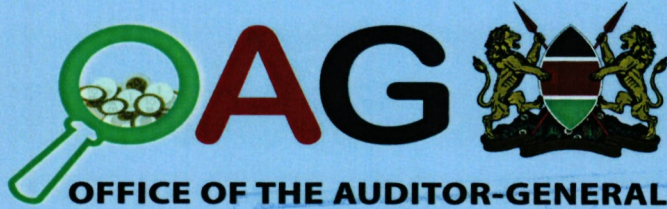


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

DATE: 09 NOV 2022

Wednesday Afternoon

TABLED
BY:

Hon. Kimani Ichungwa, MP
Leader of majority

OF:

Mainah wanjiru

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**KONOIN TECHNICAL TRAINING
INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2018**



**International Public Sector Accounting Standards (IPSAS)
Annual Financial Reporting Template for
KONOIN TECHNICAL TRAINING INSTITUTE**

KONOIN TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
JUNE 30TH, 2018.**

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



Table of Contents	Page
KEY ENTITY INFORMATION AND MANAGEMENT.....	i
GENERAL INFORMATION	iii
THE BOARD OF DIRECTORS	iv
CHAIRPERSON'S REPORT	viii
PRINCIPAL'S REPORT	ix
CORPORATE GOVERNANCE STATEMENT	x
MANAGEMENT DISCUSSION AND ANALYSIS	xii
CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY	xiv
Report of the Board of Governors.....	xvi
STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES	xvii
1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2018.....	1
2. STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 JUNE 2018.....	2
3. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2018.....	3
4 STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2018	4
5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2018	5
NOTES TO THE FINANCIAL STATEMENTS.....	6
APPENDIX I: INTER-ENTITY TRANSFERS.....	16
APPENDIX II ASSETS DONATED BY GOVERNMENT WITHOUT VALUES	17

KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The *KONOIN Technical Training Institute* was incorporated/ established under the TVET Act on May 2016. The Institute is domiciled in Kenya, Bomet county, Konoin sub-county and has no branches. The Institute is a centre of excellence of Agricultural value addition for both Certificate and Diploma course.

(b) Principal Activities

The principal activity of the *KONOIN Technical Training Institute* is to offer quality Technical, Vocational, Education and Training to students to acquire technical skills relevant to the main agenda of government.

Vision:

To be a catalyst in engaging partners to bring innovative educational solutions to individuals, employers, and communities-transforming challenges into opportunities.

Mission:

To provide relevant technical education and training to support student goals, a skilled workforce, and the economic vitality of our communities.

Core Objectives:

- i) To extend technological solutions through research in appropriate and emerging technologies.
- ii) To promote technology through linkages with institutions, community and industries.
- iii) To expand and harness use of ICT in service delivery and ICT integration.

Key Management

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

- Board of Governors
- Principal (Accounting officer)
- Deputy Principal-Administration.
- Registrar
- Dean of students
- Finance Officer
- Procurement Officer

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal(Accounting Officer)	Haron Maosa Onguso
2.	Head of Finance	Janeth Chepkirui
3.	Head of Procurement	Haron Cheruiyot

No.	Designation	Name
4.	B.O.G Chairlady	Caroline Cherotich
5.	Finance Committee Chair	Salome Kemunto Nyakundi

(d) Governance and management



Name of the Committee	Members
Finance and Audit Committee	1.Salome Kemunto Nyakundi 2.Harry Kibet Rono
Governance and Ethics Committee	1.Caroline Cherotich 2. Caroline Chepngetich 3.Haron Maosa Onguso 4.Mary Mwikali
Technical Committee	1.Arch.Raymond Ngeno 2.Benard Wafula Nalyanya




GENERAL INFORMATION

- (e) **Entity Headquarters**
Konoin Technical Training Institute
P.O. Box 19-20403, Mogogosiek.
Technical Training Institute Building/House/Plaza
Koiwa Road
Bomet
- (f) **Contacts**


Telephone :(254) 725081344
E-mail: konointechnical@gmail.com
Website: www.konointti.ac.ke
- (g) **Bankers**
Kenya Commercial Bank
Litein branch
P.O. Box 5 -20210,
Litein, Bomet.
- (h) **Independent Auditor**
Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya
- (i) **Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

