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**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 05 APR 2022

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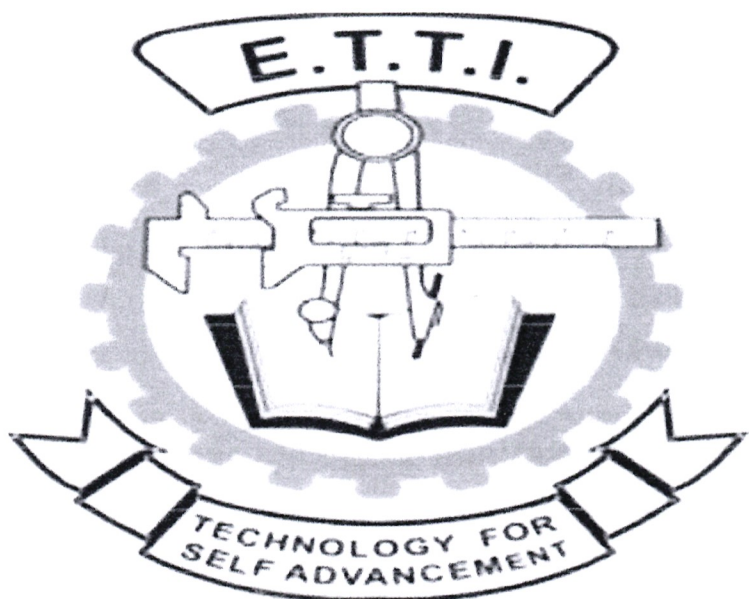
**THE AUDITOR-GENERAL**

**ON**

**EMINING TECHNICAL TRAINING  
INSTITUTE**

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

02 SEP 2020



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**EMINING TECHNICAL TRAINING INSTITUTE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDING**

**JUNE 30, 2018**

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

**EMINING TECHNICAL TRAINING INSTITUTE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**(b) Principal Activities**

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

**(i) Vision:**

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

**(ii) Mission:**

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

**c) Key Management**

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

- Board of Governors
- Accounting officer/ Principal
- Management

**(c) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Principal	<b>Jonah Kimengich</b>
2.	Head of Finance	<b>Frankline Koimett</b>
3.	Head of Procurement	<b>Alfred Kosgei</b>
4.	Registrar	<b>Stephen Kiprono</b>
5.	Dean Of Trainees	<b>Kipkorir Changwony</b>

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**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(d) Entity Headquarters**

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

**(e) Entity Contacts**

Telephone: (254) 717 519 980  
E-mail: [eminingtti@gmail.com](mailto:eminingtti@gmail.com).  
Website: [www.eminingtti.ac.ke](http://www.eminingtti.ac.ke)

**(f) Entity Bankers**

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

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**(g) Independent Auditors**





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

**(h) Principal Legal Adviser**



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

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**THE BOARD OF GOVERNORS**





 <p>1. <b>BENJAMIN SOGOMO- CHAIRMAN</b> Date of Birth-27/10/1958</p>	<p>Masters of Education, Bristol University, Bachelor of Education, Nairobi University.</p> <p>Work Experience:-</p> <ul style="list-style-type: none"> <li>- Former PS Ministry of Cooperative Development and Marketing,</li> <li>- Former Secretary/Chief Executive Officer, TSC,</li> </ul> <p>Former Managing Director HCDA, -Former Managing Director Sports Stadium Management Board.</p>
 <p>2. <b>BISHOP KIPRONO RAIMOI</b> Date of Birth- 1955</p>	<p>Diploma in Theology</p> <p><b>Experience:-</b> Retired Bishop of AIC Baringo County</p>
 <p>3. <b>DORCAS KIBET- EXECUTIVE MEMBER</b> Date of Birth – 01/01/1977</p>	<p>B.Ed (Arts) English and Literature, Moi university.</p> <p>-Teaching and administrative duties</p> <p>Experience:-</p> <p>Baringo County Government Sub County Administrator, Governors Representative in BoG.</p>
 <p>4. <b>VIOLA CHEBII –MEMBER</b> Date of Birth 24/6/1978</p>	<p>Bachelor of Commerce , Accounting option (Kenya University), CPA II Section III</p> <p><b>Experience:-</b> Assistant finance Manager, Mogotio Sisal Plantations Limited, Auditor.</p>

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<p>5.   <b>MERCY KAHUKO- MEMBER</b>  Date of Birth- 28/05/1977</p>	<p>Private Consultancy  -Masters in Business Administration.(Strategic Management )</p>
<p>6.   <b>JONAH KIMENGICH- BOARD SECRETARY</b>  Date of Birth – 29/05/1962</p>	<ul style="list-style-type: none"> <li>- Bachelors Degree in Technology, Moi University.</li> <li>- Diploma in Technical Education KTTC Nairobi.</li> <li>- KNEC Craft Certificate Part III in Plumbing, KTTC.</li> </ul>
<p>7.   <b>-HILLARY SONGOYO- MEMBER</b>  Date of Birth - 1985</p>	<p>LLB Makerere University, Diploma in legal practice, Kenya School of Law, Nairobi</p> <p>Experience, prosecuting council, Chief of staff Baringo County Government.</p>
<p>8.   <b>MARY AKOTH- MEMBER</b>  Date of Birth 01/01/1978</p>	<p>-BSc in Electrical Engineering (Power Option)  - Electrical engineer, Private Consultant</p>
<p>9.   <b>KIRORI MINDI -MEMBER</b>  Date of Birth – 21/03/1982</p>	<p>Experience:-</p> <p>Trainer ICT Provider,</p> <p>Consultancy in ICT</p>

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**MANAGEMENT TEAM**

 <p>1. <b>JONAH KIMENGICH –PRINCIPAL</b>  Date of Birth – 29/05/1962</p> <ul style="list-style-type: none"> <li>- Bachelor’s Degree in Technology, Moi University.</li> <li>- Diploma in Technical Education KTTC Nairobi.</li> <li>- KNEC Craft Certificate Part III in Plumbing, KTTC.</li> </ul>	<ul style="list-style-type: none"> <li>- Teaching and administring teaching functions.</li> <li>- General Administration.</li> <li>- Human Resource Management.</li> <li>- Financial Management and Control.</li> <li>- Any other relevant Duties as may be assigned by the employer.</li> </ul>
 <p>2. <b>SAMMY CHEMOIWO-DEPUTY PRINCIPAL</b>  Date of Birth 05/08/1964</p> <ul style="list-style-type: none"> <li>-Bachelor of Science in wood science and Technology</li> <li>-Postgraduate Diploma in Education</li> <li>-Higher Diploma in Human Resource Management</li> </ul>	<ul style="list-style-type: none"> <li>-Maintaining Trainees Discipline</li> <li>-Supervision and Maintenance of proper inventories of Equipment and supplies in the Institution</li> </ul>
 <p>3. <b>STEPHEN KIPRONO –REGISTRAR</b>  Date of Birth 27/05/1981</p> <ul style="list-style-type: none"> <li>-Bachelor of Science Agricultural Education and Extension.</li> </ul>	<ul style="list-style-type: none"> <li>-Coordinate and plan utilization of available facilities such as class rooms workshops and laboratories</li> <li>-Deal with general matters regarding registration of trainees and admission.</li> <li>-Facilitate preparation and distribution of prospectus and organize graduation ceremonies and open days in the Institution.</li> </ul>
 <p>4. <b>KIPKORIR CHANGWONY -DEAN OF TRAINEES</b>  Date of Birth 1967</p> <ul style="list-style-type: none"> <li>-Bachelor of Education- Economics and Business Studies</li> </ul>	<ul style="list-style-type: none"> <li>-Overall in charge of trainees’ welfare in the institution.</li> <li>-Oversee the organization of trainees’ Clubs and societies, Games and seminars.</li> <li>-Prepare budget related to all co-curricular activities in the institution.</li> </ul>

