

REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY	
REPORT	26 JUL 2023
TABLED BY:	Hon Kimani Ichungwalya mp
CLERK-AT THE TABLE:	The leader, majority party
OF	Miriam Njoroge

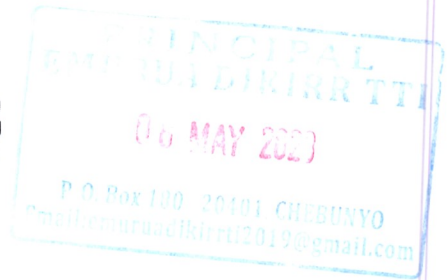
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THE AUDITOR-GENERAL

ON

**EMURUA DIKIRR TECHNICAL TRAINING
INSTITUTE**

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



EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

**EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2022**

PRINCIPAL
EMURUA DIKIRR TTI
08 MAY 2022
P.O. Box 100, 20401 CHIDENYO
Email: emurua@dikirr12019@gmail.com

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Emurua Dikirr Technical Training Institute was incorporated/ established under the TVET Act on 1st September 2019. The Emurua Dikirr Technical Training Institute is domiciled in Kenya and is under the Ministry of Education. The institute has three departments namely:

- Engineering and applied science
- ICT and Business
- Hospitality & Tourism management

(b) Principal Activities

The principal activity/mission/ mandate of the Emurua Dikirr Technical Training Institute is to offer quality technical training to the trainees.

Vision:

An institute of global excellence in Technical and vocational training, research and entrepreneurship for sustainable development

Mission:

To train quality and competent manpower that responds to dynamic needs of our community

Core values:

- Team work
- Integrity and ethics
- Equity
- Environmental stewardship

Core Objectives:

- Achieve and maintain a level of quality training which enhances the Emurua Dikirr Technical Training Institutes' reputation with customers
- Ensure compliance with TVET act of 2013 and other relevant statutory and regulatory requirement
- Guarantee customer satisfaction in the provision of our services

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**KEY EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE INFORMATION AND
MANAGEMENT(Continued)**

(c) Key Management

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

- Board of Governors
- Accounting officer/ Principal
- Management

(d) Fiduciary Management

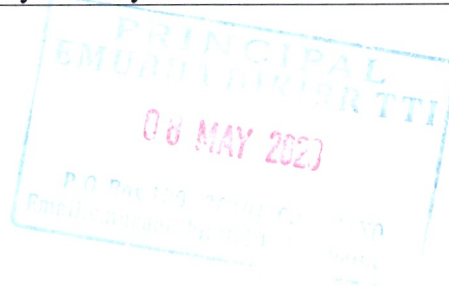
The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	David Busienei
2	Deputy principal Academics	Felix Odek
3	Registrar	Charles Mitei
4	Dean of students	FranklineKoros
5	Head of Finance	Peter Chemogos
6	Head of Procurement officer	Sheila Chelangat
7	Head of department	Ezekiel Mutuku
8	Head of department	Isaac Mbuvi
9	Head of department	TelekwaSeriani
10	Head of department	Wesley Yegon
11	Head of department	Peter Kirui
12	Head of department	Betty Cheruiyot

(e) Fiduciary Oversight Arrangements

Audit and risk committee activities

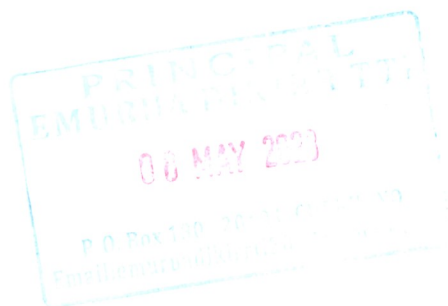
- Periodic meeting with finance officers in regards to finance function
- Ensuring that there are proper authorization of receipts and payments
- Safe custody of cheque books
- Delegation of responsibilities
- Hiring qualified and competent finance officer
- Following due diligence
- Presenting financial statements to the office of the Auditor General
- Preparing financial statements



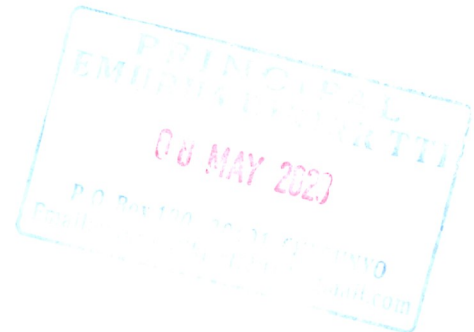
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Finance and operations committee activities

- Review of annual budgets
- Development and Review of finance policy
- Development partner oversight activities

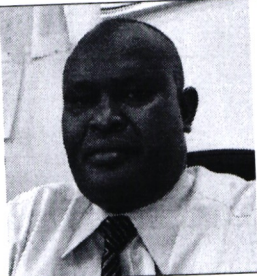


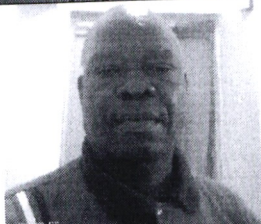
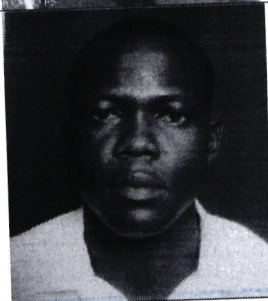


- (f) **EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE ADDRESS**
EMURUA DIKIR TTI
P.O. Box 180-20401,
CHEBUNYO, KENYA
- (g) **EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE CONTACTS**
THE PRINCIPAL
Telephone: +254740555123/0729461641
E-mail: emuruadikirrtti2019@gmail.com
Website: www.Emurua Dikirr Technical Training Institute.ac.ke
- (h) **EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE BANKERS**
- Kenya Commercial Bank
Sotik Branch
Account no 1284366227
Equity bank
Sotik branch
Account no 1840281093726
- (i) **INDEPENDENT AUDITORS**
- Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (j) **PRINCIPAL LEGAL ADVISOR**
- The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya





**EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
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II. BOARD OF GOVERNORS

No.		Member/ Director	Details
1.		Paul Mutai Chairman	Date of Birth: 1 st July 1978 Qualification: Bachelor of Law Work experience: 13 years in legal profession Committee: None
2.		Augustine Cheruiyot Member	Date of Birth: 28 th December, 1968 Qualification: Economist Work experience: 30yrs Committee: Audit, Education & Research
3.		Olivia Odongo Member	Date of Birth: 19 th November 1962 Qualification: Master of Education Work experience: 35 years Committee: Education and Research
4.		Tom Anode Independent Member	Date of Birth: 20 th January 1959 Qualification: Graduate Teacher Work experience: Over 30 Years Committee: Audit, Education and Research
5.		Calvince Odhiambo Member	Date of Birth: 12 th September, 1985 Qualification: CPAK Work experience: 12 Yrs Committee: Audit and Finance

EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
06 MAY 2022
P.O. Box 170, 20011 Kiseru, Kenya
Tel: 020 2742000, 020 2742001, 020 2742002

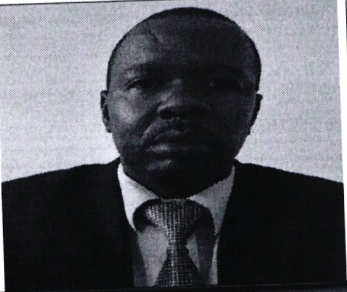
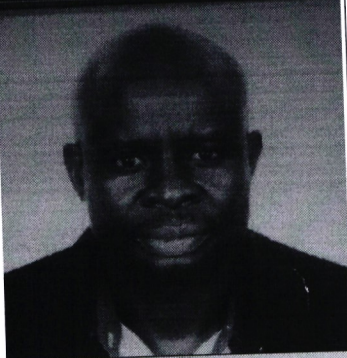
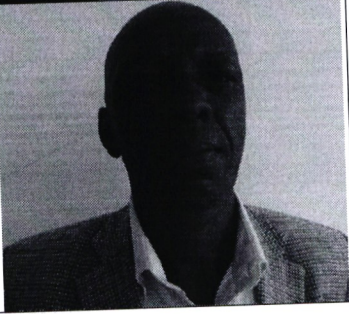

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6.		Sharon Sabato Member	Date of Birth: 25 th January, 1992 Qualification: Project Management Work experience: 8 Yrs Committee: Audit and Finance
7.		David Busienei- Secretary to the board	Date of Birth: 9 th July, 1976 Qualification: B.Ed Tech Work experience: 18 Yrs Committee: Education & Research, Finance Not a member of ICS

PRINCIPAL
EMURUA DIKIRR TTI
08 MAY 2023
P.O. Box 100, 20101 CHEONGYO
Email: emurua@emurua-tti.ac.ke

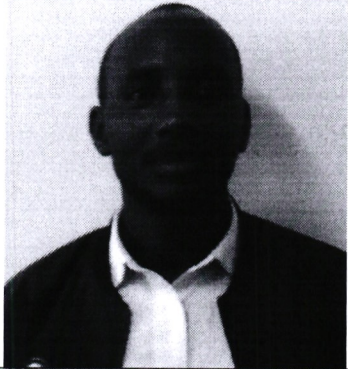
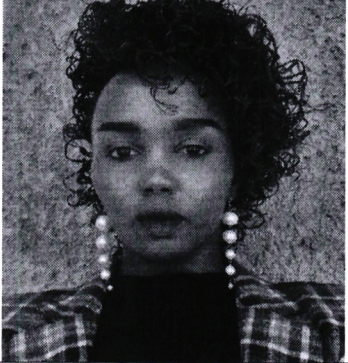


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JUNE 2022**

III.MANAGEMENT TEAM

No.	Member	Details
1.	 David Busienei Principal	Date of Birth: 9 th July, 1976 Qualification: B. Ed Tech Main area of responsibility: Accounting Officer
2.	 Ochieng Odek Deputy principal	Date of Birth: 1976 Qualification: MSC Main area of responsibility: Deputy Principal
3.	 Charles Mitei Registrar	Date of Birth: 1971 Qualification: Bsc-Mechanical Engineering Main area of responsibility: Registrar
4.	 Frankline Koros Acting Dean	Date of Birth: 1982 Qualification: Diploma in Social work Main area of responsibility: Dean of students