THE BOARD OF DIRECTORS

<p>Director’s passport-size photo , name, and key profession/academic qualifications</p>	<p>Concise description of Director’s date of birth, key qualifications and work experience</p>
 <p>1.Caroline Cherotich</p> <ul style="list-style-type: none"> • M.BA Strategic Management Option • Bachelor of Business Administration(Human Resource Management Option) 	<ul style="list-style-type: none"> • D.O.B:1982 • (2016 to date): Founder and director The Royal Stars Academy • (2013 to date): Founder and director Blue Leaque Consulting Limited. • (2013 to 2016): Deputy Manager Education and Training (KUSCO). • (2011 – 2013): Equity Bank Limited: Deputy Credit Manager. • (July - Sept 2012): Equity Bank Limited: Acting Credit Manager. • (July 2016 to date): Vice chairperson KUSCCO staff Provident Fund • (July 2010 - Oct 2011): Financial Education Trainer at Equity Group Foundation • (2006 – 2010): Branch Manager at SISDO Microfinance.
 <p>2.Haron Maosa</p> <ul style="list-style-type: none"> • M.BA • B.Ed 	<ul style="list-style-type: none"> • D.O.B:1962 • Principal Konoin Technical Training Institute • Deputy Principal Keroka Technical Training Institute. • HOD Social Sciences – Migori Teachers College. • Author – PTE Social Studies OUP

 <p>3. Salome Kemunto</p> <ul style="list-style-type: none">• Jomo kenyatta university of agriculture & technology• Year: September 2016- on-going : Doctor of Philosophy (B.A) Finance• MBA Finance• B.Com• CPA-K	<ul style="list-style-type: none">• D.O.B:1969• (July 1988- Date):Gusii Mwalimu Savings and Credit Society Ltd.• 2015 to date: Credit Manager.• Accountant Year 2008 – 2014 December.• Clerk.
 <p>4. Harry Kibet Rono</p> <ul style="list-style-type: none">• B.A Agricultural Extension and Economics	<ul style="list-style-type: none">• D.O.B:1969.• Factory Unit Manager Boito Tea Factory Co.Ltd.• Ag. FUM Gathuthi Tea Factory. <p>Production manager at:2008-2008: Kapkoros Tea Factory ,2008-2010: Toror Tea Factory, 2006-2007: Kebirigo Tea Factory,Production assistant: 2004-2006: Rukuriri Tea Factory, 2002-2005: kionyo Tea Factory, 2000-2002: Nyamache Tea Factory, 1998-2000: Tombe Tea Factory, Njunu Tea Factory,1996-1997: Kambaa Tea Factory; management Trainee.</p>
 <p>5. Caroline Chepngetich</p>	<ul style="list-style-type: none">• D.O.B:1992• 2016 to date : Sang and Sang Avocates.• July 2015- Dec 2015: Obondo Koko& Co. Advocates• April 2015-June 2015: Adoption Officer (Kenya Children’s Homes A• 2014 (May-September) Ministry of Labour, Social Security and Services-Children’s Department (Volunteer) adoption Society)• 2014 (May-September) Ministry of Labour, Social Security and Services-Children’s Department (Volunteer)

<ul style="list-style-type: none"> • (2016-2017) Post graduate diploma in law(Expected) • (2010-2014) Bachelor of law 	<ul style="list-style-type: none"> • 2013(June-August) Kenya Tea Development Agency (Intern)
<p>6.Benard Wafula Nalyanya Bachelor of Technology :Electrical and Communications Engineering</p> 	<ul style="list-style-type: none"> • D.O.B:1966. • 26 Years' experience in various institutions. • (Dec 1990 – June 1996) Panafrican Paper Mills. Assistant Electrical Plant Engineer • Central Glass Industries, Electrical and instrumentation Engineer <p>Electrical engineer Kenya Tea Development Agency:Responsible for all works pertaining to electrical works in the 65 factories across the country and several subsidiaries</p> <ul style="list-style-type: none"> • Abymat Services, projects include:- (i)Nairobi Technical Training Institute Electrical works for New workshop and expansion of offices at the Nairobi collage (ii)Masai Technical Training Institute- Electrical works design and supervision for New workshops at the Kajiado collage. (iii)Sotit tea factory- Electrical works design and supervision for New tea factory still under construction costing Ksh 24,000,000.00 (iv)sisibo tea factory- Electrical works design and supervision for New Tea factory currently under test runs costing ksh 25,000,000.00 (v)Mushubi and gatare tea factory- Electrical works design and drawings for New Tea factory in Rwanda in 2008/ 2009 (vi)Research and Development factory for KALRO -TRI- design and supervise Electrical installation for machinery consultancy services for commercial line and R&D line machinery (vii)Design and design of the modification of the church hall at st.pauls church (viii)Electrical work design for Divine Mercy Catholic Church in Kariobangi

<p>7. Arch Raymond Ngeno</p> <ul style="list-style-type: none">• Bachelor of Science in Architecture	<ul style="list-style-type: none">• D.O.B; 13/11/1956• Experience in various institutions.
 <p>8. Mary Mwikali</p> <ul style="list-style-type: none">• Bachelor of Arts	<ul style="list-style-type: none">• D.O.B; 27/02/1987

CHAIRPERSON'S REPORT

➤KEY ACTIVITIES- FINANCIAL YEAR 2017/18

- The recruitment of students and staff was remarkable.
- Receiving and assembling of learning equipment, furniture from the Ministry of Education.
- Full and various Executive Board meetings were also held.
- Trees planted by Institute entire family
- Harvesting of storm water by fixing rain gutters and installation of four PVC storage tanks each with capacity of 10,000 litres.

