- l) To make recommendations to Board of Governors on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institute.
- n) To supervise the Institute's purchasing procedures and practices.
- o) To submit an annual statement on its activities to Board of Governors.
- p) To keep under review the activities of the Institute's various department

Academic committee activities

The academic committee of the Board is entrusted with the following roles and functions:

- a. To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Board.
- b. To propose regulation for consideration by the Board regarding the eligibility of persons for admission to a course of study,
- c. To propose regulations for consideration by the Board regarding the standard of proficiency to be gained in each examination for a Diploma, certificate or other award.
- d. To approve programmes of study, regulate admission of persons to TSKTTI and determine their continuance or discontinuation in such programmes.
- e. To determine the Academic policy of TSKTTI and to advice the Board on the provision of facilities to carry out that policy,
- f. To direct and regulate the teaching and instruction within the Institute subject to the powers of the Board.

Management Committee Activities

The main purpose of the Senior Management Team is to:

- 1) Ensure that TSKTTI'S Board of Governors is able to take strategic decisions relating to TSKTTI's activities
- 2) Provide leadership in communicating TSKTTI's mission, values, plans and achievements effectively and consistently to Board of Governors Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- 3) Be accountable for the development and implementation of TSKTTI's strategic, corporate and business plans in line with the mission and values;
- 4) Take a strategic overview of performance in all areas of TSKTTI's activities.

Specifically, the Senior Management Team:

- 1) Makes recommendations to the Council on the implementation and achievement of the Board of Governors' Strategic Framework;
- 2) Agrees TSKTTI's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- 3) In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- 4) Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of TSKTTI, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- 5) Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organisation and regularly reviewing the corporate risk register;
- 6) Oversees and monitors TSKTTI's joint work with the other stakeholders
- 7) Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Board of Governors and/or its relevant Committees.
- 8) Leads all senior managers in motivating and developing TSKTTI staff to deliver the highest standards of performance and customer service.

Audit Committee

The activities of the Audit Committee include:

- a. **Governance initiatives:**
Review and provide oversight on governance initiatives established by the BOG and maintained by the organization.
- b. **Risk management:**
Review and provide oversight on the establishment, implementation, maintenance, and effectiveness of risk assessment, risk management, and risk reporting practices.
- c. **Internal control framework:**
Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk, and control assurance providers.
- d. **Audit activity:**
Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments.
- e. **Follow up on management action plans:**
The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.
- f. **Financial statements and public accountability reporting:**
The audit committee shall review and provide advice to the BOG on the key financial management and performance reports and disclosures issued to the public.

Government oversight activities

The Government of Kenya's oversight role include provision of Grants for both Operations and Development as well as provision of the regulatory framework.

The audit of the Instructional activities is undertaken by the Office of the Auditor general.

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

P.O. Box 753-90400
Tseikuru Technical Training Institute Building
Mwingi-Kyuso-Tseikuru Road
Mwingi, KENYA

(g) Entity Contacts

TSEIKURU TECHNICAL TRAINING INSTITUTE
P.O. Box 753-90400
Mwingi, Kenya
Telephone: 0714153024
E-mail: tseikurutti.tsk@gmail.com

(h) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

KCB –Kyuso Branch
A/C NO: 1177500035
: 1178879798

(i) Independent Auditors


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

(j) Principal Legal Adviser

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

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

II. THE COUNCIL/BOARD OF GOVERNORS

S.N o	Governor	Title	Photograph	Responsibility	Date of birth qualifications and work experience
1	MR. WILFRED NYAMU	Chairman		Overall management of the board of governors activities	<p>D.O.B.....APRIL 1969</p> <p><u>QUALIFICATIONS</u></p> <p><u>PROFESSIONAL TRAINING</u></p> <p>1).1990-97 :BABASAHEB AMBEDKAR MARATHWADA UNIVERSITY, AURANGABAD MAHARASHTRA STATE , INDIA</p> <p><u>QUALIFICATIONS ATTAINED:</u></p> <p>(i) BACHELOR OF SOCIAL LEGISLATION (B.S.L) Political Science, Sociology, Micro Economics &Elementary Law)</p> <p>(ii) (ii) BACHELOR OF LAWS (LL.B) (Hons)</p> <p>2).SEPTEMBER 1997- OCTOBER 1998- Attachment at MENYE & KIRIMA ADVOCATE, NAIROBI (Pupilage).</p> <p>3).OCTOBER, 1998- AUGUST 1999- Attended Kenya School of Law</p> <p><u>WORK EXPERIENCE</u></p> <p>1.NOVEMBER, 1998-Joined Labour, Insight Centre, a project of Centre for Law & Research, International (CLARION)</p> <p>POSITION HELD LEGAL /DISPUTES OFFICER.</p> <p>DUTIES :Provision of Legal Aid to Workers and Trade unions Across the Country.</p> <p>2.AUGUST 2000 : Employed with Labour Awareness and Resource Centre,A Non-Governmental Organization Engaged in Legal Aid, Civic Education on Workers Rights and Trade Union Democracy.</p> <p>POSITION HELD : PROGRAMME OFFICER, LEGAL AND DEPUTY EXECUTIVE DIRECTOR</p> <p>DUTIES</p> <ul style="list-style-type: none"> o Deputy to the Executive Director.

- Overall Head of Programmes at the Organization Head of the legal Department.
- -Training Workers and Trade union Officials and the members on both workers Rights and Trade Union democracy
- Litigation on employee cases, on probono basis
- Legal Aid to workers.
- Fund raising for the organization
- Assistance in drawing of draft collective bargaining agreement to guide trade unions during negotiations.

3. JANUARY 2003:- PARTNER AT NYAMU & NYAMU CO. ADVOCATES, NAIROBI
NATURE OF WORK

- Litigation
- Attending to Clients
- Research and drawing conveyance documents and pleadings.
- Management

OTHER ENGAGEMENTS

a).1999- Joined Centre for Law and Research International (CLARION) as a member.

b).2000- Appointed Member of the Board of Director at CENTRE FOR HUMAN RIGHTS AND CIVIC EDUCATION (CHRCE).

POSITION HELD :CHAIR PERSON



c).SEPTEMBER 2001- Appointed member of the core team of T.O.T at the CONSTITUTION & REFORM EDUCATION CONSORTIUM (CRECO) during the First National Civil Education Programme in Kenya.

d).OCTOBER 2005 -UNDP Consultant during Training of Civic Education on Referendum

e).DECEMBER 2006- Appointed Board Member at Labour Awareness and Resource Centre (LARC)

POSITION HELD -TREASURER

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021


					<p>f).JULY 2007 - Appointed Board Member at Women Research Centre and Development Institute (WRCD1) NAIROBI.</p> <p>g).JULY 2008 - Appointed by His Excellency former retired President Kibaki as counsel to the Commission of inquiry into the sale of the Grand Regency Hotel, headed by Hon. Justice (Rtd) MAJID COCKAR .</p> <p>MAY 2015 - Appointed member to the Task Force to review the Kenya Information and Communications Act (Broadcasting Regulations, 2010)</p>												
2	MR KARIUKI G KIARIE	Principal/secretary, BOG		In charge of the overall management of the institute	<p>date of birth: 1972</p> <p><u>QUALIFICATIONS</u> Bachelor degree in Technology Education</p>												
3	MR. MBURUGU	Member		Independent member	<p>Education</p> <table border="1"> <thead> <tr> <th>INSTITUTION</th> <th>YEAR</th> <th>DEGREE</th> <th>MAJOR</th> </tr> </thead> <tbody> <tr> <td>University of Manchester, U.K</td> <td>1986/7</td> <td>M. Ed</td> <td>Management & Administration of VOTEC and Higher Education; Design, Management and Evaluation of Programs; Curriculum and Training Materials Development; Entrepreneurship & Training of Trainers</td> </tr> <tr> <td>University of Nairobi, Kenya</td> <td>1976/9</td> <td>B. Ed</td> <td>Accounting, Economics; Marketing; Business Administration & Management Curriculum Development, Psychology; Sociology & Philosophy; Education Admin.</td> </tr> </tbody> </table>	INSTITUTION	YEAR	DEGREE	MAJOR	University of Manchester, U.K	1986/7	M. Ed	Management & Administration of VOTEC and Higher Education; Design, Management and Evaluation of Programs; Curriculum and Training Materials Development; Entrepreneurship & Training of Trainers	University of Nairobi, Kenya	1976/9	B. Ed	Accounting, Economics; Marketing; Business Administration & Management Curriculum Development, Psychology; Sociology & Philosophy; Education Admin.
INSTITUTION	YEAR	DEGREE	MAJOR														
University of Manchester, U.K	1986/7	M. Ed	Management & Administration of VOTEC and Higher Education; Design, Management and Evaluation of Programs; Curriculum and Training Materials Development; Entrepreneurship & Training of Trainers														
University of Nairobi, Kenya	1976/9	B. Ed	Accounting, Economics; Marketing; Business Administration & Management Curriculum Development, Psychology; Sociology & Philosophy; Education Admin.														