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<p>5.   <b>DANIEL MIBEI-HOD ENGINEERING DEPARTMENT</b>          Date of Birth - 1973          -Bachelor's in Education Technology</p>	<p>-Appraise Departmental staff periodically          -Maintain proper inventories of equipment and supplies entrusted to their department.          -Overall management of engineering department issues</p>
<p>6.   <b>NIXON NYAMBANE -HOD ICT DEPARTMENT</b>          Date of Birth 27/07/1987          -Bachelor's Degree Technology Education Computer studies Option.</p>	<p>-Appraise ICT Department staff periodically          -Maintain proper inventories of equipment and supplies entrusted to their department</p>
<p>7.   <b>LUCY MARIETA- HOD AGRICULTURE DEPARTMENT</b>          Date of Birth 1973          -Bachelor of Science in Agricultural Education and Extension</p>	<p>-Appraise Agriculture Department staff periodically          -Maintain proper inventories of equipment and supplies entrusted to their department</p>
<p>8.   <b>CHRISTOPHER TONU-EXAMINATIONS OFFICER</b>          Date of Birth 12/11/1976          -Bachelors in Business Management(Accounting option)          -CPA Section 4          -Diploma in Technilcal Education</p>	<p>-Overall internal Examination management          -Registration of Students for external Examinations</p>

**EMINING TECHNICAL TRAINING INSTITUTE  
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**CHAIRMAN'S STATEMENT**

The highlights of the key activities / Challenges/ prospects during the year are as follows:-

**1. RECRUITMENT OF TRAINEES.**

We were able to mobilize the community members to bring their children to enrol as Trainees in the institute. This involved sensitizing the Sub- County Commissioner, the Assistant Sub - County Commissioners, all Chiefs and their Assistants. We also sensitized Bishops, Pastors and Reverends of mainstream Churches within Baringo County and some parts of Nakuru, Kericho, Bomet and Uasin Gishu Counties.

Consequently we recorded a massive increase in enrolment since 2014. This has improved the image of the Institute as a growing organization with a bright future.

**2. INFRASTRUCTURAL DEVELOPMENT**

The Institute has continued to get support from the Government in infrastructural development. This is through quarterly or half year grants. However the amounts disbursed is not sufficient to enable the institute to develop as fast as it is enrolling Trainees. This will soon lead to crowding of Trainees and staff in the few available workshops and classrooms.

**4. WATER CHALLENGE**

The Institute is situated in a water deficit area. The Trainees, Trainers and the neighbouring community have to make do with this challenge. However, the National Government, through the Rift Valley water services Board is working on distribution of water from the Chemususu dam in Eldama Ravine. This when completed, will enhance the quality of life in the Institute and the surrounding areas through supply of clean water.

**5. CHALLENGES OF BOARDING FACILITIES**

The Institute does not have a single boarding facility. The Trainees have to rent houses outside the Institute. This to some extent discourages prospective Trainees from enrolling in this Institute. This is a challenge that will need to be solved in one way or another in due course.

**6. FUTURE OUTLOOK**

The attitude of Kenyans at large and that of the community around the Institute is changing for the better. Wananchi are beginning to appreciate the importance of Technical Education and Enrolment is increasing steadily. The future outlook is bright.

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**PRINCIPAL'S REPORT**

**1.0 INTRODUCTION**

The purpose of this report is to present the progress, opportunities, challenges and resources that Emining Technical Training Institute, lessons learnt and accomplishment during the reporting period.

**2.0 HISTORY**

Emining Technical Training Institute is a newly built accredited TVET institution situated in Emining, Mogotio Sub County Baringo County. It is situated 2.5 Kilometers off Nakuru – Marigat highway and 56 kilometers to the Northern side of Nakuru Town.

The institute stands on a 12.9 acre piece of land donated by both Emining Primary School and Emining Boys' High School. The closeness of the two institutions and the Emining trading centre makes the institute stand a better chance of growth as a resource centre in the provision of Technical skills and creation of awareness in career choices and development.

The institution was constructed and funded by the Ministry of Education through the then Economic Stimulus Program (ESP) and under the mentorship the Rift Valley Technical Training Institute (RVTTI), Eldoret.

The foundation stone was laid on 7<sup>th</sup> October 2011 by the then area MP Honorable Professor Hellen Sambili and was officially opened by the Minister of Higher Education Science and Technology Professor Margaret Kamar.

On posting of the Principal, the institution started in May 2013, as a constituent college of RVTTI. Which later became a fully-fledged college in January 2014, when the first Board of Governors was constituted and inaugurated?

**3.0 RESOURCES**

In the year 2014, Emining Technical Training Institute received the following donation of used Mechanical engineering equipment from Kenya Technical Trainers' College (KTTC):-

- a. Two Colchester lathe machines swing 150mm and swing 250mm.
- b. Pillar Drill H.P 0.5/0.9.
- c. Rockwell Bench Drilling machine.
- d. Rockwell Reciprocating power saw.
- e. Abwood/England Tool grinder.
- f. Brown Boggs sheet metal rolling machine.
- g. Two workshop benches.
- h. Sheet rolling machine.
- i. Two engine blocks petrol and diesel.

These have gone a long way in assisting the institute train Mechanical engineering and related engineering courses.

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During the same year, the institute received AUTOLAB automotive training equipment from the Ministry of Higher Education Science and Technology (MOEST).

The said equipment and tools assisted in enrollment of trainees into Mechanical and Automotive engineering courses. In ensuring maximum utility of these equipments we have started artisan in automotive engineering, welding and fabrication, craft in Plumbing and agricultural engineering all of which are accredited by TVET Authority.

#### **4.0 DEVELOPMENT OF INFRASTRUCTURE**

We have one project funded by the Government that Tuition Block and ICT Lab. However, this project is not complete, it is envisaged that on completion, this project will assist a great deal in boosting training of ICT, business, agriculture and engineering courses.

#### **5.0 TRANSPORT**

The institute has not managed to procure vehicles for transportation purposes. It is envisaged that a saving shall be achieved through fees payment of trainees over time so as to utilize the same for procurement of a college bus.