➤CONSOLIDATED SUCCESSES

- Very united Board enthusiastic of progressive development of the institute.
- Impressive turn out of learners to a record tune of 120 active students.
- Impressive participation of students in ball games up to national level.

➤CHALLENGES

- Water shortage during dry seasons.
- Study halls not sufficient to cater for high demand by prospective and existent students.
- Residential premises (hostels) not available around the institute for student's accommodation.

➤WAY FORWARD

- Increase more learning halls through Government Funding and CDF.
- Constructing hostels mainly for female learners in the short term.
- Do more harvesting of rain water, drill a borehole, construct a pump house in the nearest river and install an electric pump for piped water to the institute.
- Landscaping and ground levelling to be done.
- Enhance extra co-curricular activities by facilitating mobility through procuring of Institute bus.
- Plan more developments.

PRINCIPAL'S REPORT

Konoin Technical Training Institute is located in Koiwa Location, Konoin Division, Kapken Sub-County of Bomet County. Its construction was completed in October 2016 and the first batch of students reported in March 2017. The current Principal reported on 20th February 2017 and by then there were only eleven (29) students but enrolment has since short up to 120 students currently. This has been made possible due to cooperation between the Board of Governors, stakeholders and the community.

Konoin Technical Training Institute as a Technical Vocational Educational Training institution currently offers 29 programmes/ courses accredited by Technical and Vocational Educational Training Authority. The Institute has been registered by Kenya National Examination Council as an examination Centre for both Business and Technical Examination.

The Institute has partnered with the County Government of Bomet, NG-CDF Konoin Constituency, KUCCPS, HELB, IMARISHA SACCO SOCIETY LIMITED and we look forward to more partnerships in future.

The Institute has a potential to admit more students but this will be made possible only if the infrastructure is improved.

Konoin Technical Training Institute has a very bright future in the TVET Sub-sector.

- Our serious challenge is lack of adequate government trainers, enough classrooms and workshops.

CORPORATE GOVERNANCE STATEMENT

During FY 2017/18, there was 98% eligible attendance at all meetings of the Board and Committees.

The following table shows the number of meetings held during 2017/2018, the attendance of each Member;

Caroline Cherotich (BOG Chairperson)	4/4
Haron Maosa (Principal)	4/4
Salome Kemunto (Chair Finance Committee)	3/4
Arch.Raymond Ngeno (Chair Dev't Committee)	1/4
Harry Kibet Rono (Member)	3/4
Benard Wafula Nalyanya (Member)	2/4
Caroline Chepngetich (Member)	3/4
Mary Mwikali (Member)	3/4

Note:

- 1) There was 2 full board meetings and 2 Executive board meetings held.
- 2) No board charter exists at the moment.
- 3) Succession plan is after 3 years.
- 4) No board remuneration.

Prior to the beginning of each year, Board meetings are scheduled in line with the key financial reporting dates. A more detailed agenda, together with the Board papers, is distributed in a timely manner before each Board meeting. All Members receive sufficient relevant information on

financial, Academics and development issues to enable informed decisions to be taken by them at the Board meetings. Any specific actions arising during meetings are agreed by the Board and a follow-up procedure monitors their completion. Monthly financial and operational reviews are distributed to the Board, irrespective of whether a scheduled meeting is to take place. This assists the Board to keep informed of developments on a regular basis.

Time is allocated at all meetings to discuss any other business, which all Members are invited by the Chair to raise. All Members participate in strategy development and decisions required to implement actions to progress towards meeting the objectives of the Company.

The Board Chairperson's primary role is to ensure the effective running of the Board and that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives.

The Principal's primary role is to deal with the running of the Institute and executive management of all the staff. He advises the Board and reports directly to the Chair on Institute Governance matters. He also advises the Board on legal and governance matters, helping to ensure that Board procedures and applicable rules and regulations are observed.

The Members are also able to take independent professional advice in the furtherance of their duties as necessary.

The Role and Functioning of the Board

The Board is comprised of a BOG Chairperson, Principal (Secretary to Board) and six board Members. The Members have a balance and depth of skills and experience, together with knowledge of the Institute's operations, which enables them to discharge their respective duties and responsibilities effectively.

The Board is collectively responsible for the long-term success of the Institute.

There is a formal schedule of matters reserved for consideration by the Board, which include responsibility for the following:

- i) Approval of overall Institute strategy and objectives.
- ii) Approval of the annual budget and monitoring progress towards its achievement.
- iii) Review and approval of the annual financial statements.
- iv) Approval of Institute's financing arrangements from donors and other government agencies.
- v) Approval of major unbudgeted expenditure.

These reserved matters are reviewed by the Board, at least annually, to ensure they remain appropriate and complete. The board Members are Non executive.