			& Planning/Economics of Education
Kenyatta College, Kenya	1970/3	Dip. Ed	Business Studies and Education

EXPERIENCE

- Managing Director of Entwise Associates Ltd (1995 to-date), a consultancy firm which deals with Project Management, Research and Evaluation, Entrepreneurship Development and Skills Development including value addition, Curriculum Design, Materials Development and Training of Trainers.
- Consultant responsible for development of strategic plan for Tseikuru Technical Training institute in October 2018.
- Lead Consultant responsible for undertaking mid-term review of the Economic empowerment Programme financed by UNDP and coordinated by the Ministry of Devolution and Planning with activities in the counties of Kwale, Taita Taveta, Turkana and Marsabit, 24 November 2016 to 24 February 2017.
- Council Member, National Council for Science and Technology (2011 to 2013) which links academia and industry, promotes public-private sector partnership and serves as a focal point for national, regional and international agencies responsible for science, technology and innovation.
- Lead Consultant responsible for Matching Grant Fund Project Documentation on Coffee, Cotton, Leather and Pyrethrum value chains pilot projects for World Bank/Deloitte/Ministry of Industrialization, April to May 2012.
- Lead Consultant responsible for undertaking mid-term review of the Kenya National Youth Development and Training programme for UNDP Kenya and Ministry of Youth Affairs and Sports, August/October 2011
- Consultant responsible for developing the Kenyan concept note on “Youth for Work (Y4W)” for the ILO Regional Office, East Africa in March 2011
- Lead Consultant for study on Skill Gap Analysis of graduates of youth polytechnics and vocational training centres in Kenya for UNDP/Ministry of Youth Affairs and Sports between April and September 2010;
- Facilitated development of competency based modular curriculum (including business,

					<p>entrepreneurship and life skills) for training youth various vocational trade areas in Kenya in 2009 for implementation in vocational training institutions under the Ministry of Youth Affairs and Sports.</p> <ul style="list-style-type: none"> ○ Consultant, undertaking survey on national skills inventory, training needs and curriculum design to form a basis for national TIVET curricula structures and skills training framework, 2005 ○ Technical Advisor, Entrepreneurship Training project focusing on institutionalizing training for enterprise/income generation and funded by the Netherlands Government in the Ministry of Science and Technology, Lusaka Zambia from July 1999; ○ Programme Advisor, Small Enterprise Development funded by UNDP, Kenya in Ministry of planning and National Development, Nairobi, Kenya between July 1996 and June 1999; ○ Lead Consultant on Entrepreneurship financed by DANIDA, Lusaka, Zambia between September 1995 and March 1996; ○ Lead Consultant for Entrepreneurship Education Project focusing on training national experts & VOTEC curriculum/materials development and financed by the World Bank and UNDP in the Ministry of Labour, Lilongwe, Malawi, between April and August 1995; ○ Project Manager for ILO Entrepreneurship Education Project focusing on institutionalization of entrepreneurship education in all levels of education and training and financed by UNDP in the Ministry of Research, Technical Training and Technology, Kenya between 1990 and December 1994. <p>Other Qualifications</p> <ol style="list-style-type: none"> 1. Certificate awarded by the Strathmore Business School for high level governance training “The Effective Director” course held in Kigali, Rwanda 16-18 July 2014. 2. Certificate awarded by the Centre for Corporate Governance on Training of Directors of state corporations held in Mombasa, October 08-12, 202012. 3. Certificate awarded by ILO Youth Employment Network (YEN) based in Geneva on Impact and Randomized Evaluation Clinic: Youth Entrepreneurship in Sub-Saharan Africa, Crown Plaza, Nairobi, Kenya, 22-24 November 2010 4. Certificate awarded by the Millennium Management Consultants for training on Quality
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					<p>Management System (ISO 9000:2000) in Nairobi, May 2007.</p> <p>5. Certificate awarded by Institute of Personnel Management, Kenya for training on Managing Change in Nairobi, July 2005.</p> <p>6. Certificate awarded by Eastern and Southern African Management Institute (ESAMI) on Project Planning, Monitoring & Evaluation held in Lusaka, Zambia, August 15-17, 2001.</p>
4	MRS JOYCE MAWIA MUSYOKA	Member		Audit committee	<p>DATE OF BIRTH: June 1975</p> <p>INDEPENDENT DIRECTOR</p> <p>ACHIEVEMENTS</p> <ul style="list-style-type: none"> ○ Successfully meeting all the clients and statutory deadlines at the branch level. ○ Successfully headed the regional finance office from Kenya head office for the eastern and central Africa region for; <ul style="list-style-type: none"> ▪ Petroleum & Industrial services ltd– Kenya as head office ▪ Petroleum & Industrial services Uganda ltd, ▪ Petroleum & industrial Services (S.A.R.L) Rwanda, ▪ Petroleum & Industrial Services Tanzania Ltd ○ Successfully geared the company towards growth through accurate reporting on the turnover versus overheads. ○ Successfully prepared, reviewed and presented groups finance management reports in the monthly managements meetings. ○ Successfully reviewed internal controls of the group bringing soundness to minimize occurrence of errors and fraud which could lead to loss in the group. ○ Successfully prepared and reconciled group payroll monthly enabling timely payment of salaries and filing of the statutory returns. ○ Successfully computed, reconciled VAT, NHIF, NSSF, PAYE and submitted timely to the relevant authorities. ○ Successfully coordinating the stock reconciliation in the books separating the obsolete, slow moving and active for accurate reflection of the financial statements.

- Team work creation through open discussion, building confidence among the staff hence enabling collective responsibility.

COMPANY WORKED POSITION AND DUTIES PERFORMED1).September 2011 to date:**Nitin Pandya & Company:**

Certified Public Accountant Position and duties

Branch Manager (Nairobi office)

- Reviewing the audit files to ensure all relevant details are incorporated.
- Drafting books of accounts to final sets of accounts.
- Representing the Partners at clients Annual general meetings.
- Managing all the administrative duties in the branch.

2). May 2, 2007 August 2011: Petroleum & Industrial Services limited(PIS) Position and duties

3). April 1, 2008 to August 2011: Group financial Controller (PIS–Kenya, PIS Uganda, PIS Rwanda, PIS Tanzania) reporting to the board of management.

- Doing cash flow projection for the group with help of the group’s heads and ensuring the budget allocations are followed keenly.
- Advising the board on costing while negotiating contracts both new and old as they fall due for renewal.
- Reviewing/Reporting all the monthly finance management reports in the boards meeting with the view of enhancing revenues and surplus.
- Negotiating the credit facilities with the bank as when and if necessary.
- Preparing the final finance reports in readiness of the year external audit.
- Doing debt collection for all due.
- Requisitioning and processing cheques for operation for the region both cash and supplier’s payments.
- Reconciling the payroll for the region before payment.
- Raising all sales invoice for the region.
- Doing imports orders and tracking the consignment up to the point of delivery.
- Ensuring that all statutory deductions are paid on time for the region.
- Computing the final dues for employees leaving the company.

4). May 2, 2007 to April 1, 2008: Group Internal Auditor reporting to the Chairman

- Reviewed all the finance management report with the aim of establishing the true finance position of the company.
- Vouched all the finance documents with the aim of correcting all errors and strengthening internal controls to eliminate fraud.
- Worked hand in hand with external auditors to produce the audited financial reports for the region filed with the authority.
- Keeping inventories: maintaining fixed asset register.
- Ensured that all the external audit recommendation were implemented.

5). 2003 to April 30, 2007: Nitin Pandya & Company :Certified Public Accountant

Audit Senior/ Assistant Manager

- Assigning staffs external/in house audit assignment - Training /Supervising Junior and audit team(around ten in number)
- Advising clients, Computing and filling the statutory returns: VAT, NSSF, NHIF, PAYE, catering levy, withholding tax, installment tax, and filling the income tax returns.
- Auditing: Vouching and collecting data leading to formation and expression of an audit opinion.
- Secretarial service: maintaining secretarial, audit and tax files for company clients by ensuring timely filling of the annual returns.
- Reporting to management on subordinate staff matters - Reviewing audit working paper file and finalizing Audited accounts

6). Nov. 2002 to January 2003: Nairobi Hospital (Internship)

- Worked in the credit control - External audit Stock taking in the year end 2002.




WORKSHOP ATTENDED AND ITS ORGANISERS

- Institute of Certified Public Accountants of Kenya(ICPAK)
- Kenya Revenue tax payers training

LEADERSHIP, MEMBERSHIP AND AWARDS CURRENTLY


- Member of Institute of Certified Public Accounts of Kenya(ICPAK)
- Membership number : 19403
- Board Member : Tseikuru Secondary School


TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

				<ul style="list-style-type: none"> ○ Certification of commendation from Visions Institute of professionals for ranking number three country wide in the KASNEB examination in the taxation two paper section 5. ○ Certificate of participation in science congress up to National level in Biology exhibition
5	MR KELVIN KALONZ O	Memb er		<p>D.O.B- QUALIFICATION</p> <ul style="list-style-type: none"> ○ Masters of International Business-Monash University(Australia) ○ Bachelor of Business & Commerce-Monash University(Australia) ○ Diploma of Business-Monash university <ul style="list-style-type: none"> ○ (Australia) ○ WORK EXPERIENCE ○ Athiani FM-Chief Executive Officer ○ Kalonzo musyoka Foundation-Board member. ○ Coop Bank ltd-Credit analyst & Customer service officer in asset finance Australian administration services-Support administrator
6	MR. ROTICH	Memb er		<p>D.O.B.09/09/1973</p> <p>QUALIFICATIONS</p> <p>MBA-Operations Management</p> <p>B.E.D-Tour PMU</p> <p>Dip in Technical Education</p> <p>EXPERIENCE</p> <p>Lecturer</p> <p>Eldoret Polytechnic-9years</p> <p>Business main Consultancy to date</p>
7	MR. MICHAEL MWEND WA	Memb er		<p>Finance and resource mobilization committee</p> <p>D.O.B. 1979</p> <p>Post Graduate :Jomo Kenyatta University of Agriculture and Technology 2</p> <p>2015-2019 (Msc in Procurement & Contract Management)</p> <p>Graduate:University of Nairobi- 1999-2003 Bachelor of Arts (Building Economics)</p> <p><u>MEMBERSHIP IN PROFESSIONAL SOCIETIES</u></p> <ul style="list-style-type: none"> ○ In 2007, I sat for Professional examinations set by the Architect and Quantity Surveyors Education Board of Kenya and after passing the examinations, I was duly registered as a


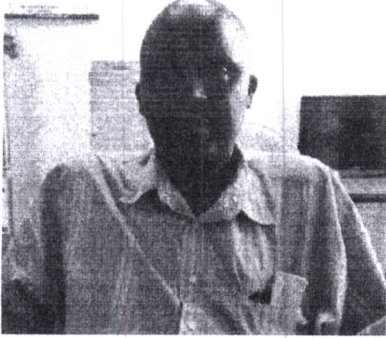

					<p>Quantity Surveyor by the Board of Registration of Architects and Quantity Surveyors (BORAQS) in 2008.</p> <ul style="list-style-type: none"> ○ I am a corporate member of Institute of Quantity Surveyors of Kenya (IQSK) ○ I am also an Environmental Impact Assessment and Audit expert.
<u>CONTINUOUS PROFESSIONAL DEVELOPMENT</u>					
					<p>December 2012 : Senior Management Course Kenya School of Government- Baringo</p>
					<p>November 2007 : Attended Environmental Impact and Audit course at Kenya Institute of Administration.</p>
					<p>September 2007 : Attended Architects and Quantity Surveyors Education Board of Kenya seminar on Construction Materials and Emerging Trends at Safari Park Hotel, Nairobi-Kenya.</p>
					<p>May 2007 : Attended Architects and Quantity Surveyors Education Board of Kenya seminar on Securities and Procurement Process in the Construction industry and its Role in Vision 2030 at Safari Park Hotel, Nairobi-Kenya</p>
					<p>March 2007 Attended Project Planning and Management course at Kenya Institute of Administration.</p>
					<p>August 2006 : Attended Africa Association of</p>

