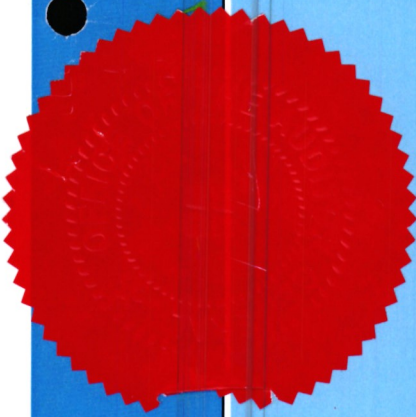


REPUBLIC OF KENYA




Enhancing Accountability



REPORT

PARLIAMENT
OF KENYA
LIBRARY

 THE NATIONAL ASSEMBLY PARLIAMENT BUILDING	
DATE: 21 OCT 2021	DAY: Thursday
TABLED BY:	LoMP
CLERK-AT THE-TABLE:	Mairi Warjiku

THE AUDITOR-GENERAL

ON

**NAIROBI TECHNICAL
TRAINING INSTITUTE**

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



NAIROBI TECHNICAL TRAINING INSTITUTE

Excel in Business, Science and Technology

ISO 9001 : 2015 CERTIFIED INSTITUTION

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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Table of Contents

KEY ENTITY INFORMATION AND MANAGEMENT	ii
BOARD OF GOVERNORS.....	vi
MANAGEMENT TEAM.....	ix
CHAIRMAN’S STATEMENT	x
REPORT OF THE PRINCIPAL	xii
REVIEW OF NAIROBI TECHNICAL TRAINING INSTITUTE ’S PERFORMANCE	xiv
CORPORATE GOVERNANCE STATEMENT	xvi
MANAGEMENT DISCUSSION AND ANALYSIS	xvii
CORPORATE SOCIAL RESPONSIBILITY / SUSTAINABILITY REPORTING	xix
REPORT OF THE BOARD OF GOVERNORS	xxii
STATEMENT OF BOARD OF GOVERNORS MEMBERS’ RESPONSIBILITIES.....	xxiii
REPORT OF THE AUDITOR-GENERAL FOR THE YEAR ENDED 30 JUNE, 2020	xxvi
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020	1
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020	2
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020	3
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020	4
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020	5
NOTES TO THE FINANCIAL STATEMENTS.....	6
1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	30
2: PROJECTS IMPLEMENTED BY THE ENTITY.....	31
3: INTER-ENTITY TRANSFERS.....	33
4: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES	34



I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

Nairobi Technical Training Institute (NTTI) is a public tertiary institution under the Ministry of Education, State Department of Vocational and Technical Training. The Institute receives full support from the Government through grants, training equipment and personnel.

It was started as a technical school in 1952, and in 1989, was converted to a Technical Training Institution after the country adopted changes to the 8.4.4 system of education. It offers courses at three levels i.e. Artisan; Certificate and Diploma both in Technical and Business related disciplines.

The Institute continues to play a significant role in provision of skilled manpower to various sectors of the economy.

(b) Principal Activities

Mission

Training competent human resource for Social Economic Development in Business, Science and Technology.

(c) Key Management

The Institute's day-to-day management is under the following key organs:

- Chief Principal
- Deputy Principal-Administration affairs
- Deputy Principal-Academic affairs
- Registrar
- Dean of Students
- Senior Finance Officer
- Heads of Departments

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chairman of the Board	Gordon Z. Oyomno
2.	Chief Principal	Glory K. Mutungi
3.	Finance Officer	Clement Amukhuma
4.	Deputy Principal-Administration	Simon Nyaga
5.	Deputy Principal-Academics	Dinah A. Obonyo



KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(e) Fiduciary Oversight Arrangements

Finance & General Purposes Committee Activities

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

Terms of Reference.

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

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

Audit Committee Activities

Some detailed audit committee responsibilities include:

- a) Ensuring that financial statements are understandable, transparent, and reliable.
- b) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic.
- c) Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top.
- d) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud.
- e) Reviewing current and pending corporate-governance-related litigation or regulatory proceedings to which the institution is a party.
- f) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas.
- g) Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.
- h) Reviewing internal audit plans, reports, and significant findings.
- i) Establishing a direct reporting relationship with the external auditors.



KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

Senior Management Activities

The main purpose of the Senior Management Team is to:

- (a) Ensure that NTTI's BOG is able to take strategic decisions relating to NTTI's activities.
- (b) Provide leadership in communicating NTTI's mission, values, plans and achievements effectively and consistently to BOG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- (c) Be accountable for the development and implementation of NTTI's strategic, corporate and business plans in line with the mission and values.
- (d) Take a strategic overview of performance in all areas of NTTI's activities.

Specifically, the Senior Management Team:

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

(f) Government Oversight Activities

The Government of Kenya's Oversight role includes provision of grants for both capitation and Development as well as provision of the regulatory framework. The audit of the Institutional activities is undertaken by the Office of the Auditor General.