Board performance

Performance evaluations identify and record achievements, training requirements and areas for improvement in relation to annual objectives and performance of their respective roles, in order to consider effectiveness. Objectives for the forthcoming year are defined along with identification of how achievements will be met, target dates and details of resource constraints or issues to ensure that actions are planned and taken as a result of the evaluation process.

We strive to provide the highest quality of training to our students by;

- i) Being courteous, fair, ethical and professional.
- ii) Being positive and helpful and provide reasons for any decisions we make.

- iii) Providing assistance when required.
- iv) Answering enquiries or requests accurately and in a timely manner
- v) Treating our staff, Contractors and Suppliers honestly and with respect.

Keeping the Institute clean, tidy and free from any damage.

MANAGEMENT DISCUSSION AND ANALYSIS

Konoin Technical Training Institute operational and financial performance

The institution started operations in March 2017 with only 29 students.

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

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

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

i. Government Funding

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

ii. Constituency Development Fund (CDF)

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

iii. National Science Technology & Innovation Fund

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

iv. Donors (Development Partners)

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

v. County Government of Bomet

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

Konoin Technical Training Institute compliance with statutory requirements

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

Key projects and investment decisions

The Institution is quite new and has not yet carried out any key project.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY

The essential characteristic of social responsibility is the willingness of an organization to incorporate social and environmental considerations in its decision making and be accountable for all impacts of its decisions and activities on society and the environment. This implies both transparent and ethical behavior that contributes to sustainable development of the institute.

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

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

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

Corporate responsibility and sustainability (CR&S) is inherent in every aspect of Institute's operations. We strive to go beyond our statutory obligations to be a good neighbor, care for our stakeholders and minimize our impact on the environment.

Konoin Technical Training Institute is developing a Strategic Plan, a visual representation of the Institute's long-term goals and planned actions up to 2024. The Strategic Plan incorporate all the Institution's activities as link the plan to the Kenya's Vision 2030 and MoE's Strategic Plan (2013-2017)

Konoin Technical Training Institute is committed to promoting sustainability in all areas of our Institute by;

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

The Board of Management will at least annually,

- i) Review this policy to ensure it is effective.
- ii) Review responsibilities and procedures for CR&S management
- iii) Set clear objectives and targets, monitor and measure performance and communicate the results of the Corporate Social Responsibility and Sustainability.
- iv) Ensure adequate resources are made available to implement the policy.

Report of the Board of Governors.

The Board of Governors submit their report together with the audited financial statements for the year ended June 30, 2018 which show the state of the *Konoin Technical Training Institute's* affairs.

Principal activities

The principal activity of the *Konoin Technical Training Institute* is to offer quality Technical, Vocational, Education and Training to students to acquire technical skills relevant to the main agenda of government.

Results

The results of the entity for the year ended June 30, 2018 are set out on page xvi

Board of Governors

The members of the Board of Governors who served during the year are shown on page iv to vii. During the year no director retired/ resigned and no one was appointed.

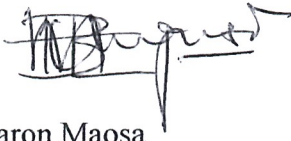
Surplus remission

There was no dividends/surplus remitted.

Auditors

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

By Order of the Board



Haron Maosa

Board Secretary

Konoin Technical Training Institute.

Date... 29/10/2020



STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and the TVET Act No. 29 of 2013 require the Board of Governors to prepare financial statements which give a true and fair view of the state of affairs of the *Konoin Technical Training Institute* at the end of the financial year 2017/18 and the operating results of the *Konoin Technical Training Institute* for FY 2017/18. The Board of Governors are also required to ensure that the *Konoin Technical Training Institute* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Konoin Technical Training Institute*. The Board of Governors are also responsible for safeguarding the assets of the *Konoin Technical Training Institute*.

The Board of Governors are responsible for the preparation and presentation of the *Konoin Technical Training Institute's* financial statements, which give a true and fair view of the state of affairs of the *Konoin Technical Training Institute* for and as at the end of the financial year 2017/18 ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of *Konoin Technical Training Institute*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *Konoin Technical Training Institute*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Governors accept responsibility for the *Konoin Technical Training Institute's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act No. 29 of 2013. The Board of Governors are of the opinion that the *Konoin Technical Training Institute's* financial statements give a true and fair view of the state of *Konoin Technical Training Institute's* transactions during the financial year ended June 30, 2018, and of the *Konoin Technical Training Institute's* financial position as at that date. The Board of Governors further confirm the completeness of the accounting records maintained for the *Konoin Technical Training Institute*, which have been relied upon in the preparation of the *Konoin Technical Training Institute's* financial statements as well as the adequacy of the systems of internal financial control.