					<p>Quantity Surveyors seminar at Safari Park Hotel, Nairobi-Kenya.</p> <p>May 2006 : Attended Report Writing and Presentation Skills course at Government Training Institute.</p> <p>September 2005 : Attended Architects and Quantity Surveyors Education Board of Kenya seminar on The Role and Importance of construction Industry in Economic Growth of a Nation held at Safari Park Hotel, Nairobi-Kenya.</p> <p>PROFESSIONAL EXPERIENCE RECORD</p> <hr/> <p>2015- to date: Ministry of Transport, Infrastructure, Housing and Urban Development. Substantive appointment (Assistant Director, Metropolitan Social Infrastructure)</p> <p>2013-2015: Ministry of Land, Housing and Urban Development.</p> <p>2005-2013: Ministry of Local Government-Urban Development Department,</p> <p>Working as a Quantity Surveyor in the Urban Development Department. The Department is charged with the responsibility of funding and construction of buildings and other Civil Engineering projects in Cities and other urban areas.</p> <p>Post contract duties Contract supervision including</p> <ul style="list-style-type: none"> • Valuation of Work done and preparation of Interim payment certificates • Valuation of variations • Analysis of contractual claims. • Preparation of management reports. • Cost control and preparation project financial appraisals. • Site visits and attending site meetings. • Monitoring and evaluation of contracts. • Preparation and reconciliation of final accounts.
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				<p>Harvey Engineering and Roofing Products Ltd From November 2003 to February 2005</p> <p>Worked as a Quantity Surveyor in the company and was responsible for all Quantity Surveying functions in the organization.</p> <p>Projects undertaken:</p> <ul style="list-style-type: none"> • Renovations, Re-roofing and expansion of Diani Reef Beach Resort and Spa in Mombasa, Kenya. • Construction of SDA Conference in Nairobi, Kenya. • Construction of various Residential houses and churches in Nairobi, Kenya.
8	DR KASINA	Member		<p>Experience</p> <p>Kenya Agricultural and Livestock Research Organization Positions: - Center Director - Principal Research Scientist Kenya Agricultural Research Institute (KARI)</p> <ul style="list-style-type: none"> ○ Senior Principal Research Officer ○ Principal Research Officer ○ Senior Research Officer <p>Centre for Development Research (ZEF), University of Bonn-Germany -Junior Researcher</p> <p>Kenya Plant Health Inspectorate Service (KEPHIS)-Kenya -Plant Inspector</p> <p><i>VegPro (K) Ltd, Kenya</i> Integrated Pest Management (IPM) Manager</p> <p><i>University of Nairobi, Dept Zoology/ Dept Crop Protection</i> MSc. researcher - Associate Lecturer</p>

					University External Examiner for MSc and PhD Thesis
9	JOHN WAMAE	County Director or			D.O.B.1969 Qualifications MSC – Applied statistics

III. MANAGEMENT TEAM

1. PASSPORT, NAME & QUALIFICATION	DESIGNATION
<p>MR. KARIUKI G KIARIE</p>  <p>Qualifications Bachelor degree in Technology Education</p>	PRINCIPAL
<p>2. MR. MESHACH MUNYITHYA</p>  <p>Qualifications Bachelor of Education-Technology (electrical & electronics)</p>	D/PRINCIPAL
<p>4.MR. JOHNSON WAMBUA</p> 	REGISTRAR

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

<p>Qualifications Bachelor of Education-Technology</p>	
<p>5.MR. JOSIAH KASIMBA</p>  <p>Qualifications Diploma in Technical Education-Business Administration</p>	<p>DEAN</p>
<p>6.MR.JOEL K ZAKAYO</p>  <p>Qualifications CPA(K) Bachelor of Commerce (in progress)</p>	<p>FINANCE OFFICER</p>
<p>7.PHOEBE K MUSYOKI</p>  <p>Qualifications Diploma in Supply chain management</p>	<p>PROCUREMENT OFFICER</p>

IV. CHAIRMAN'S STATEMENT

TSK Technical Training Institute was established as a TVET Institution in 2016. The aim was to offer technical courses to Form Four leavers. The institute offers business and technical courses. It is managed by a Board of Governors and the government provides lecturers in the various fields of study.

It has been noted that the expected growth in students' enrolment at TSK TTI, and with regard to the national/global trends in education, research and technology the founders' vision has not been realized.

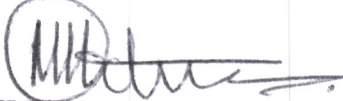
This Board is inaugural being the 2nd after the Institute was opened. I appreciate the financial support given by the Government in the form of recurrent and development grants that has seen us achieve some notable development.

In 2020/21 the Board was able to automate the systems within the institute. In the area of infrastructure, we managed to paint the institute's main building.

However, the government financial support is declined thus making the operations difficult. The Institute is in a semi-arid zone making the provisions of services quite difficult. We are struggling with the challenges of water and accommodation.

The current population is straining the available training space. Nevertheless, a mechanical engineering structure is upcoming that will greatly alleviate this challenge.

As per our Strategic Plan Tseikuru TTI is determined to become a centre of excellence in TVET training in the Lower Eastern and beyond.


WILFRED NYAMU MATI
BOG CHAIRMAN

V. REPORT OF THE PRINCIPAL

Tseikuru Technical Training Institute began operating in January 2016. We have tried our best to objectively align our core functions and objectives so that we become an integral part of the whole nation in realization of Vision 2030.


Our vision 'to be a centre for excellence in technology and Research in Kenya and beyond' is our driving force to spur skills into economic competitiveness and as one of our pillars in the vision 2030.

In recognition of the important role that TSK TTI plays in the Lower Eastern Region and beyond, we have set out our strategic plan aimed at providing competent craftsmen and technicians for the industry and self-employment. It's our obligation to have an impact in solving our social-economic and environmental challenges by applying science and technology.

The accounts department prepares monthly trial balances and bank reconciliations. At the end of each financial year, a final account is prepared and a report filled with the Ministry of Education.

For a long time TVET institutions have had their books of accounts audited by the Kenya schools audit department until June 2019 when a circular from the Ministry instructed that the work would be taken over by the office of the auditor general.

It is our vision that through maximum utilization of school fees, production units, Government grants and other funds from development partners, we shall greatly improve the institute's infrastructure and human capacity. This will facilitate tremendous expansion for more programs. It is our vision that TSK TTI is going to become a Technical University in the future.



KARIUKI G KIARIE
PRINCIPAL/SECRETARY BOG.

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

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

Tseikuru Technical Training Institute has *three* strategic pillars and objectives within its Strategic Plan for the FY 20/21- 24/25. These strategic pillars are as follows:

Pillar 1: Access and equity

Pillar 2: Corporate governance

Pillar 3: Public, Private partnerships

Tseikuru Technical Training Institute develops its annual work plans based on the above *three* pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *Institute* achieved its performance targets set for the FY 20/21 period for its three strategic pillars, as indicated in the diagram below:

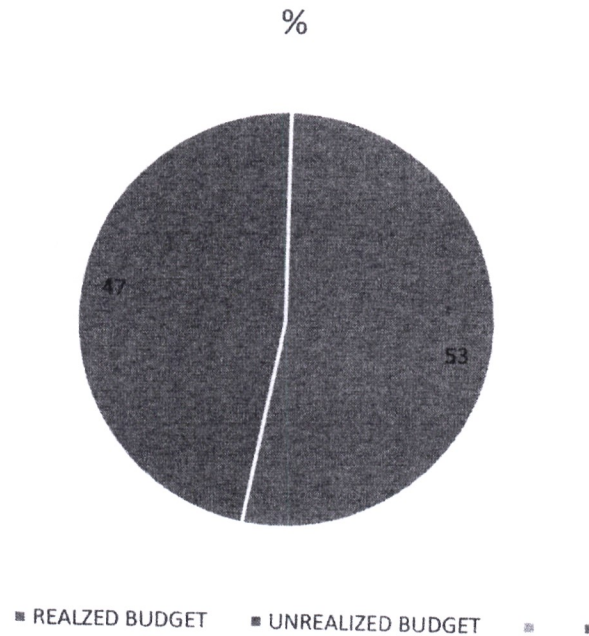
Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Access and equity	To promote access and equity with focus to youth, women and PLWDS	<ul style="list-style-type: none"> • Access to loans, bursaries and sponsorships • Application of modern techniques in teaching 	<ul style="list-style-type: none"> • Increase access to relevant TVET education • Enhance quality of curriculum delivery 	<ul style="list-style-type: none"> • Increased access to TVET programs • Improved training methods
Pillar 2:	Corporate governance	To enhance inclusivity in institutional corporate governance	<ul style="list-style-type: none"> • Involvement of both BOG and management in key decision-making process 	<ul style="list-style-type: none"> • Provide leadership in making key strategic decisions 	<ul style="list-style-type: none"> • Prudent results
Pillar 3:	Public, private partnerships	To encourage collaboration and linkages with County Government and stakeholders	<ul style="list-style-type: none"> • Lobby for bursaries from the county government kit • Create opportunities for provision of products and services mutual to all players. 	<ul style="list-style-type: none"> • Collaborate with County Government in ensuring that youth access TVET. • Partner with industry on areas of research, job absorption and attachments 	<ul style="list-style-type: none"> • Higher access to TVET • Efficient trainers equipped with skills

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

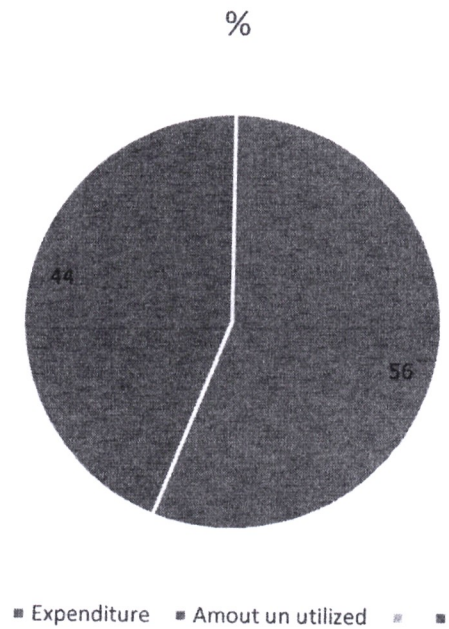
Budget Achievement

Tseikurutechnical training institute had a budget of **kshs80, 092,400** in F/Y 2020/21. The institute managed to realise kshs42, 816,847 which translate to 53% of the total budget. The institute spends kshs45, 399,528 of the realised amounts which translates to approximately ksh 56% of the budget amount.