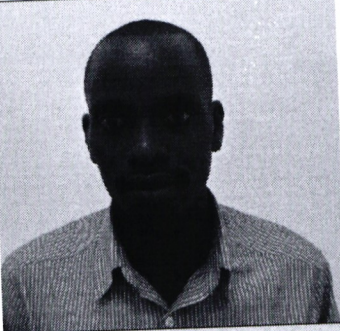
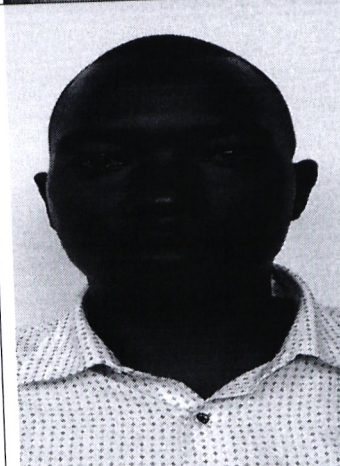
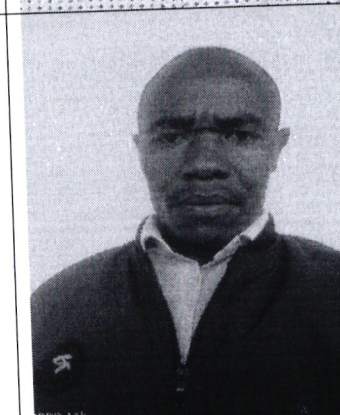

P.O. Box 190 20101
Email: emurua@dikirr.ac.ke

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5.		<p>Peter Chemogos Finance Officer</p>	<p>Date of Birth:1989 Qualification: Bachelor of commerce, CPAK Main area of responsibility: Head of finance</p>
6		<p>Sheillah Chelangat Procurement Officer</p>	<p>Date of Birth:1996 Qualification: Bsc. Purchasing and supplies management Main area of responsibility: Procurement</p>
7		<p>Wesley Yegon Performance coordinator contract</p>	<p>Date of Birth:1994 Qualification: Bsc. Civil Engineering Main area of responsibility: Performance contracting</p>
8		<p>Isaac Mbuvi HOD:Business department</p>	<p>Date of Birth:1986 Qualification:BSC-Information communication Technology Main area of responsibility:HOD Business department</p>

PRINCIPAL
EMURUA DIKIRR TTI
06 MAY 2022
P.O. Box 10, 2011 GUSTAVO
www.emurua.ac.ke | info@emurua.ac.ke

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9		<p>Peter Kirui HOD:Examination industrial attachment</p>	<p>and</p> <p>Date of Birth:1997 Qualification: Diploma in civil engineering Main area of responsibility:HOD Examination and industrial attachement</p>
10		<p>TelekwaSeriani HOD:Food and Beverages department-Production</p>	<p>Date of Birth:1983 Qualification: Bsc. Hotel and Hospitality management Main area of responsibility:HOD Food and beverages department- Production section</p>
11		<p>Ezekiel Mutuku HOD:Engineering department</p>	<p>Date of Birth:1988 Qualification: Bsc. Electrical and Electronic Engineering Main area of responsibility: HOD,Engineering department</p>
12		<p>Betty Cheruiyot HOD:Food and Beverages department-Service section</p>	<p>Date of Birth:1982 Qualification: Bsc. Hotel and Tourism management Main area of responsibility:HOD Food and Beverages department- Service section</p>

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IV. CHAIRMAN'S STATEMENT

Presented in this report is a brief highlight of key activities carried out during the financial year 2021/2022 ended 30th June year 2022 for Emurua Dikirr Technical Training Institute. During this period, the Institute prioritized and implemented the following key activities like, acquisition of Training Materials and Equipment, construction of a modern Ablution block, construction of a 980metre perimeter fence, construction of a restaurant building, drilling and equipping of a borehole, registration of new students/Trainees, advertisement and marketing of the Institute and the training of trainees.

These activities were implemented with financial support from the government capitation, school fees collected from students and funds from the Constituency's Development Fund (CDF).

Implementation of these activities during the financial year 2021/2022 and the Agenda 4 did not go full throttle in spite of the availability of the required resources due to the challenges enumerated. Their implementing were not without challenges which involved financial constraints and management challenges and more so the socio political and economic constraints emanating from the high inflationary prices of oil and basic commodities. This situation is made much more delicate by the war in Eastern Europe, the serious climate change issues world-wide, drought and heavy flooding thus interfering with the economic and social activities of the world communities. This has gravely affected trainees culminating in fee payment irregularity.

The Training Institute being young in the training industry also experienced challenges emanating from weak financial controls that is beginning to develop slowly as the Institute develops.


Currently, the board is steadily adopting the established financial guidelines and controls according to the laid down rules (Public finance Management Act, 2012, procurement and disposal Act, 2015, and section 14 of the State Corporation Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013. Emurua Dikirr Technical Training Institute, therefore, took the initiative and prepared this financial statement which reflects the true and fair view of the state of affairs of its entity at the end of the financial period ended 30th June 2022,

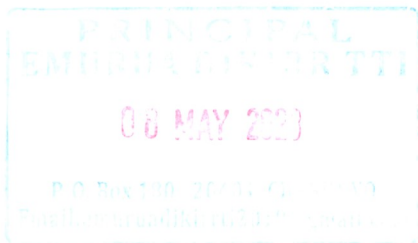
As members of the Board, have also ensured that the institution keeps proper accounting record which disclose with reasonable accuracy the financial position of the college. The Board members are also responsible for safeguarding the assets of the institution.

In view of the above, the Board, therefore, accepts responsibility for the College's financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates in conformity with International Public sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporation Act and the TVET Act).

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I am, therefore, of the opinion that Emurua Dikirr's financial statements give a true and fair view of the state of the Institute's transactions during the financial year ended June 30th, 2022 and of its financial position as at that date. I further confirm that completeness of the accounting records maintained for Emurua Dikirr Technical Training Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial controls.

Mr. Paul Mutai.....
Chairman BOG
Emurua Dikirr Technical Training Institute



V.REPORT OF THE PRINCIPAL

Emurua Dikirr Technical Training Institute is a Public Technical Training Institute located in Narok County and started its operations in September 2019. It is among the TVET Institutes that were launched by the Government in order to achieve social pillar of Vision 2030 by ensuring equal opportunity and access to Technical and Vocational Education and Training.

Emurua Dikirr Technical Training Institute is committed to providing quality technical training to equip the youth with employable skills and make them productive citizens that will propel our nation to prosperity in the field of technology and innovations.

The institute offers courses in the fields of Engineering, Science, Hospitality and Business and it boasts of qualified staff and modern training equipment in all fields.

The Emurua Dikirr Technical Training Institute was mentored by PC Kinyanjui Technical Training Institute from construction, completion and inception of training. From March 2021 Emurua Dikirr Technical Training Institute was able to operate autonomously after the mentor handed over all operations.

The Board of Governors was inaugurated on 15th January, 2021 after which the Emurua Dikirr Technical Training Institute was given the mandate to open an account.

During the period July 2021-June 2022, Emurua Dikirr Technical Training Institute was able to undertake the following activities;

- Construction of modern ablution block
- Installation of a perimeter fence
- Drilling of a water borehole
- Acquisition of training materials
- Enrolment of trainees
- Training of trainers and trainees
- Participation in extra-curricular activities.



During the financial year 2021/2022 Emurua Dikirr Technical Training Institute **expected** to receive student capitation of Kshs 21,150,000 and was to collect fees from students amounting to KShs. 18,626,100.

During the financial year 2021/2022 Emurua Dikirr Technical Training institute **received** student capitation of Ksh 14,932,500 and was able to collect student fees of Kshs 9,915,359. The institution also received funds from Emurua Dikirr National Government Constituency

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Development Fund amounting to Kshs 5,900,000 towards the drilling of a borehole and construction of student cafeteria/restaurant.

Some assets in the Emurua Dikirr Technical Training Institute such as land have been assigned an estimated value based on the current market rates within the locality. The State Department of Vocational and Technical Training is in the process of ensuring that all Institutions acquire a title deed for the land occupied.

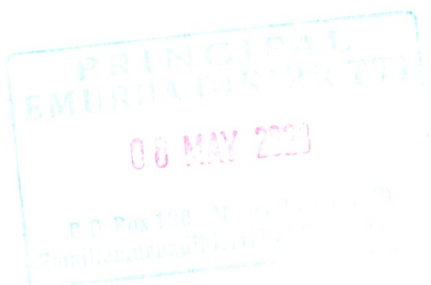
Fees collection has been a big challenge since the college is located in a hardship area where the locals are mainly peasant farmers. We have been able to overcome this challenge by encouraging the trainees to apply for HELB TVET Loans and majority of them have benefited from this initiative.

This is our second Financial Report to be presented to the Auditor General's Office and the team that came up with the report consulted widely with the relevant parties and accounting professionals in the Board of Emurua Dikirr Technical Training Institute to come up with a credible document. The Financial Report is a product of continuous consultation with Audit Committee that was established by the Board to review internal audits and controls in Emurua Dikirr Technical Training Institute. The college endeavours to recruit an internal auditor to perform audit functions and report to the Board on matters concerning college audits. The recruitment of an internal auditor will also ensure that there is a continuous audit process which will improve the effectiveness of risk management in the organisation.

I therefore trust that this financial report reflects the true records and status of our organisation for the period under review.