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


Approval of the financial statements

The *Konoin Technical Training Institute's* financial statements were approved by the Board on 09/10/2020 2020 and signed on its behalf by:

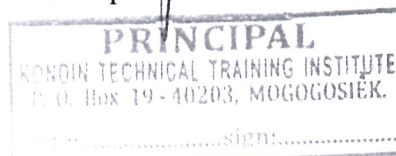
B.O.G Chairperson



Principal

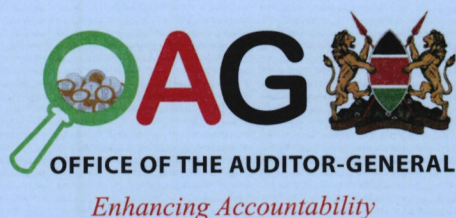


Finance Officer



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 KONOIN TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Konoin Technical Training Institute set out on pages 1 to 20, which comprise the statement of financial position as at 30 June, 2018, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Konoin Technical Training Institute as at 30 June, 2018 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Presentation of the Financial Statements

Note 14 to the financial statements on general expenses reflects HELB refund of Kshs.146,000 which has been offset against general expenses contrary to the requirement of Section 48 of International Public Sector Accounting Standard (IPSAS) No.1 which prohibits offsetting of assets and liabilities and revenue and expenses unless required or permitted by an IPSAS.

Consequently, the financial statements do not comply with the requirements of International Public Sector Accounting Standards No.1 on presentation of financial statements.

2. Cash and Cash Equivalents

The statement of financial position under Note 15 to the financial statements reflects cash and cash equivalents balance of Kshs.1,258,034 which comprises of bank and cash balance of Kshs.1,087,107 and Kshs.170,926 respectively. However, bank reconciliation statements, bank confirmation certificates and board of survey report were not presented for audit purposes.

In the circumstances, the accuracy and validity of the cash and cash equivalents balance of Kshs.1,258,034 as at 30 June, 2018 could not be confirmed.

3. Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.45,630,811 as detailed in Note 16 to the financial statements. However, the Institute did not maintain an asset register detailing all the assets owned, their values, serial/tittle numbers and location. Further, appendix II attached to the financial statements at pages 17, 18, 19 and 20 includes donated equipment whose values were not indicated and therefore not included in the property plant and equipment balance of Kshs.45,630,811 as at 30 June, 2018.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.45,630,811 as at 30 June, 2018 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

During the year under review, the Institute's revenue budget amounted to Kshs.27,311,190 against actual collections of Kshs.11,804,714 resulting to a shortfall of Kshs.15,506,476 or 57% of the budget. Similarly, the Institute's expenditure budget amounted to Kshs.27,311,190 against an actual expenditure of Kshs.10,546,681 resulting to an under expenditure of Kshs.16,764,509 or 61% of the budget.

In addition, the budget had a nil provision for general expenses against an actual of Kshs.844,843. No explanation was provided for expenditures incurred for which there was no budgetary provision.

The under collection and under expenditure noted could be an indication of weak budgetary mechanism. Management needs to ensure that the budget making process is realistic and set achievable targets.

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

Late Submission of the Financial Statements

The financial statements for the year ended 30 June, 2018 were submitted for audit on 5 March, 2020, seventeen (17) months after the deadline of 30 September, 2018. This is contrary to Section 47 of the Public Audit Act, 2015 which requires financial statements be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

The Management was therefore 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 matters 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

1. Lack of Audit Committee and Internal Audit Function

Konoin Technical Training Institute did not have in place a functional internal audit department and an audit committee. In view of the above, the management may lack complete and objective insight into the effectiveness of their risk management, internal control and governance processes as well as their evaluation and improvement thereof. Failure to have in place Internal audit function is contrary to the Public Finance Management Act, 2012 section 73 sub-sections 4 and 5 which states that a national government entity shall ensure that internal audits in respect of the entity are conducted in accordance with international best practices and every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations

No explanation has been given for failure to have an internal audit function and audit committee in place.

2. Weak Information Technology (IT) Controls

During the audit exercise, the following IT issues were noted;

- i. The Institute does not have approved policies on information communication technology including disaster recovery plan and IT continuity plan. Consequently, critical data/information may not be recovered in case a disaster occurs.
- ii. The Institute does not have IT strategic or steering committees which could result in none implementation of IT governance, as part of enterprise governance.
- iii. The Institute lacked security policy, an indication that there is no clear direction to maintain information security and to properly safeguard its assets.
- iv. The Institute did not have fire suppression systems therefore information may be lost in case of a fire outbreak.

Consequently, the Institute did not have strong Information Communication Technology (ICT) controls despite operating in IT enabled environment like use of Management Information System software for registration and reporting.

3. Lack of Human Resource Policy

During the year under review, the institute did not have a staff establishment and a human resource policy to guide in the management of its human resource issues.