Realization of budget



Expenditure



VII. CORPORATE GOVERNANCE STATEMENT

i. Appointment of BOG Members

The Cabinet Secretary, MOE appoints members of the Board following proposals from the principal of the institute. The board consists of nine members. The Boards of Governors for **TSEIKURU TECHNICAL TRAINING INSTITUTE** serves for three years. The Board may set up such committees and assign such responsibilities as it may deem fit.

ii. Role and Functions of Board of Governors

The functions of the organs set out under section 28 (1) shall include —

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- (c) Administering and managing the property of the institution;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (1) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;

- (g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 855 2013 Technical and Vocational Education and Training No. 29
- (h) Mobilizing resources for the institutions;
- (i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya
- (l) Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;
- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- (n) Making regulations governing organization, conduct and discipline of the staff and students;
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- (p) Providing for the welfare of the students and staff of the institutions;
- (q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and (r) discharging all other functions conferred upon it by this Act or any other written law.

iii. Board of Governors Allowances

The institute gives sitting allowances to board members to cater for their transport.

iv. Meetings

- a. Full board meetings - are held once every term and
- b. board committee meetings- once every term

Number of Board members

During the period under audit, the institute had nine board members inclusive of the principal who is secretary to the board.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

i. Operational Performance;

Management has worked hard to make living of the students in the institute easy by working so hard to see if they can get more hostels for both ladies and men.

Financial Performance

The entity is fairly stable financially. It operates on fees received from students, G.O.K capitation, NYS and H.E.L.B Funds.

Institute's compliance with statutory requirements

The institute complies with making statutory payments before the relevant deadlines. the institute workers pay P.A.Y.E Tax as generated on the I-tax portal.

Major risks facing the entity

Land encroachment – the institutes land has been encroached by some people surrounding the institute.

Key projects and investments decisions the entity has implemented/ongoing

- Painting of the institute main building
- Systems automation
- Equipping of food & beverage department

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Tseikuru Technical Training Institutes 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 three 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 -

Economic sustainability embraces general aspects of an organisation that have to be respected. The use of such generic aspects seems meaningful, as good results in these aspects are likely to lead to good financial and sustainability results of the institute. The management of the college has developed the following sustainability strategies:

- Innovation and Technology
- Collaboration-good cooperation and collaboration with other institutions, county government and other stakeholders.
- Sustainability reporting. -the institute reports sustainability issues within the institute's report separately or incorporated in the integrated institutes report

2. Environmental performance

The environmental impact of an organization is an important factor in evaluation of a given corporate's level of social responsibility. Deficiency in public awareness of the importance of the environment is the main causes of the low social responsibility among the institution.

The environmental performance of food firm exerts influence on the corporate social responsibility.

3. Employee welfare

Tseikuru Technical Training Institutes Seeks to improve the welfare of its employees through:

- Increased organisational citizenship behaviours and improved employee relationships
- Enhanced employee identification with the organization
- Improved retention and organizational commitment
- More attractive institution culture to prospective employees
- Better employee engagement and performance
- Increased creativity

Tseikuru Technical Training Institutes is an equal employer were all the applicants have equal chances of been employed irrespective of their gender, tribe or religion. The institutes ensure gender ratio any time recruitment is taking place. There is a standardised appraisal and rewarding system which applies to all employees within the institute. Tseikuru Technical Training Institutes discloses its safety policy and compliance with occupational safety and healthy Acts of 2007, (OSHA)

4. Market place practices-

Tseikuru Technical Training Institutes maintains corporate social responsibility in the market place practices through: -

The institute and the suppliers take responsibility to do no harm to the environment, to reduce waste and pollution as well as complying with the government regulations. In order to stay away in the competition, the institute determines its strategies and plan their relevant activities

5. Corporate Social Responsibility /Community Engagements-

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

Tseikuru Technical Training Institutes seeks and maintain important links with the community. The institute combine with the public, business and civil constituencies who engage in voluntary, mutual beneficial, innovative relationships to address common societal aims through combining their resources and competencies.

Tseikuru Technical Training Institutes engage in community developments as follows;

- *Training of community professionals in computer support and maintenance*
 - *Students performs voluntary projects during vacations to the community where they share experiences, knowledge and sustainable practices within the community.*
 - *Students support vulnerable communities in the development and improvement of their housing spaces*
1. *Implementation of a community engagement programme to empower jobless youth*

X. REPORT OF THE COUNCIL/BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2021 which shows the state of the *institute's* affairs.

Principal activities

The core mandate of the Institute is providing knowledge and skills to the people of the larger KITUI County and beyond.

The Mandate of **TSEIKURU TECHNICAL TRAINING INSTITUTE** is to train, impart skills, knowledge and institutionalize effective research and development geared towards production of competent graduates who will contribute to high and sustainable social-economic development.

Results

The results of the entity for the year ended June 30th 2021 are set out on Page 1-5

COUNCIL/BOARD OF GOVERNORS

The members of the Board /Council who served during the year are shown on pages (vii) to (xviii). During the year that ended 30 June 2021, none of members retired/ resigned.

Auditors

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

VI. STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS' RESPONSIBILITIES

The BOG members are responsible for the preparation and presentation of **TSEIKURU TECHNICAL TRAINING INSTITUTES** financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year (period) ended on June 30, 2021. The BOG responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safe guarding the assets of the *Institute*;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

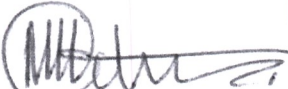
The BOG members accept responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *the TVET Act 2013*). The BOG members are of the opinion that the *institute's* financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2020, and of the *institute's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *institute*, which have been relied upon in the preparation of the *institute's* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

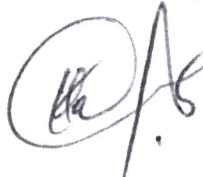
The *entity's* financial statements were approved by the Board on 20TH AUGUST 2021 and signed on its behalf by:

W
Name: Wilfred Nyamu Mati


Signature

Chairperson of the Board/Council

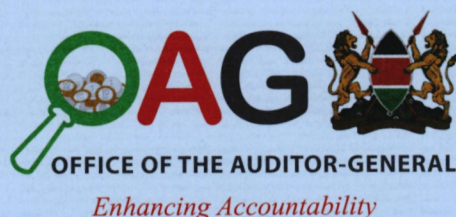
Name: Kariuki G Kiarie


Signature

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 TSEIKURU TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Tseikuru Technical Training Institute set out on pages 2 to 49, which comprise the statement of financial position as at 30 June, 2021, and statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and summary of significant accounting policies and other

Report of the Auditor-General on Tseikuru Technical Training Institute for the year ended 30 June, 2021

explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Tseikuru Technical Training Institute as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies on Revenue in the Statement of Comparison of Budget and Actual Amounts and the Statement of Financial Performance

The statement of comparison of budget and actual amounts reflects total actual revenue of Kshs.42,816,847 while the statement of financial performance total revenue amount indicates Kshs.36,466,160 resulting to an unexplained variance of Kshs.6,350,687.

In the circumstances, the accuracy and completeness of the financial statements for the year ended 30 June, 2021 could not be confirmed.

2. Trade and Other Payables from Exchange Transactions

The statement of financial position reflects trade and other payables from exchange transactions totalling Kshs.3,706,970, as further disclosed in Note 34 to the financial statements. However, the supporting documents provided for audit totalled Kshs.2,125,420 resulting to an unexplained variance of Kshs.1,581,550. No explanation was provided for the failure to provide all the supporting documents. Further, an analysis showing how long the creditors had been outstanding was not provided for audit.

In the circumstances, the accuracy, completeness and validity of the trade and other payables from exchange transactions totalling Kshs.3,706,970 could not be confirmed .

3. Unsupported Use of Goods and Services

The statement of financial performance reflects use of goods and services expenditure totalling Kshs.26,631,265 as further disclosed in Note 15 to the financial statements. Included in the balance are various items totalling Kshs.5,541,122 for which, however, sufficient supporting documents were not provided for audit review.

In the circumstance, the accuracy and completeness of the expenditure totalling Kshs.26,631,265 could not be confirmed.

4. Unsupported Repairs and Maintenance

The statement of financial performance reflects repairs and maintenance expenditure totalling Kshs.7,726,998, as further disclosed in Note 19 to the financial statements.

However, the expenditure includes various items totalling to Kshs.6,581,053 which were not supported with relevant records such as payment vouchers, user requisitions and inspection and acceptance certificates.

As a result, the occurrence, propriety, and accuracy of the repairs and maintenance expenditure totalling Kshs.7,726,998 could not be confirmed.

5. Receivables from Exchange Transactions

The statement of financial position as at 30 June, 2021 reflects current portion of receivables from exchange transactions totalling Kshs.23,695,635, as further disclosed in Note 27(a) to the financial statements. However, although the balance had been outstanding for more than twelve months as at 30 June, 2021, no record was provided for audit to indicate Management's effort to recover the outstanding debts.

In the circumstances, the extent of recoverability of the current portion of receivables from exchange transactions totalling Kshs.23,695,635 for the year ended 30 June, 2021 could not be confirmed.

6. Unsupported Cash and Cash Equivalents

The statement of financial position and Note 26 reflects cash and cash equivalents balance totalling Kshs.74,980,243. In addition, review of the bank statements provided for audit indicated that the Institute made cash withdrawals totalling Kshs.4,020,600 whose supporting documents, were, not provided for audit review.

Further, Note 43 to the financial statement does not provide an analysis of the net cash flows from operating activities totalling Kshs.36,604,819 reflected in the statement of cash flow.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance totalling Kshs.74,980,243 could not be confirmed.