MR. DAVID BUSIENEI
PRINCIPAL/ SECRETARY-BOARD
EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE



IV. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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

EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE (EDTTI) has 4 strategic issues and objectives within current Strategic Plan for the FY 2021 FY 2025. These strategic pillars are as follows:

Strategic issue 1: Quality Training for Sustainable Development

Strategic issue 2: Infrastructural development

Strategic issue 3: Resource Mobilization and Management

Strategic issue 4: To establish and strengthen research and innovation development

EDTTI develops its annual work plans based on the above 4 strategic issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. EDTTI achieved its performance targets set for the FY 2021/22 period for its strategic pillars, as indicated in the diagram below:

Strategic Issue	Objectives	Key Performance Indicators	Activities
Issue 1	Quality Training for Sustainable Development	To offer accessible, flexible and responsive quality training.	No of programs launched -Adopt and implement existing and approved CBET courses -Launch market driven short courses in liaison with the industry -Install E-learning system -Implement and maintain quality service delivery
			-28 courses launched -1 short course launched -ODEL learning platform initiated -MIS acquired and -Department of quality assurance established

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Issue 2	Infrastructural Development	To expand and establish adequate training facilities	<ul style="list-style-type: none"> • Units partitioned • CCTV installed • Restaurant in place • Connectivity • Gate constructed • Perimeter wall in place • Generator installed • Pathways in place • Ablution block in place • Master Plan in place 	<ul style="list-style-type: none"> • Partitioning of existing building • Acquire, install and maintain CCTV system • Construct and equip training hotel facility • Install network connectivity • Construct college gate • Construct perimeter wall • Acquire and install standby generator 150KVA • Construct pavement and pathways • Construct modern ablution block • Develop a master plan 	80 % achieved except construction of the gate,cctv installation and development of master plan
		To acquire adequate training equipment and tools	<ul style="list-style-type: none"> • Number of training equipment and tools procured 	<ul style="list-style-type: none"> • Acquire electrical and electronic engineering training machines and tools • Acquire automotive engineering training machines and tools • Acquire building and civil engineering training machines and tools • Acquire plumbing technology training machines and tools • Acquire science laboratory training machines and tools • Acquire ICT training equipment and tools 	<ul style="list-style-type: none"> • Training materials, equipment and tools acquired 100% • Training machines achieved for ICT, food and beverage and welding and fabrication and Saloon and Beauty Therapy

PRINCE
EMURUA DIKIRR
08 MAY 2022
P.O. Box 100, 20110
Email: emurua@kipsip.ac.ke

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				<ul style="list-style-type: none"> Acquire food and beverage training machines and tools 	
		To improve students' welfare and enhance student leadership skills	<ul style="list-style-type: none"> Student union in place Number of student leadership training conducted 	<ul style="list-style-type: none"> established Student union Conduct Student leadership training 	<ul style="list-style-type: none"> Student union established One induction training for student leadership conducted
Issue 3	Resource Mobilization and Management	To recruit and maintain qualified staff	<ul style="list-style-type: none"> Number of qualified staff recruited Number of trainings conducted Number of staff recruited from PSC PA in place Working environment improved 	<ul style="list-style-type: none"> Conduct competitive recruitment of staff Conduct capacity building for staff Solicit for more staff from public service Introduce performance appraisals Improve working environment 	<ul style="list-style-type: none"> 40 staff recruited Number of capacity building training conducted Performance appraisal introduced Staff Furniture acquired and offices partitioned
		To mobilize and manage financial resources efficiently and effectively.	<ul style="list-style-type: none"> Funds lobbied Increase in 	<ul style="list-style-type: none"> Establish college management information system Lobby for funds from national and county government Lobby for funds from development partners Expand production unit base Develop and Implement a Marketing Strategy 	<ul style="list-style-type: none"> 2 projects funded by NG-CDF 400 students sponsored by NG –CDF

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			gross enrollment		
		To adopt alternative natural resource utilization		<ul style="list-style-type: none"> • Installation of solar panels for backup power and lighting system • Install water harvesting system • Drilling and equipping of borehole 	<ul style="list-style-type: none"> • Solar power installed for water supply system • Water harvesting system installed • Borehole drilled and equipped
Issue 4	Research and Innovation Development	To establish and strengthen research and innovation development		<ul style="list-style-type: none"> • Establish department of research and innovation development • Promote development of innovation • Build EDTTI staff capacities in terms of research methodologies and innovation development. 	<ul style="list-style-type: none"> • Head of Research and innovations development appointed • Participated in KATTI fairs and Robotic contests • 2 staff attended katti research trainings
		To foster partnership with local and global communities	<ul style="list-style-type: none"> • Number of collaborations and partnerships • Number of affiliations and memberships entered into • Number of bench marking conducted 	<ul style="list-style-type: none"> • To strengthen collaboration and partnerships both locally and internationally with industries, institutions and development partners. • Promote formation of local and international affiliations and membership • Benchmark with other relevant institutions with best practices 	<ul style="list-style-type: none"> • Member of KATTI • Member of KUCCPs

PRINCIPAL
EMURUA DIKIRR TTI
08 MAY 2022
P.O. Box 189, 20404, Embu
Tel: 020-2040400, 020-2040401

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Part 2 Alignment of EDTTI Strategic Issues to Performance Contracting

During the financial year 2021 /2022, the EDTTI Board committed to;

A. Under of the Performance Contract;

Section	Performance Criteria	Target Achieved	Strategic issue No.
A	Financial Stewardship		
A1	Absorption of allocated funds	Good	3
A3	Absorption of externally mobilized funds	Poor	3
A4	Pending bills	Excellent	3
(C) Core mandate			
C408-1	Mount one course in support of manufacturing	1	1
C408- 3	Enhance training in Building and construction by offering practical lessons	Very good	1
C408-4	Establishment of college MIS system	Excellent	1 and 3
C408-5	Development of EDTTI master plan	Excellent	2
C408-9	Increase gross enrolment	Good	3
C408-10	Increase enrolment in Engineering science Technology		
C408-11	Increase enrolment of females in Engineering science Technology	Fair	3
C408-12	KNEC Examination Performance Rate	Good	1
C408-13	Develop Strategic Plan		
C408-14	Linkages and partnerships	Very good	4
C408-15	Establish quality Assurance	Very good	1
C408-16	Project completion Rate	Very good	2
C408-17	Automation of services	Excellent	1 & 2



**EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
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VII. CORPORATE GOVERNANCE STATEMENT

The procedure for the appointment of the Board members followed the guidelines as provided for in the TVET ACT 29 of 2013, Second schedule. In which case,

(1) The Board of Governors of a public Emurua Dikirr Technical Training Institute shall consist of not less than seven and not more than nine members appointed by the Cabinet Secretary. (2) The membership of the Board of Governors shall comprise— (a) a chairperson; (b) a representative of the Principal Secretary in the Ministry responsible for technical and vocational training, (c) a representative of the county Governor of the county within which the Emurua Dikirr Technical Training Institute is located; and (d) six other persons appointed on the basis of their knowledge and experience in— (i) leadership and management; (ii) financial management; (iii) technology; (iv) industry; (v) engineering; (vi) information communication technology.

The guidelines for the removal from office of the Board Members are also defined in the TVET ACT 29 of 2013 second Schedule (8) and (9). In which case,

(8) (1) A member of a Board of Governors may at any time resign by giving notice in writing to the cabinet Secretary. (2) A person giving notice under subparagraph (1) shall cease to be a member of the Board from the date specified in the notice or, if no date is specified, from the date of the receipt by the Cabinet Secretary or the Secretary to the relevant Board, as the case may be, of the notice. (9) Revocation of appointment and vacation of office (1) The appointment of a member to a Board of Governors or to its committees shall be revoked and the member shall vacate office if the member— (a) resigns in accordance with paragraph 13 of this schedule; (b) becomes insolvent or has conveyed or assigned his property or has made a proposition or arrangement for the benefit of his creditors; (c) is sentenced by a court of law to imprisonment for a term of six months or more; (d) is incapacitated by physical or mental illness; has been absent from three consecutive meetings of the Board of Governors without leave; (f) where the member is a representative, has his appointment revoked by the nominating body; or (g) is otherwise unable or unfit to discharge his functions as a member of the Board of Governors on account of any matter in this Act.

The roles and functions of the board are also clearly provided for in the article 29 of the TVET ACT 29 of 2013. In which case;

(29) The functions of the organs set out under section 28(1) shall include— (a) overseeing the conduct of education and training in the Emurua Dikirr Technical Training Institutes in accordance with the provisions of this Act and any other written law; (b) promoting and maintaining standards, quality and relevance in education and training in the Emurua Dikirr Technical Training Institutes in accordance with this Act and any other written law; (c) administering and managing the property of the Emurua Dikirr Technical Training Institutes; (d)

developing and implementing the Emurua Dikirr Technical Training Institutes' strategic plan; (e) preparing annual estimates of revenue and expenditure for the Emurua Dikirr Technical Training Institute and incurring expenditure on behalf of the Emurua Dikirr Technical Training Institutes; (f) receiving, on behalf of the Emurua Dikirr Technical Training Institute, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the Emurua Dikirr Technical Training Institute or other bodies or persons; (g) determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance

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with the guidelines developed under the provisions of this Act; (h) mobilizing resources for the Emurua Dikirr Technical Training Institutes; (i) developing and reviewing programmes for training and to make representations thereon to the Board; (j) regulating the admission and exclusion of students from the Emurua Dikirr Technical Training Institutes, subject to a qualifications framework and the provisions of this Act; (k) approving collaboration or association with other Emurua Dikirr Technical Training Institutes and industries in and outside Kenya subject to prior approval by the Board; (l) recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry; (m) determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the Emurua Dikirr Technical Training Institutes, in consultation with the Authority; (n) making regulations governing organization, conduct and discipline of the staff and students (o) preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Board; (p) providing for the welfare of the students and staff of the Emurua Dikirr Technical Training Institutes; (q) encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the Emurua Dikirr Technical Training Institutes; and (r) discharging all other functions conferred upon it by this Act or any other written law

Management of Interest and its disclosure thereof is provided for in Section 15 of the Second Schedule of the TVET ACT 29 of 2013. In which case;

(15). Disclosure of interest (1) If a member is directly or indirectly interested in any contract, proposed contract or other matter before a Board of Governors and is present at a meeting of the Board of Governors at which the contract, proposed contract or other matter is the subject of consideration, he shall, at the meeting and as soon as reasonably practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. (2) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made. (3) A member of the Board of Governors who contravenes subparagraph (1) commits an offence and shall be liable to a fine of fifty thousand shillings, or to imprisonment for a term of six months, or to both.

Board Remuneration is governed by Section 17 of the second Schedule of TVET ACT 29 of 2013.

(17) Members of a Board of Governors shall be paid in respect of their services such remuneration or allowances as the Board of Governors shall, with the approval of the Cabinet Secretary, determine.

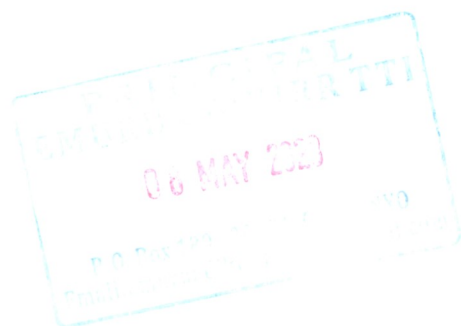
The Governance Audit follows the laid down procedures as provided for in public finance Management Act, 2012, procurement and disposal Act, 2015, and section 14 of the State Corporation Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013

**EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
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VIII.MANAGEMENT DISCUSSION AND ANALYSIS

During this period, the College prioritized and implemented the following key activities:

Sn	Activity	Status
01	Acquisition of the Training Materials and Equipment	Continuous
02	Ablution block	Completed
03	Perimeter fence	Completed
04	Construction of restaurant/cafeteria	Ongoing
05	Registration of new students	Continuous
06	Advertisement and marketing of the college	Continuous
07	Training of Trainees	Continuous
08	Implementation of COVID 19 control measures and guidelines	Continuous
09	Drilling of the Borehole and Establishment of Water Supply system	Completed
10	Installation of local area network	Ongoing



IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Emurua Dikirr TTI exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

Sustainability strategy and profile

During the year ending 30th June 2022, the Board approved the Strategic Plan 2022-2025 to provide for the strategic direction of the Emurua Dikirr Technical Training Institute. The strategic plan provides a clear framework for the sustainability of the institution.