#### **6.0 FEES COLLECTION**

Fees collection has been a challenge since the institute's inception, this is tied to the fact that most students come from Mogotio Sub County an ASAL area. However, NG – CDF Mogotio have started offering bursaries to trainees from poor households.



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**CORPORATE GOVERNANCE STATEMENT**

**Board Members 2017/2018**

1. Bishop Kiprono Raimoi. – Board Member
2. Kirori Mindo - Board Member
3. Mercy Kahuko - Board Member
4. Dorcas Kibet -Board Member
5. Benjamin Sogomo -Board Chairman
6. Francis Macharia -Regional Director TVET
7. Mary Akoth - Board Member
8. Hillary Songoyo - Board Member

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**MANAGEMENT DISCUSSION AND ANALYSIS**

- During the Financial Year 2017/18 the population started increasing because of HELB loans which brought in more students to the institution.
- During the Financial Year, we advertised for 3 CBET Courses of which the turnout was very poor which made us to merge them with Artisan courses and introduced more artisan courses. The population of ICT students drastically improved from one student to 35 students and we expect it to improve in the coming years.
- During the year we introduced three CBET courses Agri - preneurship, Plumbing and Electrical Insulations. We also introduced Diploma and Craft in Cooperative Management and Social Work and Community Development of which the turnout was poor as more students who enrolled were opting to undertake Technical courses rather than business courses.
- During the financial year we procured more teaching and learning resources due to increased population especially in technical departments. Some of our lecturers got promoted and some transferred there services to other institutions which necessitated us to hire more lecturers to replace them.
- Transporting of trainees for academic trips and curriculum activities at times was challenging due to clash of programs which required us to outsource transport from institutions quite far from our institution therefore making transport costs expensive and sometime postponed some scheduled events.
- During the FY 2017/2018 the institution participated in KATTI Sports up to Regional level in ball games and up to Regional Level , this led to increase in number of students

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**CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY  
REPORTING**

The essential characteristic of social responsibility is the willingness of an organisation 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 Emining 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.

**EMINING TECHNICAL TRAINING INSTITUTE  
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**REPORT OF THE BOARD OF GOVERNORS**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2018 which show the state of Eming Technical Training Institute affairs.

**Principal activities**

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

**Results**

- The results of the entity for the year ended June 30, 2018 are set out on page 1-5.

**BOARD OF GOVERNORS**

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

**Auditors**

The Auditor General is responsible for the statutory audit of Eming Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2018 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



Jonah Kimengich,  
Board Secretary  
Emining TTI.

Date 31/8/2020

**EMINING TECHNICAL TRAINING INSTITUTE**  
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**STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES**

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

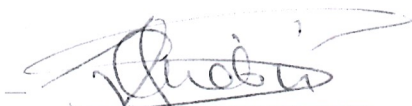
The Board members are responsible for the preparation and presentation of the Emining Technical Training Institute financial statements, which give a true and fair view of the state of affairs of the Emining Technical Training Institute for and as at the end of the financial year (period) ended on June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

The Board members accept responsibility for the Emining Technical Training Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act) The Board Members are of the opinion that the Emining Technical Training Institute's financial statements give a true and fair view of the state of Emining Technical Training Institute's transactions during the financial year ended June 30, 2018, and of the Emining Technical Training Institute's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Emining Technical Training Institute which have been relied upon in the preparation of the Emining Technical Training Institute's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

Emining Technical Training Institute's financial statements were approved by the Board on **31/08/2020** and signed on its behalf by:

  
Board Member.

  
Board Member.

  
Board Chair.

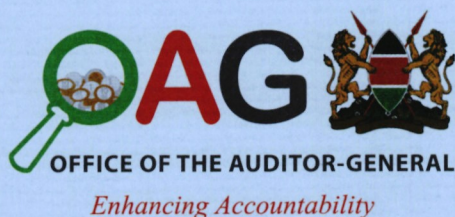
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**REPORT OF THE AUDITOR GENERAL ON THE EMINING TECHNICAL TRAINING  
INSTITUTE.**

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON EMINING TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2018

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### REPORT ON THE FINANCIAL STATEMENTS

#### Disclaimer of Opinion

I have audited the accompanying financial statements of Emining Technical Training Institute set out on pages 1 to 43, which comprise the statement of financial position as at 30 June, 2018, and statement of financial performance, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

#### Basis for Disclaimer of Opinion

##### 1. Errors in Annual Reports and Financial Statements

The annual reports and the financial statements for the year ended 30 June, 2018 prepared and presented for audit had the following errors: -

- 1.1 The Corporate Governance Statement at page xii indicates the names of the board members instead of a statement.
- 1.2 The statement of financial performance footnote reads the notes set out on pages 17 to 33 forms an integral part of the financial statements instead of page 6 to 39.
- 1.3 The Statement of changes in Net Asset as at 30 June, 2018 reported balances as at 30 June, 2019.
- 1.4 The figures in the Statement of Cash flow were not referenced to the notes and their source could not be explained.

- 1.5 At page 7 paragraph 3(ii) it was indicated for the year ended 30 June, 2019 instead of 30 June, 2018
- 1.6 At page 34 Note 45(ii) contains guiding information represented by 20xx
- 1.7 Appendix iii on Inter-entity transfers has been signed by the board chairman and the accounting officer instead of the Finance Manager of the institute and Head of Accounting Unit of the Ministry of Education.

This is contrary to the format prescribed by the Public Sector Accounting Standards Board (PSASB) in accordance with section 194(1)(d) of the Public Finance Management Act, 2012.

Consequently, the annual report and the financial statements for the period ended 30 June, 2018 as prepared and presented are not in the format prescribed by the Public Sector Accounting Standards Board (PSASB).

## 2. Inaccuracies in the Financial Statements

### 2.1. Unsupported Government Grants

The statement of financial performance for the year ended 30 June, 2018 reflected government grants of Kshs.13,500,000. However, the support schedules provided for audit reflected a balance of Kshs.22,339,413 resulting to unexplained nor reconciled variance of Kshs.8,839,413.

Consequently, the accuracy and completeness of the government grants of Kshs.13,500,000 for the year ended 30 June, 2018 could not be confirmed.

### 2.2. Variances Between Financial Statements comparative figures and Prior Year Financial Statement Figures

The financial statements prepared and presented for audit had inconsistencies on comparative figures resulting to a variance of Kshs.2,497,748 as detailed below;

Component	Note	Current Financial statements figure (Kshs.)	Prior Year Financial Statement Figures (Kshs.)	Variance (Kshs.)
Rendering of Services	10	12,515,500	11,682,500	833,000
Property Plant and Equipment	32	80,658,271	79,825,271	833,000
Trade and Other Payables from Exchange Transactions	35	1,712,057	1,713,309	(1,252)
Accumulated Surplus	Page 3	3,692,044	2,859,044	833,000
<b>Total</b>		<b>98,577,872</b>	<b>96,080,124</b>	<b>2,497,748</b>

Consequently, the accuracy and completeness of the financial statements for the year ended 30 June, 2018 could not be confirmed.