7. Non-Disclosure of Depreciation Policy - Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance totalling Kshs.435,187,577 as further reflected in Note 31 to the financial statements. However, the fixed assets depreciation policy adopted by the Institute has not been disclosed in notes to the financial statements. Further, the assets movement schedule in Note 31 to the financial statements does not disclose depreciation costs for the year under review and for previous years.

In the circumstances, fair valuation of the property, plant and equipment balance totalling Kshs.435,187,577 as at 30 June, 2021 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Tseikuru 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.

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2021 reflects budgeted revenue totalling Kshs.80,092,400 and actual revenue totalling Kshs.42,816,897 resulting to a shortfall of revenue totalling Kshs.37,275,503 or 46% of the approved budget. Similarly, the Institute expended Kshs.45,399,528 against an approved budget of Kshs.80,092,400 resulting to an under-expenditure of Kshs.31,892,872 or 40% of the budget.

The shortfall of revenue and under-expenditure constrained implementation of the planned activities and may have impacted negatively on delivery of services to the students and other stakeholders of the Institute.

2. Previous Year Issues

The audit report for the year ended 30 June, 2020 highlighted several issues on Lawfulness and Effectiveness in Use of Resources. Management's report on follow-up of auditor's recommendations appended to the financial statements for the year under review indicates that most of the issues had been resolved as at 30 June, 2021 while work on the remainder was ongoing. The actual status of the issues shall be confirmed during the audit of accounts for the subsequent year.

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.

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 matter 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

Lack of Ethnic Diversity in Staffing

Examination of human resource records indicated that the Institute had forty (40) employees out of whom thirty-four (34), or 85%, were from the dominant local ethnic community. This was contrary to the provisions of Section 7(2) of the National Cohesion and Integration Act, 2008 which provides that no public establishment should have more than one third of its employees from the same ethnic community.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Weak Internal Audit Function and Audit Committee

Review of the internal control system indicated that the Institute did not have an active Internal Audit Unit to appraise and advise Management on operational activities. In addition, the Audit Committee did not hold its meetings regularly and could not therefore provide sufficient and timely oversight required to support managerial and financial accountability.

The weaknesses in the two functions was in breach of the provisions of Section 73(1) and Section 73 (5) of the Public Finance Management Act, 2012 which requires National Government entity to have appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Section 73 (5) further states that every government public entity shall establish an audit committee.

In the circumstances, Management had failed to comply with the law and as a result, oversight on the Institute's operations was weak.

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

Responsibilities of Management and the Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 September, 2022

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

III. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6(i)	7,190,000	7,135,085
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
		7,190,000	7,135,085
Revenue from exchange transactions			
Rendering of services- Fees from students	10(a)	29,208,160	60,519,383
Sale of goods	11	-	-
Rental revenue from facilities and equipment	12	-	-
Finance income - external investments	13	-	-
Other income-Sale of tenders	14	68,000	54,000
Revenue from exchange transactions		29,276,160	60,573,383
Total revenue		36,466,160	67,708,468
Expenses			
Use of goods and services	15	26,631,265	13,804,295
Employee costs	16	8,916,165	6,268,080
Remuneration of directors	17	2,125,100	1,986,800
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	7,726,998	1,406,330
Contracted services	20	-	-
Grants and subsidies	21	-	-
Finance costs	22	-	-
Total expenses		45,399,528	23,465,505
Other gains/(losses)			
Gain on sale of assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Impairment loss	25	-	-
Total other gains/(losses)		-	-
Net Surplus for the year		(8,933,368)	44,242,964
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		-	-
		(8,933,368)	44,242,964

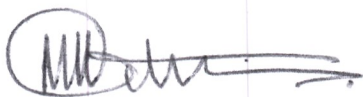
The notes set out on pages 6 to 50 form an integral part of the Annual Financial Statements.

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

IV. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

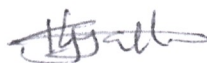
	Notes	2020-2021 KShs	2019-2020 KShs
Assets			
Current assets			
Cash and cash equivalents	26	74,980,243	43,428,666
Current portion of receivables from exchange transactions	27(a)	23,695,635	63,158,563
Receivables from non-exchange transactions	28	-	-
Inventories	29	750,330	79,670
Investments	30	-	-
		99,426,208	106,666,899
Non-current assets			
Property, plant and equipment	31	435,187,577	109,591,101
Investments	30	-	-
Intangible assets	32	3,743,797	-
Investment property	33	-	-
Long term receivables from exchange transactions	27(b)	-	-
Total assets		538,357,582	216,258,000
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	34	3,706,970	87,960
Refundable deposits from customers	35	16,340	-
Current Provisions	36	-	-
Finance lease obligation	37	-	-
Current portion of borrowings	41	-	-
Deferred income-mentee funds	38	40,000,000	-
Employee benefit obligation	39	-	-
Payments received in advance		-	-
		43,723,310	87,960
Non-current liabilities			
Non-current employee benefit obligation	39	-	-
Non-current provisions	40	-	-
Borrowings	41	-	-
Service concession liability	42	-	-
Deferred tax liabilities	49	-	-
Total liabilities		43,723,310	87,960
Net assets		494,634,272	216,170,040
Reserves		503,567,640	171,927,077
Accumulated surplus		(8,933,368)	44,242,964
Capital Fund			
Total net assets and liabilities		494,634,272	216,170,040

The Financial Statements set out on pages 1 to 4 were signed on behalf of the Institute Council/ Board of Governors by:



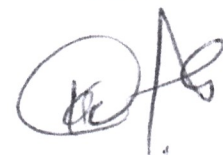
Chairman of Council/Board of Governors

Date.20/08/2021.



Finance Officer
ICPAK No: 26036

Date.20/08/2021



Principal

Date.20/08/2021

XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021

	Revaluation reserve	Fair value adjustment	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2019	165,150,286	-	-	-	165,150,286
Revaluation gain	171,927,077	-	-	-	171,927,077
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	44,242,964	-	44,242,964
Capital/Development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2020	337,077,363	-	44,242,964	-	381,320,327
At July 1, 2020	-	-	-	-	-
Revaluation gain	503,567,640	-	-	-	503,567,640
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	(8,933,368)	-	(8,933,368)
Capital/Development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2021	613,158,741	-	(8,933,368)	-	494,634,272



TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

I. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021-2021 Kshs	2020-2020 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6(ii)	4,805,000	7,135,085
Public contributions and donations		-	-
Rendering of services- Fees from students	10(b)	37,131,347	60,519,383
Sale of goods		-	-
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Receipts for mentee(kitui central tvc)		-	-
Other income-Sale of tender		40,000,000	
Total Receipts		68,000	54,000
Payments		82,004,347	67,708,468
Compensation of employees			
Use of goods and services		8,916,165	6,268,080
Finance cost		26,631,265	13,804,295
Repairs & Maintenance		-	-
Rent paid		7,726,998	1,406,330
Taxation paid		-	-
Directors remunerations		-	-
Other payments		2,125,100	1,986,800
Grants and subsidies paid		-	-
Total Payments		-	-
Net cash flows from operating activities		45,399,528	23,465,505
Cash flows from investing activities	43	36,604,819	44,242,964
Purchase of property, plant, equipment and intangible assets		(5,053,242)	-
Proceeds from sale of property, plant and equipment		-	-
Decrease in non-current receivables		-	-
Increase in investments		-	-
-Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Increase in deposits		-	-
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		31,551,577	
Cash and cash equivalents at 1 JULY 2020	26	43,428,666	1,672,204
Cash and cash equivalents at 30 JUNE 2021	26	74,980,243	43,428,666

XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget		Adjustments		Final budget		Actual or comparable basis		Performance difference		Utilization Difference	
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
Revenue	Kshs		Kshs		Kshs		Kshs		Kshs		%	
Transfers from other Govt entities Govt grants	15,000,000	-	-	-	15,000,000	5,637,500	9,362,500	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-	-	-	-	-	-	-
Rendering of services- Fees from students	64,022,400	-	-	-	64,022,400	37,111,347	26,911,053	-	-	-	-	-
Sale of goods	1,000,000	-	-	-	1,000,000	-	1,000,000	-	-	-	-	-
Finance Income	-	70,000	-	-	70,000	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal, rental income and agency fees	-	-	-	-	-	68,000	2,000	-	-	-	-	-
Total income	80,092,400	-	-	-	80,092,400	42,816,847	2,541,865	-	-	-	-	-
Expenses												
Compensation of employees	9,000,000	-	-	-	9,000,000	8,916,165	83,835	-	-	-	-	-
Use of Goods and services	58,042,400	-	-	-	58,042,400	26,631,265	31,411,135	-	-	-	-	-
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	7,750,000	-	-	-	7,750,000	7,726,998	23,002	-	-	-	-	-
Remuneration of directors	2,500,000	-	-	-	2,500,000	2,125,100	374,900	-	-	-	-	-
Grants and subsidies paid	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditure	80,092,400	-	-	-	80,092,400	45,399,528	31,892,872	-	-	-	-	-
Budget notes												
• Over budgeting of receipts from transfers from other government entities/government grants -According to paragraph 43 of the public financial management (National Government) regulations, 2015, the accounting officer is required to exercise adequate and realistic budgetary controls. Based on the above observations, the institute had budgeted to collect transfers from other government entities during the year under audit amounting to ksh 15,000,000 but ended up collecting kshs5, 637,500 hence under collection of ksh 9,362,500 . In this case, under collection was as a result of Covid-19 pandemics which led to lockdowns, curfew and social distance thus affecting the student's enrolment. Decreased enrolment led to lower capitation. The government also never disbursed conditional grants due to economic crisis caused by covid-19 pandemic.												