Employee welfare

Emurua Dikirr Technical Training Institute being a Public entity follows public policies and procedures governing the conduct of Public entity technical Training Institutes.

Part III section F of HR manual, provides for Work Environment Health and Safety, upon which Emurua Dikirr TTI relies for the implementation of our work-related policies and procedures

Part IV of the manual provides for Performance Management, Training and Development with clear guidelines and procedures for public entities.

During the year ending June 30th 2022, the following draft policies were developed;

1. Academic Policy
2. Human Resource Policy
3. Industrial attachment policy
4. ICT policy
5. Finance policy



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Market place practices

Emurua Dikirr Technical Training Institute is located along Emurua Dikirr Mogondo Road, 4 km from Emurua Dikirr town, in Transmara East Sub County, Narok County. The location provided us with a unique niche and needs reflected in the kind of products and programmes we offer. Our programmes are aligned to the needs of our market space and therefore in itself it is a statement of responsible competition practice. At Emurua Dikirr Technical Training Institute we also value networking and collaborating with the local community including National Government Constituency Development Fund (CDF) Board, the County Government, and Local administration.

Our policy of viewing Technical colleges as partners rather than competitors has provided for a close working relation with our neighbours. During the year ending June 30th 2022, we worked closely with Sotik TTI in the provision and conduct of Technical Training and Examination in Automotive Engineering

a) Responsible Supply chain and supplier relations

Emurua Dikirr Technical Training Institute applies public procurement and Disposal Act 2015 and Procurement Regulation 2020 in the management of procurement processes and supplier relations.

In the discharge of responsible contract management and Supplier relations, Emurua Dikirr Technical Training Institute services all contracts with 30 days of invoicing.

During the year ending 30th June 2022, Emurua Dikirr Technical Training Institute serviced all invoiced contracts and therefore has no pending bills brought forward to 2022/2023 financial year.

b) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.

Emurua Dikirr Technical Training Institute uses open market approach in the advertisement marketing of our products. Such open market includes; positioning of our sign board at strategic locations, distribution and placement of our brochures at strategic locations, markets and Secondary school visits, radio shows and maintaining online presence.

Product stewardship- outline efforts to safeguard consumer rights and interests.

During the year ending June 30th, 2022, we held a round table discussion with the local community involving, the local administration, NG CDF Board, The County Government to

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develop a common approach towards sensitizing the local community on the available opportunities for the skills development for the youth.

We also conducted advertisement in the local Radio stations, distributed brochures in strategic locations in an attempt to increase the awareness of the available skills development opportunities at Emurua Dikirr Technical Training Institute.

Corporate Social Responsibility / Community Engagements

During the year ending 30th of June, 2022, Emurua Dikirr Technical Training Institute in collaboration with the NG- CDF Emurua Dikirr Constituency, commissioned the operation of Borehole and Water supply system, ablution block and the perimeter fence that would support the Institute and the Community at large



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X .REPORT OF THE BOARD OF GOVERNORS

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

Principal activities

The principal activity of the Emurua Dikirr Technical Training Institute is to offer technical training to the trainees

Results

The results of the Emurua Dikirr Technical Training Institute for the year ended June 30 2022 are set out on pages 1-9

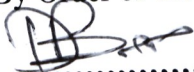
BOARD OF GOVERNORS

The members of the Board who served during the year are shown on pages vii-viii

Auditors

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

By Order of the Board



.....
Secretary of the Board

Date: 8-5-2023



XI. 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 Emurua Dikirr Technical Training Institute, which give a true and fair view of the state of affairs of the Emurua Dikirr Technical Training Institute at the end of the financial year/period and the operating results of the Emurua Dikirr Technical Training Institute for that year/period.

The board members are also required to ensure that the Emurua Dikirr Technical Training Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Emurua Dikirr Technical Training Institute. The board members are also responsible for safeguarding the assets of the Emurua Dikirr Technical Training Institute.

The board members are responsible for the preparation and presentation of the Emurua Dikirr Technical Training Institute's financial statements, which give a true and fair view of the state of affairs of the Emurua Dikirr Technical Training Institute for and as at the end of the financial year (period) ended on June 30, 2022.

This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Emurua Dikirr Technical Training Institute; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Emurua Dikirr 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 Emurua Dikirr 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 Emurua Dikirr Technical Training Institute's financial statements give a true and fair view of the state of Emurua Dikirr Technical Training Institute's transactions during the financial year ended June 30, 2022, and of the Emurua Dikirr Technical Training Institute's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the Emurua Dikirr Technical Training Institute, which have been relied upon in the preparation of the Emurua Dikirr Technical Training Institute's financial statements as well as the adequacy of the systems of internal financial control.

**EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
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Nothing has come to the attention of the board members to indicate that the Emurua Dikirr Technical Training Institute will not remain a going concern for at least the next twelve months from the date of this statement.

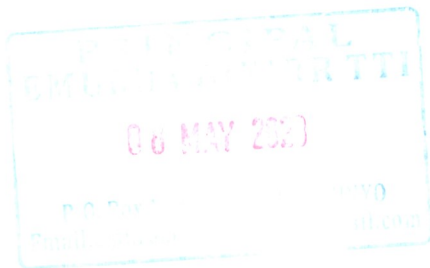
Approval of the financial statements

The Emurua Dikirr Technical Training Institute's financial statements were approved by the Board on 23rd September 2022 and signed on its behalf by:

Name: Paul Mutai Signature..........Date.....10/5/2023.....

Chairperson of the B.O.G

Name: David Busienei Signature..........Date.....8-5-2023.....
Accounting Officer/Principal



REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Emurua Dikirr Technical Training Institute set out on pages 1 to 54, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unsupported Expenditure on Use of Goods and Services

The statement of financial performance reflects expenditure on use of goods and services of Kshs.14,932,851 as disclosed in Note 14 to the financial statements. However, expenditure amounting to Kshs.5,478,580 incurred on various items were not supported with training policy, course approval, attendance sheets, timetable and back to office report, requisition forms, S11 and S13 receipts and proof of travel.

In the circumstances, the completeness and accuracy of expenditure on use of goods and services could not be confirmed.

2. Expenditure on Employee Costs

The statement of financial performance reflects employee cost of Kshs.6,964,325 as disclosed in Note 15 to the financial statements. The amount includes Kshs.114,000, Kshs.77,025 and Kshs.100,000 relating to social contributions (staff welfare), PAYE and HELB deductions respectively but classified as employee costs. Further, the amount includes employee related costs-contributions to pensions (NSSF) and medical aids (NHIF) amount of Kshs.534,450 which has not been supported.

In the circumstances, the completeness and accuracy of employee costs could not be confirmed.

3. Unsupported Expenditure on Board Remuneration

The statement of financial performance reflects expenditure on directors' remuneration of Kshs.1,372,500 as disclosed in Note 16 to the financial statements. However, the expenditure was not supported with the attendance register of members of the Board.

In the circumstances, the regularity, accuracy and completeness of expenditure on directors remuneration could not be confirmed.

4. Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.72,285,740 as disclosed in Note 30 to the financial statements. The following anomalies were noted;

4.1 The balance includes opening balances for furniture and fittings and computers and printers of Kshs.905,625 and Kshs.84,000 respectively. However, the audited balances for furniture and fittings and computers and printers were Kshs.1,296,625 and Kshs.962,000 respectively, resulting in unreconciled balances of Kshs.391,000 and Kshs.878,000.

4.2 Note 30 to the financial statements reflects additions to property, plant and equipment of Kshs.13,724,526 while the supporting schedule reflect a balance of Kshs.12,466,526 resulting to an unreconciled variance of Kshs.1,258,000.

4.3 The balance includes land valued at Kshs.10,000,000 measuring 9.1 acres. However, ownership documents revealed that the land belongs to a primary school. Further, valuation report was not was not provided for audit.

4.4 During the year under review, the Institute did not maintain an asset register with details of original cost, additions, disposals, depreciation charge for the year and the net book values.

In the circumstances, the completeness, accuracy, ownership and valuation of property, plant and equipment balance could not be confirmed.

5. Non Preparation of Statement of Changes in Net Assets

The statement of changes in net assets has not been prepared as per reporting template issued by the Public Sector Accounting Standards Board. The financial statements do not therefore comply with the reporting template.

In the circumstances, the presentation of the statement of changes in net assets could not be confirmed.

6. Errors in presentation of Financial Statements

The Report of the Principal on page Xiv reflect capitation receipts of Kshs.14,932,500 whereas the statement of financial performance and Appendix iii to the financial statement reflects balances of Kshs.21,150,000 and Kshs.18,702,500 respectively. The resultant variances between the three balances have not been reconciled.

In the circumstances, the accuracy in presentation of balances in the financial statements could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total revenue budget of Kshs.45,387,010 against actual revenue receipts of Kshs.42,418,745 resulting to a revenue shortfall of Kshs.2,968,265 or 6% of the budget. The statement also reflects a total expenditure budget of Kshs.45,387,010 against actual expenditure of Kshs.27,390,661 resulting to an under expenditure of Kshs.17,996,349 or 39% of the budget.

The under funding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function

The institute does not have an internal audit function and a functioning Audit Committee as no audit committee minutes were presented for audit to guide and evaluate its internal controls. This is contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which states that, every national government entity shall ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of accounting standards board.

In the circumstances, the functioning of internal control mechanism and governance structures could not be confirmed.

2. Lack of Risk Management Policy and Strategy

The Company Management had not put in place risk management policy, strategies, and risk register to mitigate against risk. This is in contravention of Regulation 165 (1) of the Public Finance Management (National Governments) Regulations, 2015 which requires the Accounting Officer to ensure that an entity develops risk management strategies, which include fraud prevention mechanism; and the county government entity develops a system of risk management and internal control that builds robust business operations.