It was therefore difficult to confirm the status of staff establishment and the policy guidelines to be followed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs

will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 March, 2022

1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2018

	Notes	2017/2018
		Kshs
Revenue from non-exchange transactions		
Transfers from the National Government – grants/ gifts in kind	6	7,595,694
Total Revenue from non-exchange transactions		7,595,694
Revenue from exchange transactions		
Rendering of services- Fees from students	7	3,158,360
Other income	8	1,050,660
Revenue from exchange transactions		4,209,020
Total revenue		11,804,714
Expenses		
Use of goods and services	9	8,731,228
Employee costs	10	970,610
Board allowances	11	-
Depreciation and Amortization Expense	12	931,241
Repairs and maintenance	13	499,188
General expenses	14	345,655
Total expenses		11,477,922
Net Deficit for the year		326,793

The notes set out on pages 6 to 15 form an integral part of these Financial Statements

2. STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 JUNE 2018

	Notes	2017/2018 Kshs
Assets		
Current assets		
Cash and cash equivalents	15	1,258,034
Receivables from exchange transactions		-
Total Current Assets		1,258,034
Non-current assets		
Property, plant and equipment	16	45,630,811
Intangible assets		-
Total Non-current Assets		45,630,811
Total assets		46,888,845
Liabilities		
Current liabilities		
Trade and other payables from exchange transactions		-
Total Current Liabilities		-
Total liabilities		-
Capital and Reserves		
Accumulated surplus		1,258,034
Capital Fund		45,630,811
Total Capital and Reserves		46,888,845
Total Liabilities and Capital & Reserves		46,888,845

The Financial Statements set out on pages 1 to 16 were signed on behalf of the Institute Board of Governors by:

Chairman of Board of Governors

Date.....

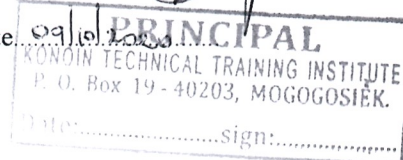
Finance Officer

ICPAK No.

Date 07/10/2018

Principal

Date: 09/10/2018



3. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2018

	Accumulated Reserves	Capital/ Development Grants/Fund	Total
	Shs	Shs	Shs.
Balance b/f at July 1, 2017	-	-	-
Adjustment for fixed assets issued by the ministry	-	46,562,052	46,562,052
Total comprehensive income	326,793		326,793
Transfer of depreciation/amortisation from capital fund to retained earnings	931,241	(931,241)	-
Balance c/d as at June 30, 2018	1,258,034	45,630,811	46,888,845

4 STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2018

		2017/2018
	Note	Kshs
Cash flows from operating activities		
Receipts		
Transfers from other Government entities/Govt. grants	6	7,595,694
Rendering of services- Fees from students	7	3,158,360
Other income, rentals and agency fees	8	1,050,660
Total Receipts		11,804,714
Payments		
Use of goods and services	9	8,731,228
Compensation of employees	10	970,610
Board allowances	11	-
RMI	13	499,188
Other payments	14	345,655
Total Payments		10,546,681
Net cash flows from operating activities	16	1,258,034
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets		-
Net cash flows used in investing activities		-
Cash flows from financing activities		
Increase in development deposits		-
Net cash flows used in financing activities		-
Net increase/(decrease) in cash and cash equivalents		1,258,034
Cash and cash equivalents at 1 July 2018		-
Cash and cash equivalents at 30 June 2019	15	1,258,034
Cash flows from operating activities		
Receipts		

KONOIN TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
For the year ended June 30, 2018

5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2018

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Percentage	Variance Explanation
	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018		
	Kshs	Kshs	Kshs	Kshs	Kshs		
Revenue							
Transfers from other Govt entities							
Govt grants	15,035,690		15,035,690	7,595,694	7,439,996	49%	
Rendering of services- Fees from students	12,275,500		12,275,500	3,158,360	8,903,765	73%	
Other income	-		-	1,050,660	(1,050,660)	-100%	
Total income	27,311,190	-	27,311,190	11,804,714	15,293,101	56%	
Expenses							
Compensation of employees	1,380,000		1,380,000	970,610	409,390	30%	
Use of Goods and services	25,931,190		25,931,190	8,731,228	17,199,962	66%	
Remuneration of directors				-			
General expenses	-		-	844,843	(844,843)	-100%	
Total expenditure	27,311,190	-	27,311,190	10,546,681	16,764,509		
Surplus for the period	-	-	-	1,258,034	(1,471,408)		

Budget notes

1. The difference was because of the delay of disbursement of capitation.
2. The budget was prepared using cash basis of accounting basis i.e budget is cash basis yet statement of financial performance is accrual.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Konoin Technical Training Institute is established by and derives its authority and accountability from PFM Act, the State Corporations Act and the TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The institute is established under Technical and vocational education and authority via certificate number *TVETA/PUBLIC/RC/0020/2016*.

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, 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 *Konoin Technical Training Institute's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Early adoption of standards

Konoin Technical Training Institute is a newly established institution and therefore did not early-adopt any new or amended standards in year 2017/2018.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees

Konoin Technical Training Institute recognizes capitation from government when the transfer of funds is done.