- **Over budgeting of receipts from students-** According to paragraph 43 of the public financial management (National Government) regulations, 2015, the accounting officer is required to exercise budgetary controls. During the year under audit, the management of the entity had budgeted to collect fees from students amounting **ksh 64,022,400** but end up collecting **ksh 37,111,347** hence under collection of **ksh 26,911,053**. In this case, the under collection was as a result of **low students turn over** during the year's **admission calendar** due to **Covid-19 pandemic**. The pandemic has affected the **economy** of our country thus leading to **lower admission** than the budgeted.
- **Over budgeting of receipts from sale of goods-** According to paragraph 43 of the public financial management (National Government) regulations, 2015, the accounting officer is required to exercise budgetary controls. During the year under audit, the management of the institute had budgeted to collect receipts from sale of goods amounting to **ksh 1,000,000** but end up not collecting any revenue from sale of goods. In this case, under collection was as a result of Covid-19 pandemics which led to lockdowns, curves and social distance thus affecting various sources of revenue.
- **Over budgeting of expenditure on the use of goods and services-** According to paragraph 43 of the public financial management (National Government) regulations, 2015, the accounting officer is required to exercise budgetary controls. During the financial year under audit, the management of the institute proposed to spend **ksh 58,042,400** on the use of goods and services but ended up spending **kshs 26,631,265** hence a variance of **ksh 31,411,135**. The unutilized funds was as a result of Covid-19 pandemic which interrupted the academic by shutting down institutions for a longer period due to containment measures & guidelines given by the ministry of health. This has led to unutilized funds since there were fewer operations due to ministry of **health Covid-19 protocols**.
- **Over budgeting of expenditure on director's remuneration.** According to paragraph 43 of the public financial management (National Government) regulations, 2015, the accounting officer is required to exercise budgetary controls. During the financial year under audit, the management of the institute proposed to spend **ksh 2,500,000** on directors remunerations but ended up spending **ksh 2,125,100** hence a variance of **kshs 374,900**. The unutilized funds was due to containment measures & guidelines given by the ministry of health which encouraged virtual meetings instead of the physical ones due to social distance.



**TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021**

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Tseikuru technical training institute was established by and derives its authority and accountability from **TVET Act No29 of 2013**. Tseikuru Technical Training Institute is under the Ministry of Education, State department of Technical and Vocational Training. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is to Provide Technical, Vocational Education and Entrepreneurship Training geared towards Self-Reliance to meet the Labour Market needs.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

The financial statements have been prepared in accordance with the PFM Act No.18 of 24th July 2012, the State Corporations Act, the TVET Act 2013 and International Public Sector Accounting Standards (IPSAS). The Institution adopted IPSAS in the year 2019 following elevation into a SAGA. The accounting policies adopted have been consistently applied to all the years presented.

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.**

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

Standard	Effective date
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>Tseikuru Technical Training Institute did not apply this standard in the preparation of the accounts under review.</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023 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> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p><i>Tseikuru Technical Training Institute did not apply this standard in the preparation of the accounts under review.</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</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.

**TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021**

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2020/2021 was approved by the Council or Board on **8TH JULY 2020**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of **nil** on the FY 2020/2021 budget following the Council/ Board's approval.

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

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

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

c) Taxes

Current income tax

The entity is exempt from paying taxes as per First schedule **Section 10 subsection (a) and (b)** of the 2010 **income tax** Act.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

Sales tax/ Value Added Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 50 years.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

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

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

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

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

g) Intangible assets

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

h) Research and development costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

j) Provisions

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

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

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

q) Service concession arrangements

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

r) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

s) Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(Tseikuru technical training institute applied provision for bad debts when preparing the financial statements).

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

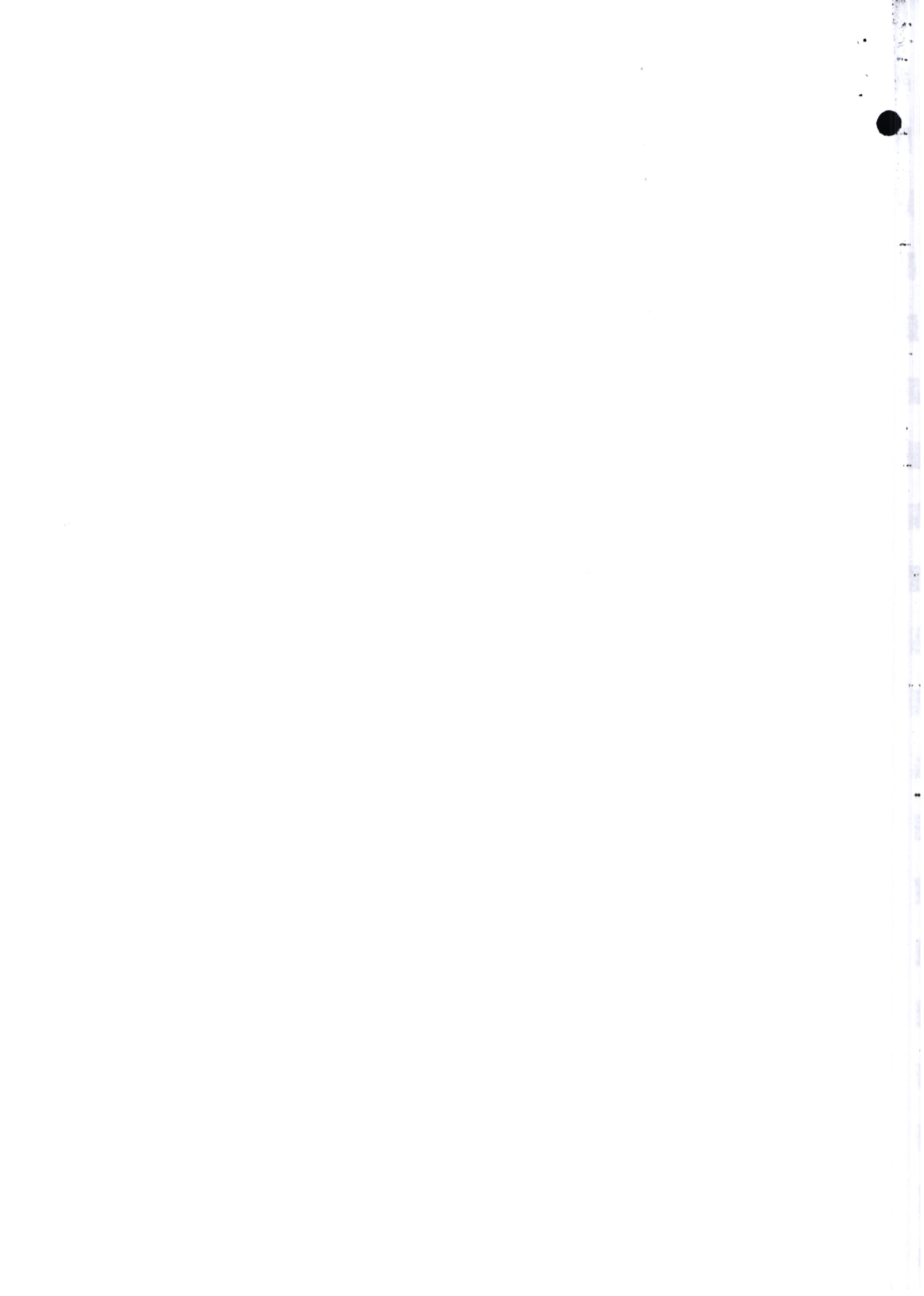
i) Actual revenue earned from government grants & subsidies

Description	2020-2021 Kshs	2019-2020 Kshs
Unconditional grants		
Capitation grants(173*30,000)	5,190,000	6,135,085
Operational grant(4*500,000)	2,000,000	1,000,000
Other grants	-	-
	7,190,000	7,135,085
Conditional grants		
Library grant	-	-
Hostels grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Learning facilities grant	-	-
Other organizational grants	-	-
Total government grants and subsidies	7,190,000	7,135,085

ii) Actual revenue received from government grants & subsidies

Description	2020-2021 Kshs	2019-2020 Kshs
Unconditional grants		
Capitation grants	2,805,000	6,135,085
Operational grant(4*500,000)	2,000,000	1,000,000
Other grants	-	-
	4,805,000	7,135,085
Conditional grants		
Library grant	-	-
Hostels grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Learning facilities grant	-	-
Other organizational grants	-	-
Total government grants and subsidies	4,805,000	7,135,085

- The capitation grants is exclusive of the 4th quarter capitation grants for the financial year 2019/20 of Kshs 832,500.



TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income Ksh	Amount deferred under deferred Income KShs	Amount recognised in capital fund KShs	Total grant income during the year KShs	2020-2021
					KShs
Ministry/State Department	-	-	-	-	-
Ministry	-	-	-	-	-
Total	-	-	-	-	-

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

Description	2020-2021 KShs	2019-2020 KShs
JICA- Research grant	-	-
World Bank grants	-	-
In-kind Donations	-	-
Other grants	-	-
Total grants from development partners	-	-

Reconciliations of grants from donors and development partners

Description	2020-2021 KShs	2019-2020 KShs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions to be met - remain liabilities	-	-

8. TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2020-2021 KShs	2019-2020 KShs
Transfer from County	-	-
Transfer from University	-	-
Transfer from institute	-	-
Total Transfers	-	-

9. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2020-2021 KShs	2019-2020 KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from alumni	-	-
Other donations	-	-
Total donations and sponsorships	-	-

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. RENDERING OF SERVICES

a) Actual revenue earned from rendering of services

Description	2020-2021 Kshs	2019-2020 KShs
HELB-for Self sponsored students	-	1,364,600
Self-sponsored student/Helb(173*26,420)	4,570,660	3,737,210
NYS students(225*109,500)	24,637,500	55,417,573
Total revenue from the rendering of services	29,208,160	60,519,383

b) Actual revenue received from rendering of services

Description	2020-2021	2019-2020
HELB-for self-sponsored	1,264,800	1,364,600
Self-sponsored	1,075,247	3,737,210
NYS students	34,791,300	55,417,573
Total revenue from the rendering of services	37,131,347	60,519,383

- Receipts for self-sponsored includes both amount received directly from Students and the bursary from Constituency development funds, Kitui county pro-poor etc.
- Receipts from HELB is as per the HELB disbursement schedules and HELB control account.
- Receipts from NYS is a cumulative revenue amount usually for sponsoring NYS students as per our acknowledgment receipt.
- The unearned revenue received during the period includes Kshs 10,153,800 from National Youth Service.