In the circumstances, the strategies of management on risk exposures could not be confirmed.

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

Responsibilities of Management and Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Accrual Basis and for maintaining effective internal control as management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall 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 the Management is aware of the intention to terminate the Institute or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 July, 2023


Emurua Dikirr Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2022

XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government	5	21,150,000.00	16,500,000.00
Grants from donors and development partners	6	00	00
Transfers from other levels of government	7	00	00
Public contributions and donations	8	00	
Sub-total		21,150,000.00	16,500,000.00
Revenue from exchange transactions			
Rendering of services	9	21,258,080.00	14,330,500.00
Sale of goods	10	10,665.00	00
Rental revenue from facilities and equipment	11	00	00
Finance income-external investments	12	00	00
Other income	13	00	00
Sub-total		21,268,745.00	14,330,500.00
Total revenue		42,418,745.00	30,830,500.00
Expenses			
Use of goods and services	14	14,932,851.00	3,375,482
Employee costs	15	6,964,325.00	5,210,689
Directors' Remuneration	16	1,372,500.00	758,000
Depreciation and amortization expense	17	2,787,236.00	2,805,004
Repairs and maintenance	18	1,303,284.00	456,625
Contracted services	19	00	0
Grants and subsidies	20	00	0
Finance costs	21	30,465.00	0
Total expenses		27,390,661.00	12,605,800.00
Other gains/(losses)		00	0
Gain on sale of assets	22	00	0
Unrealized gain on fair value of investments	23	00	0
Impairment loss	24	00	0
Total other gains/(losses)			
Net Surplus for the year		15,028,084.00	18,224,700.00

The notes set out on pages 10 to 48 form an integral part of the Annual Financial Statements.

**EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2022**

.....


Chairman of Council/Board

Date
10/05/2023

.....


Finance Officer
ICPAK No 14720

Date
08-05-2023

.....


Principal

Date
8-5-2023



EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2022

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

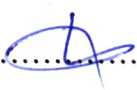
	Notes	2021-2022	2020-2021
Assets			
Current assets			
Cash and cash equivalents	25	5,565,095.00	5,928,119.00
Current portion of receivables from exchange transactions	26	16,024,661.00	7,313,960
Receivables from non-exchange transactions	27	7,390,000.00	4,942,500
Inventories	28	419,599.00	0
Total current assets		29,399,355.00	18,184,579
Non-current assets			
Property, Plant and Equipment	30	72,285,740.00	62,617,451
Intangible assets	31	0	0
Investment property	32	0	0
Total assets		101,685,094.00	80,802,030
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	33	0	132,520
Refundable deposits from customers	34	87,500.00	0
Current Provisions	35	0	0
Finance lease obligation	36	0	0
Deferred income	37	0	0
Employee benefit obligation	38	0	0
Payments received in advance		0	132,520
Non-current liabilities		87,500.00	
Non-current provisions	39	0	0
Borrowings	40	0	0
Service concession liability	41	0	0
Total liabilities		87,500.00	132,520
Net assets		101,597,594.00	80,669,510
Financed by:			
Capital Reserves		80,669,510.00	62,444,810
Accumulated surplus		15,028,084.00	18,224,700
NG-CDF fund		5,900,000.00	
Total		101,597,594.00	80,669,510

**EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2022**

The Financial Statements set out on pages 1 to 9 were signed on behalf of the Institute / Board of Governors by:

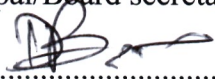
Paul Mutai

Chairman of Board of Governors

Sign.......... Date..... 10/5/2022


David Busienei

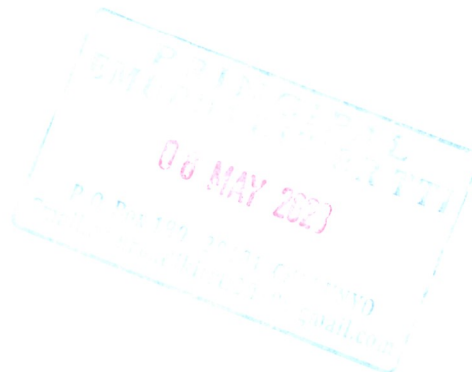
Principal/Board secretary

Sign.......... Date..... 8-5-2023

Peter Chemogos

Finance officer-ICPAK NO 14720

Sign.......... Date..... 08-05-2023



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

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

	Revaluati on reserve	Fair value adjust ment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2021	-	-	-	80,669,510.00	80,669,510.00
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	15,028,084.00	-	15,028,084.00
Capital/Development grants received during the year	-	-	-	5,900,000.00	5,900,000.00
At June 30, 2022	-	-	15,028,084.00	86,569,510.00	101,597,594.00

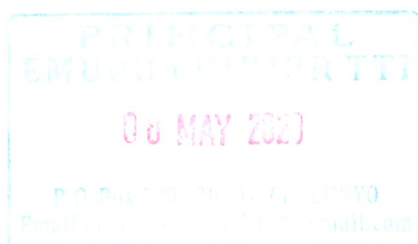
Emurua Dikirr Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2022

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

	Note	2021-2022 Kshs	2020-2022 Kshs
Cash flows from operating activities			
Receipts			
Revenue from non-exchange transactions			
Transfers from the National Government		21,150,000.00	16,500,000.00
Grants from donors and development partners			00
Transfers from other levels of government			00
Public contributions and donations			00
		21,150,000.00	16,500,000.00
Revenue from exchange transactions			
Rendering of services		21,268,745.00	14,330,500.00
Other income		00.00	00.00
		21,268,745.00	14,330,500
Total revenue		42,418,745.00	30,830,500.00
Payments			
Use of goods and services		14,932,851.00	3,375,482
Employee costs		6,964,325.00	5,210,689
Directors remuneration		1,372,500.00	758,000
Depreciation and amortization expense		2,787,236.00	2,805,004
Repairs and maintenance		1,303,284.00	456,625
Contracted services		0	0
Grants and subsidies		0	0
Finance costs		30,465.00	0
Total expenses		27,390,661.00	12,605,800.00
Net Surplus for the year		15,028,084.00	18,224,700.00
Adjustment: Add back depreciation		2,787,236.00	2,805,004
Less increase in debtors		(11,158,199)	(12,256,460)
Less Inventories		(419,599.00)	
Less decrease in creditors		(121,520.00)	
Add increase in creditors		87,500.00	
Add increase in creditors			132,520.00
Net cash flows from operating activities	42	6,203,502.00	8,905,764.00
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(7,279,700.00)	(205,875.00)
Purchase of computers and printers		(208,000.00)	(998,000.00)
Purchase of furniture and fittings		(570,000.00)	(1,426,000.00)


**EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
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Building-Tuition block and latrine		(3,742,889.00)	(52,792,580.00)
Work in progress		(665,937.00)	
Purchase of land		0.00	(10,000,000.00)
Net cash flows used in investing activities		(12,466,526.00)	(65,422,455)
Cash flows from financing activities			
Government grant-CDF		5,900,000.00	52,444,810
Public donation		0	10,000,000
Increase in deposits		0	0
Net cashflows used in financing activities		5,900,000.00	62,444,810
Net increase/(decrease) in cash and cash equivalents		-363,024.00	5,928,119
Cash and cash equivalents at 30 JUNE 2022			5,928,119
Cash at the beginning 1 July 2021		5,928,119.00	
Cash and cash equivalents at 30 June 2022	25	5,565,095.00	




**EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2022**

The Financial Statements set out on pages 1 to 8 were signed by:


.....
Chairman of Council/Board


.....
Finance Officer
ICPAK No 14720


.....
Principal

Date
13/5/2023
.....

Date
08-05-2023
.....

Date
8-5-2023
.....



EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2022

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

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022						
Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other govt entities and govt grants	18,720,000		18,720,000	21,150,000	2,430,000	10
Public contributions and donations	0	0	0	0	0	0
Rendering of services- fees from students	16,486,080		16,486,080	21,258,080	4,772,000	30
Sale of goods	0	0	0	10,665	10,665	0
Finance income	0	0	0	0	0	0
Other income	0	0	0		0	0
Cdf grants	10,180,930		10,180,930		-10,180,930	0
Gains on disposal, rental income and agency fees	0	0	0	0	0	0
Total Income	45,387,010	0	45,387,010	42,418,745	-2,968,265	-10
Expenses						
Employees cost	7,261,200	0	7,261,200	6,964,325	-296,875	0
Use of goods and services	23,607,510	0	19,087,510	14,932,851	-4,154,659	-20
Repairs and maintenance			2,020,000	1,303,284	-716,716	-40
Depreciation and amortization			2,500,000	2,787,236	287,236	10
Finance costs	0	0	0	30,465	0	0
Rent paid	0	0	0	0	0	0
Remuneration of directors	700,000	0	700,000	1,372,500	672,500	100
Projects	13,818,300		13,818,300		-13,818,300	0
Grants and subsidies paid	0	0	0	0	0	0
Total Expenditure	45,387,010	0	45,387,010	27,390,661		
Surplus For the Period	0	0	0	15,028,084		

PRINCIPAL
 EMURUA DIKIRR TTI
 06 MAY 2022
 P.O. Box 100, 20104 Chitungo
 Email: emurua@emurua.ac.ke

EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2022

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Emurua Dikirr TTI Emurua Dikirr Technical Training Institute is established by and derives its authority and accountability from TVET Act. The Emurua Dikirr Technical Training Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Emurua Dikirr Technical Training Institute's principal activity is provision of technical training courses

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 Emurua Dikirr Technical Training Institute's accounting policies.

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

The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act 446, the TVET Act 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.



EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2022

3. ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2022:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</p> <p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
'ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Emurua Dikirr Technical Training Institute's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Emurua Dikirr Technical Training Institute's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Emurua Dikirr Technical Training Institute provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Emurua Dikirr Technical Training Institute;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Emurua Dikirr Technical Training Institute's financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when</p>

**EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2022**

Standard	Effective date and impact:
	IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

iii. Early adoption of standards

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 Emurua Dikirr Technical Training Institute and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The Emurua Dikirr Technical Training Institute 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.

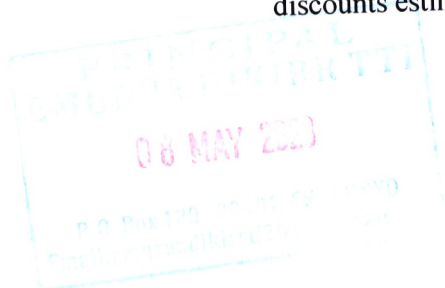
Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

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 Emurua Dikirr Technical Training Institute.