### **3. Unsupported Statement of Changes in Net Assets**

The statement of changes in net assets for the year ended 30 June, 2018 reported an opening balance of capital fund of Kshs.91,538,692. However, the supporting ledger provided for audit review reflected assets acquired over the years of Kshs.81,317,566 but no valuation reports were produced.

Consequently, the accuracy and completeness of the statement of changes in net assets for the year ended 30 June, 2018 could not be confirmed.

### **4. Statement of Cash Flows**

The statement of cash flows for the year ended 30 June, 2018 reflects transfer from other government entities of Kshs.25,534,413 while the statement of financial performance for the same period reflects transfer from other government entities of recurrent grant of Kshs.13,500,000. In addition, statement of changes in net assets reflects capital grants of Kshs.3,195,000 resulting to total cash flows of Kshs.16,695,000 hence unexplained variance of Kshs.8,839,413. It was also noted that the statement of cash flows had reported the opening cash and Cash equivalent balance of Kshs.13,675,846 while the closing Balance from the prior year was reported as Kshs.13,677,825 hence unexplained variance of Kshs.1,979. In addition, all the figures in the statement of cash flows were not referenced to the notes to financial statements.

Consequently, the accuracy and completeness of the statement of cash flows for the year ended 30 June, 2018 could not be confirmed.

### **5. Unconfirmed Salaries and Wages**

The statement of financial performance for the year ended 30 June, 2018 reflects an expenditure of Kshs.3,626,500 on employee costs. However, only Kshs.3,163,700 was supported with payrolls leaving a balance of Kshs.462,800 not supported with payrolls or muster rolls.

Consequently, the accuracy and completeness of the salaries and wages of Kshs.3,626,500 for the year ended 30 June, 2018 could not be confirmed.

### **6. Unsupported Trade and Other Payables**

The statement of financial position as at 30 June, 2018 reflects trade and other payables from exchange transactions totalling to Kshs.617,182. However, the trade payables of Kshs.567,202 were not supported with a detailed schedule.

Consequently, the accuracy and completeness of the trade and other payables from exchange transactions of Kshs.617,182 reported in the statement of financial position as at 30 June, 2018 could not be confirmed.

## **7. Cash and Cash Equivalents**

The statement of financial position as at 30 June, 2018 reflects cash and cash equivalents balance of Kshs.8,632,045 as analyzed in Note 27(a) to the financial statements. It was also observed that, Note 27(a) to the financial statements reflects a balance of Kshs.595,701 held in account number 5651-005-01721 maintained at Sky line Sacco Limited. However, no authority from the National Treasury to operate an account in a Sacco which is not a commercial bank was produced for audit review.

Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.8,632,045 as at 30 June, 2018 could not be confirmed.

## **8. Property, Plant and Equipment**

### **8.1. Doubtful Land Ownership**

As previously reported, Note 32 to the financial statements for the year ended 30 June, 2018 reflects property, plant and equipment of Kshs.87,979,432. Included in this amount is Kshs.15,000,000 in respect of the Institute's land. However, no land ownership documents were produced for audit verification and it was therefore not possible to confirm the acreage and ownership of the land.

In addition, it was not clear on what basis the land was given a value of Kshs.15,000,000 in the financial statements since no document was made available to confirm whether this was historical cost or based on a valuation report.

Consequently, the accuracy and ownership of the land valued at Kshs.15,000,000 as at 30 June, 2018 could not be confirmed.

### **8.2. Donated Equipment**

As previously reported, the statement of financial position as at 30 June, 2018 reflects property, plant and equipment of Kshs.87,979,432. However, the asset register reflected several equipment, furniture and computers donated by various donors, but no documents indicating the value or cost was provided. In the absence of such documents, it was not possible to confirm the value of the donated items.

Consequently, the accuracy and completeness of the property, plant and equipment of Kshs.87,979,432 as at 30 June, 2018 could not be confirmed.

## **9. Revenue Budget Analysis**

The statement of comparison of budget and actual amounts for the year ended 30 June, 2018 indicates that the Institute had a final budget of Kshs.88,873,125 against actual revenue earned of Kshs.27,230,450 resulting to a shortfall of Kshs.61,642,675 or 69% of the budget. This may have negatively impacted on delivery of goods and services.

The Management may need to relook at the budget making process to ensure a more realistic budget.

## 10. Expenditure Budget Analysis

During the year under review, the Institute had a final budget of Kshs.88,873,125 against actual expenditure of Kshs.30,213,338 resulting to an overall under-absorption of Kshs.58,659,787 or 66% of the budgeted amount as summarized below:-

<b>Audit Component</b>	<b>Current Year Final Budget Figures</b>	<b>Current Year Actual</b>	<b>Variance</b>	<b>Percentage Budget Absorption</b>
	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>%</b>
Employee Costs	3,623,520	3,626,500	(2,980)	100%
Repairs and Maintenance	1,137,600	960,354	177,246	84%
Capital Expenditure	67,181,625	10,115,717	57,065,908	15%
Depreciation Expenses and amortization	0	1,961,555	(1,961,555)	
General expenses	16,930,380	13,549,212	3,381,168	80%
<b>Total expenditure</b>	<b>88,873,125</b>	<b>30,213,338</b>	<b>58,659,787</b>	<b>34%</b>

The under absorption of Kshs.58,659,787 or 66% of the budget could be attributed to the Institute's failure to implement the budget fully as envisaged. This may have negatively impacted on delivery of goods and service.

As a result, there is need for the Management to evaluate the budget making mechanism with a view of allocating resources to priority areas for higher positive impact and utilization of the budget.

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

### Conclusion

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion and Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of

the significance of the matters described in the Basis for Disclaimer of Opinion and Conclusion of Internal Controls, Risk Management and Governance sections of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

## **Basis for Conclusion**

### **1. Lack of Risk Management Policy**

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

No satisfactory explanation was given for failure to have a risk management policy in place and consequently, the Institute is exposed to the risks.

### **2. Lack of Information Technology Strategic Plan**

Review of information technology in use at the Institute revealed that no IT strategic plan was in place which could provide guidance to IT-related decision-making processes, with IT task prioritized and implemented using the plan as a framework. The Institute did not produce the minutes of the strategic committee meetings. In addition, the Management has no back-up data stored in an off-site location and therefore the Institute might not recover from an interruption and this may affect the business-continuity and recovery plan.

No explanation has been provided for failure to have an IT Strategic plan and back-up data in an off-site location.

### **3. Lack of Internal Audit Function and Audit Committee**

The Institute did not have in place a functional internal audit department and neither did it have an audit committee. This results in an inability to detect inefficiencies or deficiencies. 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.

## **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for 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.

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

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

My responsibility is to conduct an audit the Institute's financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is 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. I also consider internal control, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance 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. However, because of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, and Internal Controls, Risk Management and Governance sections of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion.