11. SALE OF GOODS

Description	2020-2021 KShs	2019-2020 KShs
Sale of goods		
Sale of books	-	-
Sale of publications	-	-
Sale of farm produce	-	-
Cafeteria	-	-
Other(include in line with your organisation)	-	-
Total revenue from the sale of goods	-	-

12. HIRE OF FACILITIES AND EQUIPMENT

Description	2020-2021 KShs	2019-2020 KShs
Hire of facilities and equipment		

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

Contingent rental	-	-
operating lease revenue	-	-
Total	-	-

13. FINANCE INCOME

Description	2020-2021 KShs	2019-2020 KShs
Cash investments and fixed deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. OTHER INCOME

Description	2020-2021 KShs	2019-2020 KShs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	68,000	54,000
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	-	-
Miscellaneous (<i>Specify</i>)	-	-
Total other income	68,000	54,000

15. USE OF GOODS AND SERVICES

Description	2020-2021 KShs	2019-2020 KShs
Teaching and learning materials	3,544,535	2,337,880
Electricity, water, Fuel & Conservancy	587,365	1,109,634
Activities	633,485	-
Professional and Consultancy services	0	-
Advertising	1,627,270	-
Examination fees	2,731,760	-
Performance Contracting	1,725,086	-
Students feeding expenses	8,577,340	5,109,281
Audit fees	0	-
Staff quarters expenses	30,000	-
Catering, Conferences, and delegations	0	-
Travelling and accommodation	2,433,800	-
Insurance	110,300	-
Covid-19 control equipment's & items	1,410,037	-
Postage	0	-



**TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND
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Printing and stationery	538,374	151,750
Administration costs	1,384,813	502,000
Rent expenses	1,122,000	2,712,523
Cleaning materials	175,100	141,150
Other (<i>Specify</i>)	0	1,740,077
Total good and services	26,631,265	13,804,295

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. EMPLOYEE COSTS

	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	7,293,708	5,166,684
Employee related costs - contributions to pensions and medical aids	1,622,457	1,101,396
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Employee costs	8,916,165	6,268,080

17. REMUNERATION OF DIRECTORS

Description	2020-2021	2019-2020
	KShs	KShs
Chairman's Honoraria	-	-
Directors emoluments	2,125,100	1,986,800
Other allowances	-	-
Total director emoluments	2,125,100	1,986,800

18. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

19. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	KShs	KShs
Property	-	-
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	426,998	150,000
Computers and accessories	800,000	350,000
Other-generals repairs	6,500,000	906,330
Total repairs and maintenance	7,726,998	1,406,330

**TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. CONTRACTED SERVICES

Description	2020-2021		2019-2020	
	KShs		KShs	
Actuarial valuations	-	-	-	-
Investment valuations	-	-	-	-
Property valuations	-	-	-	-
Total contracted services	-	-	-	-

21. GRANTS AND SUBSIDIES

Description	2020-2021		2019-2020	
	KShs		KShs	
Community development	-	-	-	-
Education initiatives and programs	-	-	-	-
Social development	-	-	-	-
Community trust	-	-	-	-
Sporting bodies	-	-	-	-
Total grants and subsidies	-	-	-	-

22. FINANCE COSTS

Description	2020-2021		2019-2020	
	KShs		KShs	
Borrowings (amortized cost)*	-	-	-	-
Finance leases (amortized cost)	-	-	-	-
Unwinding of discount	-	-	-	-
Interest on Bank overdrafts	-	-	-	-
Interest on loans from commercial banks	-	-	-	-
Total finance costs	-	-	-	-

23. GAIN ON SALE OF ASSETS

Description	2020-2021		2019-2020	
	KShs		KShs	
Property, plant and equipment	-	-	-	-
Intangible assets	-	-	-	-
Other assets not capitalised	-	-	-	-
Total gain on sale of assets	-	-	-	-

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description	2020-2021	2019-2020
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

25. IMPAIRMENT LOSS

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total impairment loss	-	-

26. CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
Current account		
On - call deposits	74,969,628	43,428,666
Fixed deposits account	-	-
Staff car loan/ mortgage	-	-
Others(specify)	-	-
Total cash and cash equivalents	74,969,628	43,428,666

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2020-2021 KShs	2019-2020 KShs
a) Current account			
Kenya Commercial bank	1177500035/1178879798	74,969,628	43,354,513
Equity Bank, etc.		-	-
Sub- total		74,969,628	43,354,513
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc.		-	-
Sub- total		-	-
c) Fixed deposits account			
Kenya Commercial bank		-	-
Bank B		-	-
Sub- total		-	-
d) Staff car loan/ mortgage			
Kenya Commercial bank		-	-
Bank B		-	-
Sub- total		-	-
e) Others(specify)			
Cash in transit		-	-
cash in hand		-	-
Mobile Money account		10,615	74,153
Sub- total		-	-
Grand total		10,615	74,153
		74,980,243	43,428,666

27. RECEIVABLES FROM EXCHANGE TRANSACTIONS

27(a) Current Receivables from Exchange Transactions

Description	2020-2021 KShs	2019-2020 KShs
Current receivables		
Student debtors	4,117,874	63,158,563
Consultancy debtors	-	-
Other exchange debtors(nys)	20,824,900	-
Less: impairment allowance/provisions for bad & doubtful debts	(1,247,139)	(-)
Total current receivables	23,695,635	63,158,563

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27(b) Long- term Receivables from Exchange Transactions

Description	2020-2021 KShs	2019-2020 KShs
Non-current receivables		
Advance payments		
Public organizations	-	-
Less: impairment allowance	-	-
Total	-	-
Current portion transferred to current receivables	-	-
Total non-current receivables	-	-
Total receivables	-	-

27 (c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Description	2020-2021 KShs	2019-2020 KShs
At the beginning of the year		
Provisions during the year	-	-
Recovered during the year	-	-
Write offs during the year	-	-
At the end of the year	-	-

28. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021 KShs	2019-2020 KShs
Current receivables		
Capitation grants*		
Transfers from other govt. entities	-	-
Undisbursed donor funds	-	-
Other debtors (non-exchange transactions)	-	-
Less: impairment allowance	-	-
Total current receivables	-	-

**Receivables on capitation grants is recognised for monies received after year end but relating to the year under review.*

28 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2020-2021 KShs	2019-2020 KShs
At the beginning of the year		
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29. INVENTORIES

Description	2020-2021	2019-2020
	KShs	KShs
Consumable stores		
Maintenance stores	370,000	37,170
Health unit stores	129,305	10,000
Electrical stores	-	-
Cleaning materials stores	-	-
Catering stores	85,000	12,000
Total inventories at the lower of cost and net realizable value	166,025	20,500
	750,330	79,670

30. INVESTMENTS

Description	2020-2021	2019-2020
	KShs	KShs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK		
CBK	-	-
Sub- total	-	-
b) Investment with Financial Institutions/ Banks		
Bank x		
Bank y	-	-
Sub- total	-	-
c) Equity investments (specify)		
Equity/ shares in company xxx		
Sub- total	-	-
Grand total	-	-

d) Shareholding in other entities

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

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



TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)
31. PROPERTY, PLANT AND EQUIPMENT

Cost	Land and buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (electrical equipment)	Plant and equipment	Capital Work in progress	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
At 1 July 2019	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
At 30 th June 2020	-	-	-	-	-	-	-	-
Revaluations								
Additions	143,556,450	-	7,514,569	5,532,600	31,601,940	47,216,200	198,099,983	198,099,983
Disposals	-	-	1,665,835	-	-	-	-	235,421,759
Transfer/adjustments	-	-	-	-	-	-	-	1,665,835
At 30 th June 2021	-	-	-	-	-	-	-	-
Depreciation and impairment								
At 1 July 2019	-	-	9,180,404	5,532,600	31,601,940	47,216,200	198,099,983	435,187,577
Depreciation	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
At 30 th June 2020	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-
At 30 th June 2021	-	-	-	-	-	-	-	-
Net book values								
At 30 th June 2020	-	-	9,180,404	5,532,600	31,601,940	47,216,200	198,099,983	435,187,577
At 30 th June 2021	143,556,450	-	9,180,404	5,532,600	31,601,940	47,216,200	198,099,983	435,187,577

[Include brief description of WIP as a footer]

Work in progress includes the building structures of mechanical building which was not complete as at the close of the year

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Valuation

Land and buildings were valued by xxx independent valuer on xxx on xxx basis of valuation. These amounts were adopted on xxx.

31 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost	Accumulated Depreciation	NBV
	xxx	xxx	xxx
Land	-	-	-
Buildings	-	-	-
Plant and machinery	-	-	-
Motor vehicles, including motorcycles	-	-	-
Computers and related equipment	-	-	-
Office equipment, furniture, and fittings	-	-	-
Total	-	-	-

32. INTANGIBLE ASSETS-SOFTWARE

Description	2020/2021	2019/2020
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	3,738,750	-
Additions—internal development	-	-
At end of the year	5,047	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	3,743,797	-

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. INVESTMENT PROPERTY

Description	2020-2021	2019-2020
	KShs	KShs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
At end of the year	-	-

(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).

34. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	-	-
Fees paid in advance	-	-
Employee advances	-	-
Third-party payments	3,706,970	87,960
Other payables	-	-
Total trade and other payables	3,706,970	87,960

35. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2020-2021	2019-2020
	KShs	KShs
Consumer deposits	-	-
Caution money	16,340	-
Other refundable deposits	-	-
Total deposits	16,340	-

36. CURRENT PROVISIONS

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

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

37. FINANCE LEASE OBLIGATION

Description	2020-2021	2019-2020
	KShs	KShs
At the start of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

Period	Amount
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: Unearned interest	-
	-

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

38. DEFERRED INCOME

Description	2020-2021	2019-2020
	KShs	KShs
National government	40,000,000	-
International funders	-	-
Public contributions and donations	-	-
Total deferred income	40,000,000	-

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The deferred income movement is as follows:

	National government	International funders/donors	Public contributions and donations	Total
Balance brought forward	-	-	-	-
Additions during the year	40,000,000	-	-	40,000,000
Transfers to Capital fund	-	-	-	-
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	40,000,000	-	-	40,000,000

39. EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2020-2021	2019-2020
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-	-
Non-current benefit obligation	-	-	-	-	-
Total employee benefits obligation	-	-	-	-	-

Retirement benefit Asset/ Liability

The institute did not operate a defined benefit scheme for all full-time employees from July 1, 2020 to 30TH JUNE 2021

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was not carried out as at 30TH June 2020. There were no principal assumptions used for the purposes of valuation.