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



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Emurua Dikirr Technical Training Institute's right to receive payments is established.

- 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) Taxes

Current income tax

The Emurua Dikirr Technical Training Institute is exempted from paying taxes.

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.

c) 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.



EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses on **reducing balance method** of depreciation. 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 Emurua Dikirr Technical Training Institute recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation rates on reducing balance method

Buildings 2%

Furnitures and fittings 12.5%

Property Plant and equipment 15%

Computers and printers 30%

e) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Emurua Dikirr Technical Training Institute. 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 Emurua Dikirr Technical Training Institute 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.

EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
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30TH JUNE 2022

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 Emurua Dikirr Technical Training Institute 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 Emurua Dikirr Technical Training Institute. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

f) 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

g) Research and development costs

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

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

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



EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2022

h) 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 Emurua Dikirr Technical Training Institute 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 Emurua Dikirr Technical Training Institute has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Emurua Dikirr Technical Training Institute assesses at each reporting date whether there is objective evidence that a financial asset or an Emurua Dikirr Technical Training Institute of financial assets is impaired. A financial asset or a Emurua Dikirr Technical Training Institute 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 Emurua Dikirr Technical Training Institute of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Emurua Dikirr Technical Training Institute 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

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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 Emurua Dikirr Technical Training Institute.

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

The Emurua Dikirr Technical Training Institute does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Emurua Dikirr Technical Training Institute 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.

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k) Nature and purpose of reserves

The Emurua Dikirr Technical Training Institute creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

The Emurua Dikirr Technical Training Institute provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which Emurua Dikirr Technical Training Institute pays fixed contributions into a separate national social security fund(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

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the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p) Related parties

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

q) Service concession arrangements

The Emurua Dikirr Technical Training Institute analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Emurua Dikirr Technical Training Institute recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Emurua Dikirr Technical Training Institute 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 Emurua Dikirr Technical Training Institutes 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, 2022.

SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

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. Emurua Dikirr Technical Training Institute based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Emurua Dikirr Technical Training Institute. 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:

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

Provisions

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.

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5. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2021-2022 KShs	2020-2021
Unconditional grants		
Capitation grant	21,150,000.00	16,500,000.00
Conditional grants		
Library grant	00	
Hostels grant	00	
Administration block grant	00	
Laboratory grant	00	
Learning facilities grant	00	
Other organizational grants	00	
Total government grants and subsidies	21,150,000.00	16,500,000.00

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Emurua Dikirr Technical Training Institute sending the grant	Amount recognized to of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	2021-2022 KShs	2020-2021 KSH.
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry.)

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6. GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

Description	2021-2022	2020-2021
JICA- Research grant	0	0
World Bank grants	0	0
In-kind Donations	0	0
Other grants	0	0
Total grants from development partners	0	0

Reconciliations of grants from donors and development partners

Description	2021-2022	2020-2021
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Conditions met – transferred to revenue	0	0
Conditions to be met – remain liabilities	0	0

7. TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2021-2022	2020-2021
	KShs	
Transfer from NG-CDF	5,900,000.00	0
Transfer from 2022 University	0	0
Transfer from 2022 institute	0	0
Total Transfers	5,900,000.00	0

8. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2021-2022	2020-2021
		KShs
Public donation	0	0
Donations from local leadership	0	0
Donations from religious Emurua Dikirr Technical Training Institutes	0	0
Donations from alumni	0	0
Other donations	0	0
Total donations and sponsorships	0	0

9. RENDERING OF SERVICES

Description	2021-2022	2020-2021
	KShs	KSH.
Students' fees	18,626,100.00	13,210,000.00

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Examination fees		2,374,680.00	1,102,500.00
Registration fees and students ID fees		257,300.00	18,000.00
Total revenue from the rendering of services		21,258,080.00	14,330,500.00

10. SALE OF GOODS

Description		2021-2022	2020-2021
		KShs	KSH.
Sale of goods		10,665.00	00
Sale of books		00	00
Sale of publications		00	00
Sale of farm produce		00	00
Cafeteria		00	00
Other(include in line with your organisation)		00	00
Total revenue from the sale of goods		10,665.00	00

11. HIRE OF FACILITIES AND EQUIPMENT

Description		2021-2022	2020-2021
		KShs	
Hire of facilities and equipment		00	00
Contingentrental		00	00
operatingleaserevenue		00	00
Total		00	00

12. FINANCE INCOME

Description		2021-2022	2020-2021
		KShs	
Cashinvestmentsandfixeddeposits		00	00
Interest income from Treasury Bills		00	00
Interest income from Treasury Bonds		00	00
Interest from outstanding debtors		00	00
Totalfinanceincome		00	00

13. OTHER INCOME

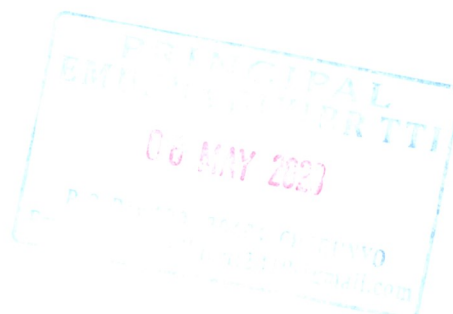
Description		2021-2022	2020-2021
		KShs	
Insurancerecoveries		0	00

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Consultancy fees		0	00
Income from sale of tender		0	00
Servicesconcessionincome		0	00
Reimbursements and refunds		0	00
Graduation fees		0	00
Miscellaneous (<i>Specify</i>)		0	00
Totalotherincome		0	00

14. USE OF GOODS AND SERVICES

Description	2021-2022	2020-2021
	Kshs	Kshs
Teaching and learning materials	4,769,215.00	441,240.00
Industrial attachment costs	50,000.00	00
Electricity	223,250.00	285,894.00
Water	83,570.00	00
Professionaland consultancyservices	54,600.00	00
Subscriptions	228,800.00	230,000.00
Advertising	262,510.00	00
Examination fees	2,674,040.00	796,620.00
Catering, conferences, and delegations	990,466.00	4,200.00
Travelling and accommodation	2,838,975.00	156,160.00
Fuel and oil	15600.00	0
Insurance	33,000.00	00
Printing and stationery	1,097,744.00	126,679.00
Telephone expenses	125,650.00	2000.00
Internet expenses	220,686.00	xxx
Training expenses	551,395.00	651,010.00
Sport activities	508,700.00	0
Students affairs	138,450.00	0
Staff uniform	66,200.00	
Bank charges	0	2,533.00
Administration cost	0	679126.00
Totalgood and services	14,932,851.00	3,375,482.00



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE COSTS

	2021-2022	2020-2021
	KShs	KShs
Salaries and wages	6,138,850.00	5,210,689.00
Employee related costs-contributions to pensions(NSSF) and medical aids(NHIF)	534,450.00	
Travel,motorcar,accommodation,subsistence and other allowances	0	
Housing benefits and allowances	0	
Overtime payments	0	
Performance and other bonuses	114,000.00	
Social contributions(staff welfare)	77,025.00	
P.A.Y.E	100,000.00	
Helb deductions from employees	6,964,325.00	5,210,689.00
Employee costs		

16. REMUNERATION OF DIRECTORS

Description	2021-2022	2020-2021
	KShs	KSH
Chairman's Honoraria	00	00
Directors' emoluments(Meeting allowances)	1,372,500.00	758,000.00
Other allowances	00	
Total director emoluments	1,372,500.00	758,000.00

17. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2021-2022	2020-2021
	KShs	KShs
Property Plant and Equipment	1,137,086.00	00
Building	1,077,697	2,639,629.00
Furniture and fittings	221,453	129,375.00
Computers and printers	351,000.00	36,000.00
Totaldepreciationandamortization	2,787,236.00	2,805,004.00

18. REPAIRS AND MAINTENANCE

Description	2021-2022	2020-2021
	KShs	KSH.
General repairs	1,303,284.00	456,625.00
Furniture and fittings	0	
Computers and accessories	0	
Totalrepairsandmaintenance	1,303,284.00	456,625.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. CONTRACTED SERVICES

Description	2021-2022	2020-2021
	KShs	
Actuarialvaluations	0	0
Investmentvaluations	0	0
Propertyvaluations	0	0
Totalcontractedservices	0	0

20. GRANTS AND SUBSIDIES

Description	2021-2022	2020-2021
	KShs	
Communitydevelopment	0	0
Educationinitiativesandprograms	0	0
Socialdevelopment	0	0
Communitytrust	0	0
Sportingbodies	0	0
Totalgrantsandsubsidies	0	0

21. FINANCE COSTS

Description	2021-2021	2020-2021
	KShs	
Bank charges	30,465.00	2,553.00
Borrowings(amortizedcost)*	0	0
Financeleases(amortizedcost)	0	0
Unwindingofdiscount	0	0
Interest on Bankoverdrafts	0	0
Interest on loans from commercial banks	0	0
Totalfinancecosts	30,465.00	2,553.00

22. GAIN ON SALE OF ASSETS

Description	2021-2022	2020-2021
	KShs	
	0	0
Property,plantandequipment	0	0
Intangible assets	0	0
Otherassets not capitalised	0	0
Totalgainonsaleofassets	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description	2021-2022	2020-2021
Investments at fair value	0	0
Total gain	0	0

24. IMPAIRMENT LOSS

Description	2021-2022 KShs	2020-2021 KShs
Property, plant and equipment	0	0
Intangible assets	0	0
Total impairment loss	0	0

25. DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Emurua Dikirr Technical Training Institute	Account number	2021-2022 KShs	2020-2021 KShs
a) Current account			
Kenya Commercial bank	1284366227	4,839,245.00	5,895,789.00
Equity Bank, etc	1840281093726	543,163.00	00
Sub- total	-	5,382,408.00	5,895,789.00
b) On - call deposits			
Kenya Commercial bank	-	0	0
Equity Bank – etc	-	0	0
Sub- total	-	0	0
c) Fixed deposits account			
Kenya Commercial bank	-	0	0
Bank B	-	0	0
Sub- total	-	0	0
d) Staff car loan/ mortgage			
Kenya Commercial bank	-	0	0
Bank B	-	0	0
Sub- total	-	0	0
e) Others (specify)			
Cash in transit	-	0	0
cash in hand		182,687.00	32,330.00
Mobile Money account		0	0
Sub- total			