I am independent of the Emining Technical Training Institute Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

11 February, 2022

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**II STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2017-2018	2016-2017
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government–grants/ gifts in kind	6	13,500,000	10,500,000
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
		<b>13,500,000</b>	<b>10,500,000</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	10	10,535,450	12,515,500
Sale of goods	11	6,340	-
Rental revenue from facilities and equipment	12	-	-
Finance income-external investments	13	-	-
Consultancy fees	14	-	-
Other income	1	-	-
<b>Revenue from exchange transactions</b>		<b>10,541,790</b>	<b>12,515,500</b>
<b>Total revenue</b>		<b>24,041,790</b>	<b>23,015,500</b>
<b>Expenses</b>			
Use of goods and services	15	-	-
Employee costs	16	3,626,500	2,689,287
Remuneration of directors	17	-	-
Depreciation and amortization expense	18	1,961,555	1,742,279
Repairs and maintenance	19	960,354	419,657
Contracted services	20	-	-
Grants and subsidies	21	-	-
General expenses	22	13,549,212	14,472,233
Finance costs	23	-	-
<b>Total expenses</b>		<b>20,097,621</b>	<b>19,323,456</b>
<b>Other gains/(losses)</b>			
Gain on sale of assets	24	-	-
Gain on foreign exchange transactions		-	-
Unrealized gain on fair value of investments	25	-	-
Impairment loss	26	-	-
<b>Total other gains/(losses)</b>		<b>-</b>	<b>-</b>
<b>Net Surplus for the year</b>		<b>3,944,169</b>	<b>3,692,044</b>
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		-	-
			-

The notes set out on pages 17 to 33 form an integral part of the Annual Financial Statements.

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**STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2018**

	Notes	2017-2018 Kshs	2016-2017 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	8,632,045	13,677,825
Receivables from exchange transactions	28	5,867,310	2,828,250
Receivables from non-exchange transactions	29	-	-
Current portion of long-term receivables from exchange transactions		-	-
Inventories	30	-	-
Investments	31	-	-
		<b>14,499,355</b>	<b>16,506,075</b>
<b>Non-current assets</b>			
Property ,plant and equipment	32	87,979,432	80,658,271
Investments		-	-
Intangible assets	33	-	-
Investment property	34	-	-
Long term receivables from exchange transactions		-	-
		87,979,432	80,658,271
<b>Total assets</b>		<b>102,478,787</b>	<b>97,164,346</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	35	617,182	1,712,057
Refundable deposits from customers-Caution Money	36	324,700	220,300
Provisions	37	-	-
Finance lease obligation	38	-	-
Current portion of borrowings		-	-
Deferred income	39	-	-
Employee benefit obligation	40	-	-
Payments received in advance		-	-
		<b>941,882</b>	<b>1,932,357</b>
<b>Non-current liabilities</b>			
Non-current employee benefit obligation		-	-
Non-current provisions		-	-
Borrowings		-	-
Service concession liability		-	-
Deferred tax liabilities		-	-
		-	-
<b>Total liabilities</b>			
<b>Net assets</b>			
Reserves		-	-
Accumulated surplus		6,803,213	3,692,044
Capital Fund		94,733,692	91,539,945
<b>Total net assets and liabilities</b>		<b>102,478,787</b>	<b>97,164,346</b>

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

  
**Chairman Board of Governors**

  
**Finance Officer**

  
**Principal**

Date..... 31/08/20

Date..... 17014  
 ICPAK No

Date..... 31/8/2020

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

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
<b>At July 1, 2017</b>	-	-	-	81,317,566	81,317,566
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	2,859,044	-	2,859,055
Capital/Development grants received during the year	-	-	-	10,221,126	10,221,126
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
<b>At June 30, 2018</b>	-	-	2,859,044	91,538,692	94,397,736
<b>At July 1, 2018</b>	-	-	2,859,044	91,538,692	94,397,736
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	3,944,169	-	3,944,169
Capital/Development grants received during the year	-	-	-	3,195,000	3,195,000
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
<b>At June 30, 2019</b>	-	-	6,803,213	94,733,692	101,536,905

**EMINING TECHNICAL TRAINING INSTITUTE  
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**III. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED JUNE 30, 2018**

		<b>2017-2018</b>	<b>2016-2017</b>
	<b>Note</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants		25,534,413	34,580,501
Public contributions and donations		-	-
Rendering of services- Fees from students		-	-
Sale of goods		-	3,550
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Consultancy income		-	-
Other income, rentals and agency fees		-	-
<b>Total Receipts</b>		<b>25,534,413</b>	<b>34,584,051</b>
<b>Payments</b>			
Employee Costs		3,626,500	2,689,287
Repairs and Maintenance		960,354	419,657
General Expenses		13,549,212	14,472,233
Transfer to Chepsirei		8,839,413	13,859,375
Taxation paid		-	-
Other payments		-	-
Grants and subsidies paid		-	-
<b>Total Payments</b>		<b>26,949,479</b>	<b>31,440,552</b>
<b>Net cash flows from operating activities</b>		<b>(1,441,066)</b>	<b>3,143,499</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		10,115,717	7,645,343
Proceeds from sale of property, plant and Equipment		-	-
Decrease in non-current receivables		-	-
Increase in investments		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Increase in deposits		6,512,982	7,580,574
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase /(decrease)in cash and cash equivalents</b>		<b>(5,043,801)</b>	<b>3,078,730</b>
Cash and cash equivalents at 1JULY 2017	27	13,675,846	10,599,095
<b>Cashandcashequivalentsat30 JUNE</b>	<b>27</b>	<b>8,632,045</b>	<b>13,677,825</b>

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation).

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**IV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018
<b>Revenue</b>					
Transfers from other Govt entities					
Govt grants	76,091,625	Kshs -	76,091,625	Kshs 16,695,000	Kshs 59,396,625
Public contributions and donations	-	-	-	-	-
Rendering of services- Fees from students	12,781,500	-	12,781,500	10,535,450	2,246,050
Sale of goods	-	-	-	-	-
Finance In come	-	-	-	-	-
Consultancy Income	-	-	-	-	-
Gains on disposal, rental income and agency fees	-	-	-	-	-
<b>Total income</b>	<b>88,873,125</b>	-	<b>88,873,125</b>	<b>27,230,450</b>	<b>61,642,675</b>
<b>Expenses</b>					
Employment cost	3,623,520	-	3,623,520	3,626,500	(2,980)
Repairs and maintenance	1,137,600	-	1,137,600	960,354	177,246
Finance costs	-	-	-	-	-
Depreciation	-	-	-	1,961,555	(1,961,555)
Capital Expenditure	67,181,625	-	67,181,625	10,115,717	57,065,908
General expenses	16,930,380	-	16,930,380	13,549,212	3,381,168
Grants and subsidies paid	-	-	-	-	-
<b>Total expenditure</b>	<b>88,873,125</b>	-	<b>88,731,125</b>	<b>30,213,338</b>	<b>58,659,787</b>
<b>Surplus for the period</b>	-	-	-	<b>2,982,888</b>	<b>2,982,888</b>

**N/B: The Difference between the actuals and the budgeted is because the income from the government was less than the budgeted.**

**V. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Emining Technical Training Institute is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity’s principal activity is training and evaluation of trainees.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

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

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

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

**3. ADOPTION OF NEW AND REVISED STANDARDS**

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2018**

<b>Standard</b>	<b>Impact</b>
<b>IPSAS 40:</b> Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2019</b> The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3(applicable to acquisitions only). Business combinations and combinations arising from non exchange transactions are covered purely under Public Sector combinations as amalgamations.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)**

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019**

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

**iii. Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2018.

**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.

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**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 2017/2018 was approved by the Board on 28<sup>th</sup> June 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 the entity 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. 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***

Emining is exempt from paying taxes as per CAP 470 of income tax Act.