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

Transfers from other government entities

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

Recurrent grants are recognized in the statement of comprehensive income.

Development/capital grants are recognized in the statement of financial position and 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.

b) Budget information

The original budget for FY 2017-2018 was approved by the Board of Governors on 15th December 2017. 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 Konoin Technical Training Institute upon receiving the respective approvals in order to conclude the final budget.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Budget information (continued)

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

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

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

c) Property, plant and equipment

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

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

	Rate %
Buildings	2
Plant and machinery	12.5%
Motor vehicles	25
Furniture and fittings	12.5
Computer equipment	30

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Intangible assets

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

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

Computer software

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

e) Nature and purpose of reserves

a. Accumulated surpluses

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

b. Capital reserves

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

f) Changes in accounting policies and estimates

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

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

g) Employee benefits

Retirement benefit plans

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

h) Related parties

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

The government of Kenya through the ministry of education is also related party to the Konoin Technical Training Institute.

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Cash and cash equivalents

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

j) Biological assets

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

k) Comparative figures

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

l) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2018.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

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

Useful lives and residual values

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

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

6. TRANSFERS FROM OTHER GOVERNMENTS

Description	2017-2018
	KShs
Unconditional grants	
Operational grant	1,000,000
Other grant	6,595,694
Total government grants and subsidies	7,595,694

7. RENDERING OF SERVICES

Description	2017-2018
	KShs
Tuition fees	2,528,890
Activity fees	177,850
Attachment	232,520
Insurance	32,700
Registration fees	186,400
Total revenue from the rendering of services	3,158,360

(These are fees paid in by students within the financial period)

8. OTHER INCOME

Description	2017-2018
	KShs
Smart card Income	-
Student Identity Card	45,900
Examination	150,610
Boarding	442,950
Computer Packages	115,300
Food and Catering	295,900
Tender fee	-
Total other income	1,050,660

9. USE OF GOODS AND SERVICES

Description	2017-2018
	KShs
Tuition expenses	5,771,997
Boarding expenses	185,480
Activiteis	369,170
Electricity and water	1,891,995
Insurance	-
Attachment	273,586
Registration	239,000
Total good and services	8,731,228

10. EMPLOYEE COSTS

	2017-2018
	KShs
Salaries and wages	746,110
Travel, motor car, accommodation, subsistence and other allowances	224,500
Employee costs	970,610

11. BOARD ALLOWANCES

Description	2017-2018
	KShs
Board Honoraria	-
Other allowances	-
Total depreciation and amortization	-

12. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2017-2018
	KShs
Property, plant and equipment	931,241
Total depreciation and amortization	931,241

13. REPAIRS AND MAINTENANCE

Description	2017-2018
	KShs
Others	499,188
Total repairs and maintenance	499,188

14. GENERAL EXPENSES

Description	2017-2018
	KShs
Computer Packages	45,660
Food and catering	445,995
Helb refund	(146,000)
Total general expenses	345,655

15. CASH AND CASH EQUIVALENTS

The carrying amounts of the institution's cash and cash equivalents are denominated in Kenya Shillings.

Description	2017-2018 KShs
Current account	1,087,107.5
Others(Cash)	170,926
Total cash and cash equivalents	1,258,033.5

The institution's cash and bank balances are held with a major Kenyan financial institution and, insofar as the directors are able to measure any credit risk to these assets, it is deemed to be

15 (a). DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	2017-2018 KShs
a) Current account		
Kenya Commercial bank- Tuition account	1217674810	471,461.5
Kenya Commercial bank-Operations Account	1217674535	611,476
Kenya Commercial bank – Development account	1217674683	4,170
Sub- total		1,087,107.5
cash on hand		170,926
Sub- total		170,926
Grand total		1,258,033.5

KONON TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
For the year ended June 30, 2018

16. PROPERTY, PLANT AND EQUIPMENT

The table below represents movement schedule of the institution's fixed assets. The Institution is built in a piece of land that was donated by the community and the board of governance is in the process of transferring the land to the institution's name before it is valued.

During the year, the institution received several computers, furniture and fittings from the parent ministry whose value was not issued at the time of donation. The board of governance is in the process of contracting a professional valuer who will revalue all the assets of the institution. The cost of the donated equipment has not yet been established and therefore, it's not included in the movement schedule below. A list of those assets has been provided under Appendix II.