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Grand total		5,565,095.00	5,928,119.00
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26. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description		2021-2022	2020-2021
		KShs	KShs
Currentreceivables			
Student debtors		16,024,661.00	7,313,960.00
Rent debtors		0	
Consultancy debtors		0	
Other exchange debtors		0	
Less:impairmentallowance		0	
Totalcurrentreceivables		16,024,661.00	7,313,960.00

Long- term Receivables from Exchange Transactions

Description		2021-2022	2020-2021
Non-currentreceivables		0	0
Refundable deposits		0	0
Advance payments		0	0
Publicorganizations		0	0
Less:impairmentallowance		0	0
Total		0	0
Currentportiontransferredtocurrentreceivables		0	0
Totalnon-currentreceivables		0	0
Totalreceivables		0	0

Description		2021-2022	2020-2021
		KShs	KShs
At the beginning of the year		0	0
Provisions during the year		0	0
Recovered during the year		0	0
Write offs during the year		0	0
At the end of the year		0	0

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27. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2021-2022 KShs	2020-2021 KSH.
Current receivables		
Capitation grants	7,390,000.00	4,942,500.00
Transfers from other govt. entities	0	0
Undisbursed donor funds	0	0
Other debtors (non-exchange transactions)	0	0
Less: impairment allowance	0	0
Total current receivables	7,390,000.00	4,942,500.00

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

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2021-2022	2020-2021
At the beginning of the year	0	0
Additional provisions during the year	0	0
Recovered during the year	0	0
Written off during the year	0	0
At the end of the year	0	0

28. INVENTORIES

Description	2021-2022	2020-2021
Consumable stores	235,200.00	00
Hair dressing stores	69,240.00	00
Electrical stores	115,159.00	00
Total inventories at the lower of cost and net realizable value	419,599.00	00

29. INVESTMENTS

Description	2021-2022	2020-2021
a) Investment in Treasury bills and bonds	0	0
Financial Emurua Dikirr Technical Training Institute	0	0
CBK	0	0
CBK	0	0
Sub- total	0	0
b) Investment with Financial Emurua Dikirr Technical Training Institutes/ Banks	0	0
Bank x	0	0

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Bank y		0	0
Sub- total		0	0
c) Equity investments (specify)		0	0
Equity/ shares in company 2022		0	0
Sub- total		0	0
Grand total		0	0

d) Shareholding in other entities

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

Name of Emurua Dikirr Technical Training Institute 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
-	0	0	0	0	Shs	Shs
-	0	0	0	0	0	0
-	0	0	0	0	0	0
-	0	0	0	0	0	0
-	0	0	0	0	0	0



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. PROPERTY, PLANT AND EQUIPMENT

	Land	Building-Rate used 2%	Furniture and fittings-12.5%	Computers and printers-30%	PPE-15%	WORK IN PROGRESS	Total
Historical Cost	10,000,000.00	52,792,580.00	1,035,000.00	120,000.00	205,875.00		64,153,455.00
At 1 July 2020	10,000,000.00	52,792,580.00	1,035,000.00	120,000.00	205,875.00		64,153,455.00
Additions	0.00	0.00	0.00	0.00	0.00		0.00
Disposals	0.00	0.00	0.00	0.00	0.00		0.00
Accumulated depreciation	0.00	2,639,629.00	129,375.00	36,000.00	0.00		2,805,004.00
Net Book values At 30th June 2021	10,000,000.00	50,152,951.00	905,625.00	84,000.00	205,875.00		61,348,451.00
At 1 July 2021	10,000,000.00	50,152,951.00	905,625.00	84,000.00	205,875.00		61,348,451.00
Additions	0.00	3,731,889.00	866,000.00	1,086,000.00	7,374,700.00	665,937.00	13,724,526.00
At 30 June 2022	10,000,000.00	53,884,840.00	1,771,625.00	1,170,000.00	7,580,575.00	665,937.00	75,072,977.00
Depreciation charged	0.00	1,077,697	221,453	351,000	1,137,086	0	2,787,236
Net Book values At 30th June 2022	10,000,000.00	52,807,143	1,550,171.9	819,000	6,443,488.8	665,937.0	72,285,740.8

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Valuation

The value of land was estimated at the current prevailing market rates

Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	10,000,000.00	00.00	10,000,000.00
Buildings	56,524,469.00	3,717,326	52,807,143.00
PPE	7,580,575.00	1,137,086.00	6,443,489.00
Computers and related equipment	1,206,000.00	387,000.00	819,000
Office equipment, furniture, and fittings	1,901,000.00	350,828.00	1,550,171.9
Work in progress	665,937.00	0	665,937.00
Total	77,877,981.00	5,592,240.00	72,285,741.00

31. INTANGIBLE ASSETS-SOFTWARE

Description	2021-2022	2020-2021
	KShs	KShs
Cost		
At beginning of the year	0	0
Additions	0	0
At end of the year	0	0
Additions–internal development	0	0
At end of the year	0	0
Amortization and impairment	0	0
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

32. INVESTMENT PROPERTY

Description	2021-2022	2020-2021
	KShs	KShs
At beginning of the year	0	0
Additions	0	0
Disposal during the year	0	0
Depreciation	0	0
Impairment	0	0
At end of the year	0	0

33. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2021-2022	2020-2021
	KShs	KShs
Tradepayables	0	0
Fees paid in advance	0	0
Employee advances	0	0
Third-party payments	0	0
Other payables	0	0
Total trade and other payables	0	0

34. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2021-2022	2020-2021
	KShs	KShs
Consumer deposits	0	0
Caution money	87,500.00	0
Other refundable deposits	0	0
Total deposits	87,500.00	0

35. CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	KShs	KShs	KShs	KShs	KShs
Balance at the beginning of the year	0	0	0	0	0
Additional Provisions	0	0	0	0	0
Provision utilised	0	0	0	0	0
Change due to discount and time value	0	0	0	0	0

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for money					
Transfers from non -current provisions	0	0	0	0	0
Total provisions	0	0	0	0	0

36. FINANCE LEASE OBLIGATION

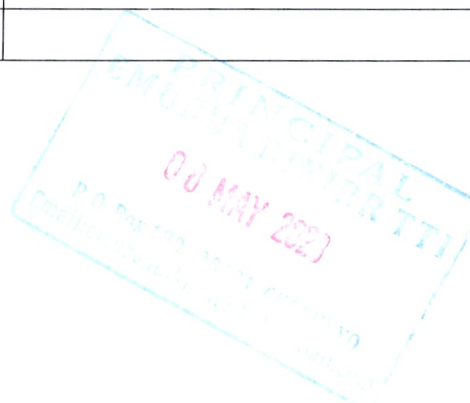
Description		2021-2022	2020-2021
		KShs	KShs
At the start of the year		0	0
Discount interest on lease liability		0	0
Paid during the year		0	0
At end of the year		0	0

Maturity Analysis

Period	Amount
Year 1	0
Year 2	0
Year 3	0
Year 4	0
Year 5 and onwards	0
Less: Unearned interest	0
	0

Analysed as:

Description	Amount
Current	0
Non- Current	0
Total	0



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37. DEFERRED INCOME

Description	2021-2022	2020-2021
	KShs	KShs
National government	0	0
International funders	0	0
Public contributions and donations	0	0
Total deferred income	0	0

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				

38. EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2021-2022	
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation					
Non-current benefit obligation					
Total employee benefits obligation					

Retirement benefit Asset/ Liability

Emurua Dikirr Technical Training Institute operates a defined benefit scheme for all full-time employees.

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	2021-2022	2020-2021
	Kshs	KShs
Discount rates	0	0
Future salary increases	0	0
Future pension increases	0	0
Mortality (Pre- retirement)	0	0
Mortality (Post- retirement)	0	0
Withdrawals	0	0
Ill health	0	0
Retirement	0	0

Recognition of Retirement Benefit Asset/ Liability

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

Description	2021-2022	2020-2021
	Kshs	KShs
The return on defined plan assets	0	0
Actuarial gains/ losses arising from changes in demographic assumptions	0	0
Actuarial gains/ losses arising from 0020 changes in financial assumptions	0	0
Actuarial gains and losses arising from experience adjustments	0	0
Others (Specify)	0	0
Adjustments for restrictions on the defined benefit asset	0	0
Remeasurement of the net defined benefit liability (asset)	0	0

- b) Amounts
 recognised in the Statement of Financial Position

Description	2021-2022	2020-2021
	Kshs	KShs
Present value of defined benefit obligations(a)	0	0
Fair value of plan assets(b)	0	0
Funded Status(=a-b)	0	0
Restrictions on asset recognised	0	0
Others	0	0
Net Asset or liability arising from defined benefit obligation	0	0

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Emurua Dikirr Technical Training Institute also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Emurua Dikirr Technical Training Institute's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 360 per employee per month.

39. NON-CURRENT PROVISIONS

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	KShs		KShs	KShs	KShs
Balance at the beginning of the year	0	0	0	0	0
Additional Provisions	0	0	0	0	0
Provision utilised	0	0	0	0	0
Change due to discount and time value for money	0	0	0	0	0
Less: Current portion	0	0	0	0	0
Total deferred income	0	0	0	0	0

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

40. BORROWINGS

Description	2021-2022	2020-2021
	KShs	KShs
Balance at beginning of the year	0	0
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the year	0	0
Repayments of domestic borrowings during the year	0	0
Balance at end of the year	0	0

ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS

	2021-2022
	KShs
External Borrowings	
Dollar denominated loan from '2022organisation'	0
Sterling Pound denominated loan from 'yyyorganisation'	0

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Euro denominated loan from zzzorganisation'		0
Domestic Borrowings		0
Kenya Shilling loan from KCB		0
Kenya Shilling loan from Barclays Bank		0
Kenya Shilling loan from Consolidated Bank		0
Total balance at end of the year		0

BREAKDOWN OF LONG- AND SHORT-TERM BORROWINGS

Description		2021-2022	2020-2021
		KShs	KShs
Short term borrowings(current portion)		0	0
Long term borrowings		0	0
Total		0	0

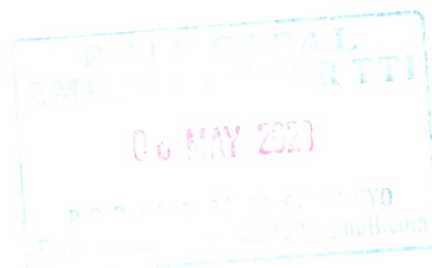
41.SERVICE CONCESSION LIABILITY

Description		2021-2022	2020-2021
		KShs	KShs
Fair value of service concession assets recognized under PPE		0	0
Accumulated depreciation to date		0	0
Net carrying amount		<u>0</u>	0
Serviceconcessionliabilityat beginning of the year		0	0
Serviceconcessionrevenue recognized		0	0
Serviceconcessionliabilityat end of the year		<u>0</u>	0

42. CASH GENERATED FROM OPERATIONS

	2021-2022	2020-2021
Surplus for the year before tax	15,028,084.00	18,224,700.00
Adjusted for:		
Depreciation	2,787,236.00	2,805,004.00
Increase in liability	87,500.00	
Increase in inventory	(419,599.00)	
Increase in receivables	(11,158,199.00)	(12,256,460.00)
Increase in deferred income	0	0
Increase/(Decrease) in payables	(121,520.00)	132,520.00
Increase in payments received in advance		0
Net cash flow from operating activities	6,203,502.00	8,905,764.00

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

43. FINANCIAL RISK MANAGEMENT

Emurua Dikirr Technical Training Institute's activities expose it to a variety of financial risks including debtors and liquidity risks. 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 Emurua Dikirr Technical Training Institute's financial risk management objectives and policies are detailed below:

(i) Debtors risk

The Emurua Dikirr Technical Training Institute has exposure to debtors risk, which is the risk that trainees will be unable to pay amounts in full when due.