**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 5 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*

Emining 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 a 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:

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Financial instruments (Continued)**

*Financial assets (Continued)*

*Impairment of financial assets (Continued)*

- The debtors or a 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. Mining 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 Emining.

**j) Provisions**

Provisions are recognized when the Emining 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 Emining 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***

Emining 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***

Emining 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 Emining 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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Nature and purpose of reserves**

Emining creates and maintains reserves in terms of specific requirements.

**l) Changes in accounting policies and estimates**

Emining 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**

Emining does not provide 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.

**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 Emining, 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**

Emining 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, Emining 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, Emining 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, 2018.

## **5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Emining'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 Emining. 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

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.

**6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

Description	2017-2018	2016-2017
	KShs	KShs
<b>Un conditional grants</b>		
Operational grant	13,500,000	10,500,000
Other grants-Development	3,195,000	10,221,126
	<b>16,695,000</b>	<b>20,721,126</b>
<b>Conditional grants</b>		
Library grant	-	-
Hostels grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Learning facilities grant	-	-
Other organizational grants	-	-
<b>Total government grants and subsidies</b>	<b>16,695,000</b>	<b>20,721,126</b>

**6b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES**

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2016-2017
			KShs	KShs	KShs
Ministry Of Education	13,500,000	-	3,195,000	16,695,000	20,721,126
	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**7 GRANTS FROM DONORS AND DEVELOPMENT PARTNERS**

Description	2017-2018	2016-2017
	KShs	KShs
JICA- Research grant	-	-
World Bank grants	-	-
Other grants	-	-
<b>Total grants from development partners</b>	<b>-</b>	<b>-</b>

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**Reconciliations of grants from donors and development partners**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
<b>Balance unspent at beginning of year</b>	-	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
<b>Conditions to be met - remain liabilities</b>	-	-

**8 TRANSFERS FROM OTHER LEVELS OF GOVERNMENT**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Transfer from County	-	-
Transfer from xxx University	-	-
Transfer from xxx institute	-	-
<b>Total Transfers</b>	-	-

**9 PUBLIC CONTRIBUTIONS AND DONATIONS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from alumni	-	-
Other donations	-	-
<b>Total donations and sponsorships</b>	-	-

**10 RENDERING OF SERVICES**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Tuition fees	9,014,700	10,135,200
Activity fees		-
Boarding fees	1,364,500	1,388,500
Computer Packages	14,500	3,550
Tender Fees	-	15,000
Amission fees	141,750	140,250
<b>Total revenue from the rendering of services</b>	<b>10,535,450</b>	<b>11,682,500</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11 SALE OF GOODS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
<b>Sale of goods</b>		
Sale of books	-	-
Sale of Tenders	3,000	-
Sale of farm produce	3,340	-
Other( include in line with your organisation)		
<b>Total revenue from the sale of goods</b>	<b>6,340</b>	<b>-</b>

-This income includes sale of milk and Bull

**12 RENTAL REVENUE FROM FACILITIES AND EQUIPMENT**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Straight-lined operating lease receipts	-	-
Contingent rentals	-	-
<b>Total rentals</b>	<b>-</b>	<b>-</b>

-None

**13 FINANCE INCOME**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Cash investments and fixed deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
<b>Total finance income</b>	<b>-</b>	<b>-</b>

- None

**14 OTHER INCOME**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Skills development levy	-	-
Income from disposal of assets	-	-
<b>Total other income</b>	<b>-</b>	<b>-</b>

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**15 USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Electricity	-	-
Water	-	-
Security	-	-
Professional services	-	-
Subscriptions	-	-
<b>Total good and services</b>	<b>-</b>	<b>-</b>

**16 EMPLOYEE COSTS**

	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Salaries and wages	3,626,500	2,689,287
Employee related costs-contributions to pensions and medical aids	-	-
Travel, motorcar ,accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
<b>Employee costs</b>	<b>3,626,500</b>	<b>2,689,287</b>

**17 REMUNERATION OF DIRECTORS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Chairman's Honoraria	-	-
Directors emoluments	-	-
Other allowances	-	-
<b>Total director emoluments</b>	<b>-</b>	<b>-</b>

**18 DEPRECIATION AND AMORTIZATION EXPENSE**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Property, plant and equipment	1,961,555	1,742,279
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>1,961,555</b>	<b>1,742,279</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**19 REPAIRS AND MAINTENANCE**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Property	960,354	419,657
Investment property—earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Other	-	-
<b>Total repairs and maintenance</b>	<b>960,354</b>	<b>419,657</b>

**20 CONTRACTED SERVICES**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
<b>Total contracted services</b>	<b>-</b>	<b>-</b>

**21 GRANTS AND SUBSIDIES**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Community development	-	-
Education initiatives and programs	-	-
Social development	-	-
Community trust	-	-
Sporting bodies	-	-
<b>Total grants and subsidies</b>	<b>-</b>	<b>-</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**22 GENERAL EXPENSES**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Advertising	-	254,000
Admin fees	3,712,628	1,658,975
Travelling Fees	2,566,770	2,387,785
Conferences and delegations	626,844	229,554
Subscriptions	-	165,000
Farm Expenses	-	-
Electricity , Water and Conservation	585,026	285,987
Medical Expenses	31,550	1,450
Activity Expenses	237,530	294,810
Performance Contractor	287,500	111,600
Fuel and oil	-	-
Insurance	-	99,682
Board Sitting Allowances	865,000	646,900
Training Materials	2,155,610	5,857,408
Internet Services	-	-
Printing and Stationery	-	-
Boarding Expenses	2,318,296	2,306,341
Cleaning and Development	-	172,741
Skills Development	162,458	-
Library Expenses	-	-
Telephone Expenses	-	-
Bank Charges and Commission	-	-
Other	-	-
<b>Total general expenses</b>	<b>13,549,212</b>	<b>14,472,233</b>

**23 FINANCE COSTS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Borrowings (amortized cost)*	-	-
Finance leases amortized cost)	-	-
Unwinding of discount	-	-
Interest on Bank overdrafts	-	-
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	<b>-</b>	<b>-</b>

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**24 GAIN ON SALE OF ASSETS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
	-	-
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
<b>Total gain on sale of assets</b>	<b>-</b>	<b>-</b>