Cost	Buildings Shs	Semi partmanent Shs	Motor vehicles Shs	Furniture and fittings Shs	Computers Shs	Plant and equipment Shs	Total Shs
At July 2017	46,562,052	-	-	-	-	-	46,562,052
Additions							-
Disposals							-
At 30 th June 2018	46,562,052	-	-	-	-	-	46,562,052
Depreciation and impairment							-
At July 2017	-						-
Depreciation	931,241	-					931,241
At 30 June 2018	931,241						931,241
Net book values							-
At 30 th June 2018	45,630,811	-	-	-	-	-	45,630,811

KONNOIN TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
For the year ended June 30, 2018

17. RELATED PARTY BALANCES
Government of Kenya

The Government of Kenya is the principal shareholder of the *Konoin Technical Training Institute*, holding 100% of the *KONNOIN Technical Training Institute'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;

18. EVENTS AFTER THE REPORTING PERIOD

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

19. ULTIMATE AND HOLDING ENTITY

The Konoin Technical Training Institute a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

20. CURRENCY

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

KONOIN TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
For the year ended June 30, 2018

APPENDIX I: INTER-ENTITY TRANSFERS

KONOIN Technical Training Institute	Break down of Transfers from the State Department of Vocational and Technical Training	
FY 2017/18		
a. Recurrent Grants		
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
		<u>Indicate the FY to which the amounts relate</u>
MOE	3/10/2017	500,000
MOE	19/12/2017	500,000
MOE	27/03/2018	3,595,694
MOE	25/04/2018	3,000,000
	Total	7,595,694

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

Finance Manager
 Konoin Technical Training Institute

Sign -----

Head of Accounting Unit
 Ministry of Education

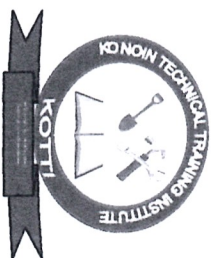
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KONNOIN TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
For the year ended June 30, 2018

APPENDIX II ASSETS DONATED BY GOVERNMENT WITHOUT VALUES



MINISTRY OF EDUCATION
KONNOIN TECHNICAL TRAINING INSTITUTE
TEL: 0725729806, P.O BOX 19 - 20403, MOGOGOSIEK
E-MAIL: konnointechnical@gmail.com



LANCOM TECHNOLOGY
EQUIPMENTS SUPPLIED AND DELIVERED

S/NO.	DESCRIPTION	QUANTITY
1.	HP TFT MONITORS (SCREEN) S/NO. 3CQ7301LF6	20PCS
2.	3CQ730GQQ	
3.	3CQ73304NB	
4.	3CQ731LMO	
5.	3CQ73304Q3	
6.	3CQ6191907	
7.	3CQ61919535	
8.	3CQ6191964	
9.	3CQ6191825	
10.	3CQ6191916	
11.	3CQ619190K	
12.	3CQ619195G	
13.	3CQ6191974	
14.	3CQ6191974	
15.	3CQ619192F	

KONJOIN TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
For the year ended June 30, 2018

16.	3CQ6191914	
17.	3CQ6191915	
18.	3CQ6191924	
19.	3CQ6191920	
20.	3CQ7301MSB	

S/NO.	DESCRIPTION	QUANTITY
	HP DESKTOP COMPUTERS 290 (TOWERS) S/NO.	20PCS
1.	2UA5031845	
2.	2UA4271125	
3.	2UA50725FR	
4.	2UA6101558	
5.	2UA4152GF1	
6.	2UA61076CD	
7.	2UA538385	
8.	MXR510105	
9.	2UA6101258	
10.	2UA5131BCM	
11.	2UA4451K214	
12.	2UA5070TNX	
13.	2UA53218NG	
14.	2UA5402CCC	
15.	2UA5481TVH	
16.	2UA539350W	
17.	2UA6091G5B	
18.	2UA60819C5	
19.	2UA60819C7	
20.	2UA5232NHN	

KONJOIN TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
For the year ended June 30, 2018

S/NO.	DESCRIPTION	QUANTITY
1.	APC 700VA UPS S/NO. 3B1714X23032	20PCS
2.	3B11714X23060	
3.	3B11712X68087	
4.	3B1712X08076	
5.	3B1714X23176	
6.	3B1714X25402	
7.	3B1718X09047	
8.	3B1718X06328	
9.	3B1718X00939	
10.	3B1718X00943	
11.	3B1718X09103	
12.	3B17180X09130	
13.	3B1714X23008	
14.	3B1714X23028	
15.	3B1714X23178	
16.	3B1714X23033	
17.	3B1712X08290	
18.	3B1712X08332	
19.	3B171X19017	
20.	3B1717X18197	

S/NO.	DESCRIPTION	QUANTITY
	HP LASERJET M506AN S/N	3PCS

KONON TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
For the year ended June 30, 2018

1.	PHB8K7M8VS	
2.	PHB8K5Z0NW+3USB PRINTER CABLES	
3.	PHB8K5Z0PD	
	HP 15 CORE IS LAPTOPS S/NO.	3PCS
1.	CND721354F	
2.	CND72135WL	
3.	CND72135WK	
	EPSON EB-504 PROJECTOR +SCREEN	
1.	WCVK7102589	1.51707
2.	WCVK6Z00051	2.01708