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 20xx				
		0	0	0
Receivables from exchange transactions	0	0	0	0
Receivables from non exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 20xx				
		0	0	0
Receivables from exchange transactions	0	0	0	0
Receivables from non exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

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FINANCIAL RISK MANAGEMENT (Continued)

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

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

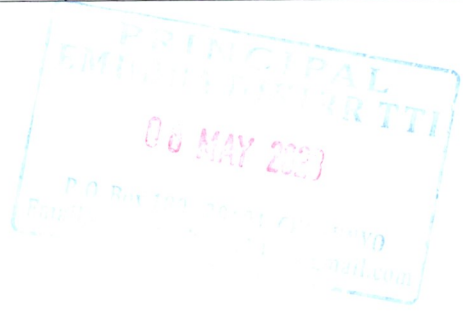
(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Emurua Dikirr Technical Training Institute's directors, who have built an appropriate liquidity risk management framework for the management of the Emurua Dikirr Technical Training Institute's short, medium and long-term funding and liquidity management requirements.

Emurua Dikirr Technical Training Institute manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	0	0
At 30 June	0	0	0	0
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	0	0



 PRINCIPAL
 EMURUA DIKIRR TTI
 06 MAY 2023
 P.O. Box 200, Nairobi, Kenya
 Email: info@emurua.ac.ke

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(iii) Market risk

Emurua Dikirr Technical Training Institute has put in place an internal audit function to assist it in assessing the risk faced by the Emurua Dikirr Technical Training Institute 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 Emurua Dikirr Technical Training Institute'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 Emurua Dikirr Technical Training Institute'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 Emurua Dikirr Technical Training Institute's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

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

The carrying amount of the Emurua Dikirr Technical Training Institute's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2022			
Financial assets (investments, cash, debtors)	0	0	0
	0	0	0
Liabilities	0	0	0
Trade and other payables	0	0	0

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Borrowings	0	0	0
	0	0	0
Net foreign currency asset/(liability)	0	0	0

a) Foreign currency risk (Continued)

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2022			
Financial assets(investments, cash ,debtors)	0	0	0
Liabilities	0	0	0
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

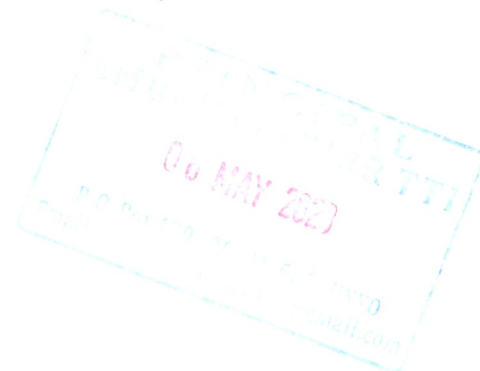
Foreign currency sensitivity analysis

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
2022			
Euro	0	0	0
USD	0	0	0
20xx	0	0	0
Euro	0	0	0
USD	0	0	0

b) Interest rate risk

Interest rate risk is the risk that the Emurua Dikirr Technical Training Institute'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.



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Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with Kenya commercial bank that offers favourable interest rates.

Sensitivity analysis

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

iv) Capital Risk Management

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

	2021-2022	2020-2021
	Kshs	KShs
Revaluation reserve	0	
Retained earnings	15,028,084.00	18,224,700.00
Capital reserve	80,669,510.00	62,444,810.00
Capital grant	5,900,000.00	
	0	
Total funds	101,597,594.00	80,669,510.00
Total borrowings	0	0
Less: cash and bank balances	0	0
Net debt/(excess cash and cash equivalents)	0	0
Gearing	0	0



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RELATED PARTY BALANCES

Nature of related party relationships

Entities and other parties related to the Emurua Dikirr Technical Training Institute 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 *Emurua Dikirr Technical Training Institute*, holding 100% of the *Emurua Dikirr Technical Training Institute's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Emurua Dikirr Technical Training Institute, both domestic and external. Other related parties include:

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

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

	2021-2022	2020-2021
	Kshs	
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to Govt agencies	0	0
Rent Income from govt. agencies	0	0
Water sales to Govt. agencies	0	0
Others (Specify)	0	0
Total	0	0
b) Purchases from related parties	0	0
Purchases of electricity from KPLC	0	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. agencies	0	0
Others (specify)	0	0
Total	0	0
b) Grants /Transfers from the Government	0	0
Grants from National Govt	0	0
Grants from County Government	0	0
Donations in kind	0	0

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	2021-2022	2020-2021
	Kshs	
Total	0	0
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for 2022 employees	0	0
Payments for goods and services for 2022	0	0
Total	0	0
d) Key management compensation		
Directors' emoluments	0	0
Compensation to key management	0	0
Total	0	0

44. SEGMENT INFORMATION

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

45. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets

	2021-2022	2020-2021
	Kshs	
Contingent assets		
Insurance reimbursements	0	0
Assets arising from determination of court cases	0	0
Reimbursable indemnities and guarantees	0	0
Others (Specify)	0	0
Total	0	0

Contingent Liabilities

	2021-2022	2020-2021
	Kshs	
Contingent liabilities		
Court case 2022 against the Emurua Dikirr Technical Training Institute	0	0
Bank guarantees in favour of subsidiary	0	0
Contingent liabilities arising from contracts including PPPs	0	0
Others (Specify)	0	0
Total	0	0

(Give details)

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46. CAPITAL COMMITMENTS

Capital commitments		2021-2022	2020-2021
		Kshs	
Authorised for		0	0
Authorised and contracted for		0	0
Total		0	0

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

47. DEFERRED TAX LIABILITY

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

		2021-2022	2020-2021
		Kshs	
Accelerated capital allowances		0	0
Unrealised exchange gains/(losses)		0	0
Revaluation surplus		0	0
Tax losses carried forward		0	0
Provisions for liabilities and charges		0	0
		0	0
Net deferred tax liability/(asset)		0	0
			0
The movement on the deferred tax account is as follows:		0	0
			0
Balance at beginning of the year		0	0
Credit to revaluation reserve		0	0
Under provision in prior year		0	0
Income statement charge/(credit)		0	0
		0	0
Balance at end of the year		0	0

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

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48. EVENTS AFTER THE REPORTING PERIOD

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

49. ULTIMATE AND HOLDING EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE

Emurua Dikirr Technical Training Institute is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of education. Its ultimate parent is the Government of Kenya.

50. CURRENCY

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

XIX. APPENDICES

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Failure to prepare financial statements	The institute was under the mentorship of PC Kinyanjui on the said period of time	Resolved	
2	Unsupported property, Plant and Equipment	Assests register to be updated.	Land title not resolved	As per the ministry direction
3	Unsupported directors remuneration	Documents to be provided by PC Kinyanjui	Resolved	
4	Misstatement of revenue	Not all 460 students had completed their course in order to sit for examinations	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5	Unsupported training expenses	Supportive documents to be provided	Resolved	
6	Inaccuracies in cash and cash equivalent	Stall cheque has been reversed	Resolved	
1	Late submission of financial statements	Deadline to be adhered to as per the pfm act,2012	Resolved	
2	Non-compliance with provisions of the procurement act	All procurement laws and procedures to be followed strictly as per the procurement and disposal act 2015 and its regulations.	Resolved	
3	Lack of internal auditor	Internal auditor to be recruited with availability of resources	Not resolved	To be determined by resources availability

Guidance Notes:

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



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**APPENDIX II: PROJECTS IMPLEMENTED BY THE EMURUA DIKIRR
TECHNICAL TRAINING INSTITUTE**

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)
NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA

Status of Projects completion

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Borehole	4,690,000.00	4,690,000.00	100 %	4,700,000.00	4,690,000.00	Emurua Dikirr NG- CDF
2	Perimeter fence	1,803,700.00	1,803,700.00	100 %	1,868,300.00	1,803,700.00	AIA
3	Ablution block	3,742,889.00	3,742,889.00	100 %	2,000,000.00	3,742,889.00	AIA
4	Restaurant	1,200,000.00	665,937.00	55 %	1,200,000.00	Work in progress	Emurua Dikirr NG- CDF



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APPENDIX III: INTER-MINISTRY TRANSFERS

	EMURUA DIKIRR TECHNICAL TRAINING INSTITUTE			
	Break down of Transfers from the State Department of 2022			
	FY 2021/2022			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		16/7/2021	3,270,000	2020/2021
		3/8/2021	500,000	2020/2021
		23/11/2021	4,912,500	2021/2022
		3/2/2022	4,912,500	2021/2022
		3/6/2022	5,107,500	2021/2022
		Total	18,702,500	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			00	
			00	
			00	
		Total	00	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			00	
			00	
			00	
		Total	00	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			00	
			00	
			00	
		Total	00	

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

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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	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	0	0	0	0	0	0	0	0	0
Ministry of Education	0	0	0	0	0	0	0	0	0
USAID	0	0	0	0	0	0	0	0	0
Ministry of Education	0	0	0	0	0	0	0	0	0
	0						0	0	0
Total	0	0	0	0	0	0	0	0	0