**25 UNREALIZED GAIN ON FAIR VALUE INVESTMENTS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Investments at fair value	-	-
<b>Total gain</b>	<b>-</b>	<b>-</b>

**26 IMPAIRMENT LOSS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Property, plant and equipment	-	-
Intangible assets	-	-
<b>Total impairment loss</b>	<b>-</b>	<b>-</b>

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**27 CASH AND CASH EQUIVALENTS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Current account	8,632,045	13,675,846
On - call deposits	-	-
Fixed deposits account	-	-
Staff car loan/ mortgage	-	-
Others(specify)	-	-
<b>Total cash and cash equivalents</b>	<b>8,632,045</b>	<b>13,677,825</b>

**27(a).DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS**

<b>Financial institution</b>	<b>Account number</b>	<b>2017-2018</b>	<b>2016-2017</b>
		<b>KShs</b>	<b>KShs</b>
			-
<b>a) Current account</b>			-
Kenya Commercial bank-Operation	1148626859	5,579,930	11,608,468
Kenya Commercial bank-Fee Collection	1175316431	439,037	37,007
Kenya Commercial bank-Development	1166509710	2,017,377	1,800,176
Sky line Sacco Limited	5651-005-01721	595,701	230,195
<b>Sub- total</b>		<b>8,632,045</b>	<b>13,675,846</b>
			-
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		-	-
		-	-
<b>c) Fixed deposits account</b>			
Kenya Commercial bank		-	-
Bank B		-	-
<b>Sub- total</b>		-	-
		-	-
<b>d) Staff car loan/ mortgage</b>			
Kenya Commercial bank		-	-
Bank B		-	-
<b>Sub- total</b>		-	-
		-	-
<b>e) Others(specify)</b>			
Cash in transit		-	-
cash in hand		-	1,979
M pesa		-	-
<b>Sub- total</b>		-	-
<b>Grand total</b>		<b>8,632,045</b>	<b>13,677,825</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**28 RECEIVABLES FROM EXCHANGE TRANSACTIONS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
<b>Current receivables</b>		-
Student debtors	5,867,310	2,828,250
Rent debtors	-	-
Consultancy debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total current receivables</b>		-
<b>Non-current receivables</b>		-
Refundable deposits	-	-
Advance payments	-	-
Public organizations	-	-
Less :impairment allowance	-	-
<b>Total</b>	-	-
Current portion transferred to current receivables	-	-
<b>Total non-current receivables</b>	-	-
<b>Total receivables</b>	<b>5,867,310</b>	<b>2,828,250</b>

**29 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
<b>Current receivables</b>		-
Transfers from other govt. entities	-	-
Undisbursed donor funds	-	-
Other debtors(non-exchange transactions)	-	-
Less: impairment allowance	-	-
<b>Total current receivables</b>	-	-

**30 INVENTORIES**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Consumable stores	-	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning materials stores	-	-
Catering stores	-	-
<b>Total inventories at the lower of cost and net realizable value</b>	-	-

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**31 INVESTMENTS**

Description	2017-2018	2016-2017
	KShs	KShs
<b>a) Investment in Treasury bills and bonds</b>	-	-
<b>Financial institution</b>	-	-
CBK	-	-
CBK	-	-
<b>Sub- total</b>	-	-
	-	-
<b>b) Investment with Financial Institutions/ Banks</b>	-	-
Bank x	-	-
Bank y	-	-
<b>Sub- total</b>	-	-
	-	-
<b>c) Equity investments (specify)</b>	-	-
Equity/ shares in company xxx	-	-
	-	-
<b>Sub- total</b>	-	-
<b>Grand total</b>	-	-

**d) Shareholding in other entities**

For investments in equity share listed under note 31 (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	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Shs	Current year	Prior year
	-	-	-	-	-	-
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
Entity D	-	-	-	-	-	-
	-	-	-	-	-	-

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**32 PROPERTY, PLANT AND EQUIPMENT**

Cost	Land	Buildings	Text Books	Biological Assets	Furniture and fittings	Computers	Other Assets (Software)	Plant and equipment	Capital Work in Progress	Total
Rate	0%	Shs	Shs	0%	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2016	15,000,000	37,684,333	238,474		740,450	147,519	0	381,270	19,915,271	74,107,317
Additions		39,037	362,630		669,500	615,400	0	529,400	5,429,375	7,645,342
Disposals		0	0		-	-	0	-	0	0
Transfers/adjustments		0	0		0	0	0	-	0	0
At 30 <sup>th</sup> June 2017	15,000,000	37,723,370	601,104	0	1,409,950	762,919	0	910,670	25,344,646	81,752,659
Additions		0	534,820	640,000	1,014,884	42,000	0	318,720	7,565,293	10,115,717
Disposals		0	-	-	-	-	-	-	-	-
Transfer/adjustments		0	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> June 2018	15,000,000	93,148,403	985,649	640,000	1,933,512	576,044	0	1,115,557	32,909,939	89,940,987
<b>Depreciation and impairment</b>										
At 1 July 2016	0	966,264	79,491		185,113	153,541	0	54,467	0	1,438,876
Depreciation	0	943,084	150,276		306,209	228,876	0	113,833	0	1,742,278
Impairment		0	-		-	-	0	-	-	0
At 30 June 2017	0	1,909,348	229,767		491,322	382,417	0	168,300	0	3,181,154
Depreciation	0	919,507	246,412		483,378	172,813	0	139,445	0	1,961,555
Disposals		0	-		-	-	0	-	0	0
Impairment	0	0	0		0	0	0	0	0	0
Transfer/adjustment	0	0	0		0	0	0	0	0	0
At 30 <sup>th</sup> June 2018	0	2,828,855	476,179		974,700	555,230	0	307,745	0	5,142,709
Net book values										
At 30 <sup>th</sup> June 2018	15,000,000	35,860,779	739,237	640,000	1,450,134	403,231	0	976,112	32,909,939	87,979,432
At 30 <sup>th</sup> June 2017	15,000,000	36,780,286	450,828	0	918,628	534,043	0	796,837	25,344,646	79,825,268

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**33 INTANGIBLE ASSETS-SOFTWARE**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
<b>Cost</b>		
<b>At beginning of the year</b>	-	-
Additions	-	-
<b>At end of the year</b>	-	-
Additions–internal development	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization	-	-
<b>At end of the year</b>	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

**34 INVESTMENT PROPERTY**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
<b>At beginning of the year</b>	-	-
Additions	-	-
Fair value gain	-	-
Depreciation(where investment property is at cost)	-	-
<b>At end of the year</b>	-	-

**35 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Trade payables	567,202	1,079,728
Fees paid in advance	49,980	633,581
Employee advances	-	-
Third-party payments	-	-
Other payables	-	-
<b>Total trade and other payables</b>	<b>617,182</b>	<b>1,713,309</b>

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**36 REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS**

Description	2017-2018	2016-2017
	KShs	KShs
Consumer deposits	-	-
Caution money	324,700	220,300
Other refundable deposits	-	-
<b>Total deposits</b>	<b>324,700</b>	<b>220,300</b>