	2020-2021	2019-2020
	Kshs	Kshs
Discount rates	-	-
Future salary increases	-	-
Future pension increases	-	-
Mortality (Pre- retirement)	-	-
Mortality (Post- retirement)	-	-
Withdrawals	-	-
Ill health	-	-
Retirement	- years	- years

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Recognition of Retirement Benefit Asset/ Liability

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	2020-2021 Kshs	2019-2020 Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from 0020 changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (Specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Measurement of the net defined benefit liability (asset)	-	-

b) Amounts recognised in the Statement of Financial Position

Description	2020-2021 Kshs	2019-2020 Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded Status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others	-	-
Net Asset or liability arising from defined benefit obligation	-	-

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 360 per employee per month. Other than NSSF the entity also has no defined contribution scheme operated.

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

40. NON-CURRENT PROVISIONS

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

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 34)

41. BORROWINGS

Description	2020-2021 KShs	2019-2020 KShs
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
Balance at end of the year	-	-

41 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS

	2020-2021 KShs	2019-2020 KShs
External Borrowings		
Dollar denominated loan from -organization'	-	-
Sterling Pound denominated loan from '-organization'	-	-
Euro denominated loan from - organization'	-	-
Domestic Borrowings		
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Total balance at end of the year	-	-

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

41 b) BREAKDOWN OF LONG- AND SHORT-TERM BORROWINGS

Description	2020-2021		2019-2020	
	KShs		KShs	
Short term borrowings(current portion)	-	-	-	-
Long term borrowings	-	-	-	-
Total	-	-	-	-

(NB: the total of this statement should tie to note 42 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

42. SERVICE CONCESSION ARRANGEMENTS

Description	2020-2021		2019-2020	
	KShs		KShs	
Fair value of service concession assets recognized under PPE	-	-	-	-
Accumulated depreciation to date	-	-	-	-
Net carrying amount	-	-	-	-
Service concession liability at beginning of the year	-	-	-	-
Service concession revenue recognized	-	-	-	-
Service concession liability at end of the year	-	-	-	-

43. CASH GENERATED FROM OPERATIONS

Surplus for the year before tax	2020-2021		2019-2020	
	KShs		KShs	
Adjusted for:				
Depreciation	-	-	-	-
Non-cash grants received	-	-	-	-
Contributed assets	-	-	-	-
Impairment	-	-	-	-
Gains and losses on disposal of assets	-	-	-	-
Contribution to provisions	-	-	-	-
Contribution to impairment allowance	-	-	-	-
Finance income	-	-	-	-
Finance cost	-	-	-	-
Working Capital adjustments				
Increase in inventory	-	-	-	-
Increase in receivables	-	-	-	-
Increase in deferred income	-	-	-	-
Increase in payables	-	-	-	-
Increase in payments received in advance	-	-	-	-
Net cash flow from operating activities	36,604,819	44,242,964		

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2019				
Receivables from exchange transactions	63,158,563	63,158,563	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	43,428,666	63,158,563	-	-
Total				
At 30 June 2020	106,587,229	63,158,563	-	-
Receivables from exchange transactions	23,695,635	23,695,635	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	74,969,628	74,969,628	-	-
Total	205,252,492	161,823,826	-	-

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT (Continued)

(i) Credit risk (continued)

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

The entity has significant concentration of credit risk on amounts due from 30TH June 2021.

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

(ii) Liquidity risk management

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

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

	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
At 30 June 2019				
Trade payables				
Current portion of borrowings	-	-	-	-
Provisions				
Deferred income				
Employee benefit obligation				
Total				
At 30 June 2020				
Trade payables				
Current portion of borrowings	-	-	3,706,970	-
Provisions				
Deferred income	-	-	-	-
Employee benefit obligation	-	-	40,000,000	40,000,000
Total				

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The institute has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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

	Ksh	Other currencies	Total
At 30 June 2021	Kshs	Kshs	Kshs
Financial assets (investments, cash, debtors)	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2021			
Financial assets(investments, cash ,debtors)	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2020			
Euro	10%	-	-
USD	10%	-	-
2021			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

b) Interest rate risk(continued)

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (2016: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (2020 – KShs xxx)

iv) Capital Risk Management

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

	2020-2021	2019-2020
	Kshs	Kshs
Revaluation reserve		
Retained earnings		
Capital reserve		
Total funds		
Total borrowings	-	-
Less: cash and bank balances	74,969,628	43,428,666
Net debt/(excess cash and cash equivalents)		
Gearing	xx%	xx%

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

45. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

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

The transactions and balances with related parties during the year are as

	2020-2021	2019-2020
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to Govt agencies		
Rent Income from govt. agencies	-	-
Water sales to Govt. agencies	-	-
Others (Specify)	-	-
Total		
b) Purchases from related parties		
Purchases of electricity from KPLC		
Purchase of water from govt service providers		
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others (specify)		
Total		
b) Grants /Transfers from the Government		
Grants from National Govt		
Grants from County Government	4,805,000	7,135,085
Donations in kind		
Total	-	-
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees		
Payments for goods and services for	-	-
Total	-	-
d) Key management compensation		
Directors' emoluments		
Compensation to key management		
Total	4,805,000	7,135,085

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

46. SEGMENT INFORMATION

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

47. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets

	2020-2021	2019-2020
	Kshs	Kshs
Contingent assets		
Insurance reimbursements	-	-
Assets arising from determination of court cases	-	-
Reimbursable indemnities and guarantees	-	-
Others (Specify)	-	-
Total	-	-

Contingent Liabilities

	2020-2021	2019-2020
	Kshs	Kshs
Contingent liabilities		
Court case xxx against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from contracts including PPPs	-	-
Others (Specify)	-	-
Total	-	-

(Give details)

48. CAPITAL COMMITMENTS

Capital commitments	2020-2021	2019-2020
	Kshs	Kshs
Authorised for		
Authorised and contracted for		
Total		

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

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

49. DEFERRED TAX LIABILITY

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

	2020-2021	2019-2020
	Kshs	Kshs
Accelerated capital allowances		
Unrealised exchange gains/(losses)		
Revaluation surplus		
Tax losses carried forward	()	()
Provisions for liabilities and charges	()	()
Net deferred tax liability/(asset)		
The movement on the deferred tax account is as follows:		
Balance at beginning of the year		
Credit to revaluation reserve	()	()
Under provision in prior year		
Income statement charge/(credit)		
Balance at end of the year		

[In ordinary circumstances public sector entities under IPSAS are not expected to pay taxes. However, in specific cases where this is applicable an organisation is supposed to seek guidance on accounting for income taxes from IAS 12]

50. EVENTS AFTER THE REPORTING PERIOD

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

51. ULTIMATE AND HOLDING ENTITY

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

52. CURRENCY

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

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
1	Lack of risk management policy and disaster recovery plan	The institute has developed risks & disaster recovery plan	Resolved	-
2	Understaffed in the procurement	The management has deployed a procurement clerk	Resolved	-
3	Lack of internal audit function & audit committee	Board has establish an audit committee in place. We have also engaged internal auditor from NEP	Resolved	-
2.3	Valuations of assets	Is seeking an asset valuer to assist in valuation	Resolved	-
2.4	Land encroachment	Court proceeding concerning the same	Not resolved	28/04/2022

Guidance Notes:

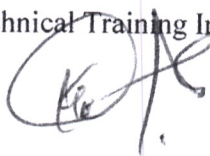
- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed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

Accounting Officer

Name: Kariuki G Kiarie

Tseikuru Technical Training Institute

Signature



Date: 20th August, 2021

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor's policy	Costs in the financial statements
. Painting the institute main building		B.O. G		-		Yes
System automation		B.O. G		-		Yes
Equipping F& B equipment's		B.O. G		-		No

Status of Projects completion

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

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Source of funds
1 Painting the institute main building	935,000	30/06/2021	100%	1,200,000	935,000	B.O.G
2 System automation	3,738,750	30/06/2021	100%	4,500,000	3,738,750	B.O.G
3						

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

APPENDIX III: INTER-ENTITY TRANSFERS

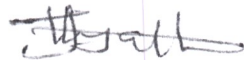
ENTITY NAME				
Break down of Transfers from the State Department of Vocational and Technical Training				
FY 2020/2021				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		23.11.2020	500,000	2020/2021
		22.02.2021	500,000	2020/2021
		30.03.2021	500,000	2020/2021
		25.06.2021	500,000	2020/2021
		Total	2,000,000	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		Total	0	
c.	Capitation Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		03.07.2020	832,500	2020/2021
		09.11.2020	705,000	2020/2021
		22.02.2021	480,000	2020/2021
		30.03.2021	780,000	2020/2021
		30.06.2021	840,000	2020/2021
		Total	3,637,500	
d.	Mentoring Grants-Kitui central tvc			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		30.06.2021	40,000,000	2021/2022
		Total	40,000,000	
e.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		Total	0	

TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

f. Donor Receipts				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		Total	0	

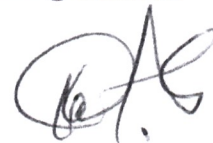
The above amounts have been communicated to and reconciled with the parent Ministry

**Finance Manager
Tseikuru Technical
Training Institute**



Sign

**Head of Accounting Unit
Tseikuru Technical
Training Institute**



Sign



TSEIKURU TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

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/Other	Total Amount KES	Statement of Financial Performance	Capital Fund	Deferred Income	Other Transfers during the year	Total
Ministry of Education	23.11.2020	Recurrent	500,000	500,000	-	-	-	500,000
Ministry of Education	22.02.2021	Recurrent	500,000	500,000	-	-	-	500,000
Ministry of Education	30.03.2021	Recurrent	500,000	500,000	-	-	-	500,000
Ministry of Education	25.06.2021	Recurrent	500,000	500,000	-	-	-	500,000
Ministry of Education	03.07.2020	Capitation	832,500	832,500	-	-	-	832,500
Ministry of Education	09.11.2020	Capitation	705,000	705,000	-	-	-	705,000
Ministry of Education	22.02.2021	Capitation	480,000	480,000	-	-	-	480,000
Ministry of Education	30.03.2021	Capitation	780,000	780,000	-	-	-	780,000
Ministry of Education	30.06.2021	Capitation	840,000	840,000	-	-	-	840,000
Ministry of Education	30.06.2021	Development	40,000,000	-	-	40,000,000	-	40,000,000
USAID	-	Donor Fund	-	-	-	-	-	-
Ministry of Education	-	Direct Payment	-	-	-	-	-	-
Total			45,637,500	-	-	-	-	45,637,500