**37 CURRENT PROVISIONS**

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

**38 FINANCE LEASE OBLIGATION**

Description	Minimum lease payments	Future finance charges	Present value of minimum lease payments	2016-2017
	KShs	KShs	KShs	KShs
Within current year	-	-	-	-
Long term portion of lease payments	-	-	-	-
<b>Total provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**39 DEFERRED INCOME**

Description	2017-2018	2016-2017
	KShs	KShs
National government	-	-
International funders	-	-
Public contributions and donations	-	-
<b>Total deferred income</b>	<b>-</b>	<b>-</b>

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The deferred income movement is as follows:

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

**40 EMPLOYEE BENEFIT OBLIGATIONS**

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2017-2018	2016-2017
				KShs	KShs
Current benefit obligation	-	-	-	-	-
Non-current benefit obligation	-	-	-	-	-
<b>Total employee benefits obligation</b>	-	-	-	-	-

	2017-2018	2016-2017
	KShs	KShs
Valuation at the beginning of the year	-	-
Changes in valuation during the year	-	-
Valuation at end of the year	-	-

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

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**41 NON-CURRENT PROVISIONS**

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

**42 BORROWINGS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Balance at beginning of the period	-	-
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 period	-	-

**42 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS**

	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
<b>External Borrowings</b>		
Dollar denominated loan from 'xxx organization'	-	-
Sterling Pound denominated loan from 'yyy organisation'	-	-
Euro denominated loan from zzz organisation'	-	-
<b>Domestic Borrowings</b>		
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
<b>Total balance at end of the year</b>	-	-

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**42 b) BREAKDOWN OF LONG AND SHORT TERM BORROWINGS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
<b>Total</b>	-	-

**43 SERVICE CONCESSION ARRANGEMENTS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
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	-	-

**44 CASH GENERATED FROM OPERATIONS**

	<b>2017-2018</b>	<b>2016-2017</b>
	<b>KShs</b>	<b>KShs</b>
<b>Surplus for the year before tax</b>		
<b>Adjusted for:</b>	-	-
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	-	-
<b>Working Capital adjustments</b>	-	-
Increase in inventory	-	-
Increase in receivables	-	-
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	-	-

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**45 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:

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**45. FINANCIAL RISK MANAGEMENT (Continued)**

**(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.

	<b>Less than 1 month</b>	<b>Between 1-3 months</b>	<b>Over 5 months</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June 2018</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation				
<b>Total</b>	-	-	-	-
<b>At 30 June 20xx</b>	-	-	-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation				
<b>Total</b>	-	-	-	-

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**45. FINANCIAL RISK MANAGEMENT (Continued)**

**(iii) Market risk**

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

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

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

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

a) Foreign currency risk

The entity has 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:

	<b>Ksh</b>	<b>Other currencies</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June 2018</b>			
Financial assets(investments, cash ,debtors)	-	-	-
	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings			
	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

45. FINANCIAL RISK MANAGEMENT (Continued)

- (iii) Market risk (Continued)  
a) Foreign currency risk (Continued)

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2018</b>			
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
<b>20xx</b>			
Euro	10%	-	-
USD	10%	-	-
<b>20xx</b>		-	-
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.

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**45 FINANCIAL RISK MANAGEMENT (Continued)**

**iv) Capital Risk Management**

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

	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
	-	-
<b>Total funds</b>		
	-	-
	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	-	-

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**46 RELATED PARTY BALANCES**

**Nature of related party relationships**

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

**Government of Kenya**

The Government of Kenya is the principal shareholder of the Emining TTI, holding 100% of the *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) Key management;
- iv) Board of directors;

	2017-2018	2016-2017
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>		
Sales of goods	-	-
Sales of services	-	-
<b>Total</b>	-	-
<b>b) Grants from the Government</b>		
Grants from National Govt	13,500,000	10,500,000
Grants from County Government	-	-
Donations in kind	-	-
<b>Total</b>	-	-
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for employees	-	-
Payments for goods and services	-	-
<b>Total</b>	-	-
<b>d) Key management compensation</b>		
Directors' emoluments	-	-
Compensation to the CEO	-	-
Compensation to key management	-	-
<b>Total</b>	13,500,000	10,500,000

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**47 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)

**48 CAPITAL COMMITMENTS**

<b>Capital commitments</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Authorised for	-	-
Authorised and contracted for	-	-
<b>Total</b>	-	-

**49 EVENTS AFTER THE REPORTING PERIOD**

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

**50 ULTIMATE AND HOLDING ENTITY**

Emining TTI is a Semi- Autonomous Government Agency under the Ministry of TVET. Its ultimate parent is the Government of Kenya.

**51 Currency**

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

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**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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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

Director General/C.E.O/M.D (enter title of head of entity)  
 Chairman of the Board

Date.....

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**APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY**

**Projects**

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

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

**Status of Projects completion**

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

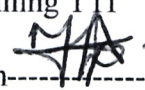
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**APPENDIX III: INTER-ENTITY TRANSFERS**

<b>ENTITY NAME:</b>		<b>EMINING TECHNICAL TRAINING INSTITUTE</b>		
<b>Break down of Transfers from the State Department-Ministry of Education</b>				
<b>Financial Year</b>				
<b>2017/2018</b>				
a. Recurrent Grants				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		13/10/2017	3,500,000	2017/2018
		04/12/2017	3,500,000	2017/2018
		27/03/2018	3,500,000	2017/2018
		25/04/2018	3,000,000	2017/2018
		<b>Total</b>	<b>13,500,000</b>	
b. Development Grants				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		8/12/2017	3,195,000	2017/2018
			<b>3,195,000</b>	
c. Direct Payments				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
			-	
		<b>Total</b>	-	
d. Donor Receipts				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
			-	
		<b>Total</b>	-	

Board Chair  
 Emining Technical

Sign 

Accounting Officer  
 Emining TTI

Sign 

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**APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	-	Recurrent	-	-	-	-	-	-	
	13/10/2017		3,500,000	3,500,000				3,500,000	
	04/12/2017		3,500,000	3,500,000				3,500,000	
	27/03/2018		3,500,000	3,500,000				3,500,000	
	25/04/2018		3,000,000	3,000,000				3,000,000	
Ministry of Education		Development		-	-	-	-	-	
	08/12/2017		3,195,000		3,195,000			3,195,000	
USAID	-	Donor Fund		-	-	-	-	-	
Ministry of Education	-	Development		-	-	-	-	-	
	08/12/2017	Chepsirei TVC	8,839,413				8,839,413		
<b>Total</b>			<b>25,534,413</b>	<b>13,500,000</b>	<b>3,195,000</b>	<b>-</b>	<b>8,813,413</b>	<b>25,534,413</b>	

**NB: The amount 8,813,413 was received on behalf of Chepsirei TVC.**

Board Chair  
Emining Technical

Sign 

Accounting Officer  
Emining TTI

Sign-----

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