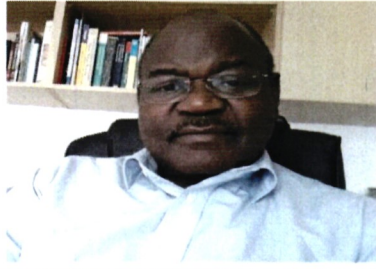






KEY ENTITY INFORMATION AND MANAGEMENT (Continued)




<p>(g) Entity Headquarters</p> <p>P.O. Box 30039-00100 Mogira road-Off Park Road Nairobi, KENYA</p>	<p>(h) Entity Contacts</p> <p>Telephone: 020 8034403 Cell :(254) 721233394/705590634 E-mail: nairobitechnical@gmail.com Website: www.naibitt.ac.ke</p>	
<p>(i) Entity Bankers</p>		
<p>1. National Bank of Kenya Harambee Avenue P.O. Box 72866 City Square 00200 Nairobi, KENYA</p>	<p>2. Cooperative Bank of Kenya Cooperative House-Haile Selassie Avenue P.O Box 48231 G.P.O 00100 Nairobi, KENYA</p>	<p>3. Equity Bank Kenya Limited Upper Hill - Hospital Road, Equity Centre P.O. Box 75104- City square 00200 Nairobi.</p>
<p>4. Kenya Commercial Bank Kencom Hse. P. O. Box 48400 G.P.O 00100 Nairobi, KENYA</p>		
<p>(j) Independent Auditors</p> <p>Auditor General Office of the Auditor General Anniversary Towers, University Way P.O. Box 30084 GOP 00100 Nairobi, Kenya</p>	<p>(k) Principal Legal Adviser</p> <p>The Attorney General State Law Office Harambee Avenue P.O. Box 40112 City Square 00200 Nairobi, Kenya</p>	



II. BOARD OF GOVERNORS

Governor	Title	Photograph	Date of birth, key qualifications and work experience	
			Date of Birth	Qualification and work experience
1. Gordon Z. Oyomno	Chairman		Date of Birth	02.09.1947
			Qualification	M.Sc. in Management and organizational development
			Experience	44Years
2. Dr. Fr. Lawrence Njeru Murucha	Member		Date of Birth	26.12.1968
			Qualification	PHD in Educational Administration and Planning
			Experience	30 years
3. Justus Wambutura	Member		Date of Birth	1955
			Qualification	MBA Strategic management. BSc electrical engineering
			Experience	41 years
4. Daud Hujale Ali	Member		Date of Birth	1.1.1974
			Qualification	MBA in construction Management
			Experience	22 years
5. Jerusha Wambui Kimani	Member		Date of Birth	30.7.1981
			Qualification	MSC in computer Science
			Experience	16 years
	Member		Date of Birth	12.10.1960



6.	Betty Kaburo		Qualification	BCom Business Management	
			Experience	35 years	
7.	Eng. Kinyua Wamuguda	Member		Date of Birth	11.4.1967
				Qualification	B.Sc. Civil Engineering
				Experience	29 years
8.	Maryan A Hassan	Member		Date of Birth	12.12.1977
				Qualification	B. Ed.
				Experience	20 years
9.	Glory K. Mutungi	Secretary		Date of Birth	03.01.1973
				Qualification	Master in Education
				Experience	24 years



Board Committees

Name of the Committee	Members	
Finance, Infrastructure and Human Resource Committee	Eng. Kinyua Wamuguda	Chairman
	Maryan A Hassan	Member
	Betty Kaburo Miriti	Member
Education and Research Committee	Dr.Fr. Lawrence Njeru	Chairman
	Maryan A Hassan	Member
	Betty Kaburo Miriti	Member
Audit \$ Risk Committee	Daudi Hujale Ali	Chairman
	Jerusha W. Kimani	Member
	Justus Wambutura	Member

Functions of the Board of Governors

According to the TVET act 2013, the BOG shall have the following functions.

- i. Provide oversight and strategic leadership
- ii. Approve statutes
- iii. Approve policies for the institutes
- iv. Approve budgets
- v. Make new or additional regulations, amend or revoke existing regulations
- vi. Make appointments authorised by the law
- vii. Acquire land, buildings, premises, equipment, vehicles, machinery and facilities acquired for carrying out the work/duties of the institute.
- viii. Determine the method of recruitment, appointment and promotion of all staff of the institutes as per the law.
- ix. Provide welfare for every person as per the law
- x. Provide control and regulate finances
- xi. Enter into contracts, vary carry, out or terminate contracts on behalf of the institutes
- xii. Empower committee of the BOG appointed
- xiii. Transact from time to time any other business of the institute which is covered by the law.



III. MANAGEMENT TEAM

Manager	Title	Photograph	Qualification & Responsibility	
Glory K. Mutungi (Mrs)	Chief Principal		Date of Birth	03.01.1973
			Qualification	Master in Education
			Experience	24 years
Simon Nyaga	Deputy Principal-Administration		Date of Birth	1973
			Qualification	B. Ed.
			Experience	25 years
Dinah A. Obonyo	Deputy Principal-Academics		Date of Birth	09.04.1969
			Qualification	MA-Education(PPM)
			Experience	23 years
Ernestine Kiragu	Registrar		Date of Birth	22.10.1972
			Qualification	B. Ed.
			Experience	23years
	Dean of Students		Date of Birth	
			Qualification	
			Experience	
Clement E. Amukhuma	Finance Officer		Date of Birth	14.11.1964
			Qualification	MBA, BCom., CPA-K-17593
			Experience	31 years
Maxwell Mwenda	Internal auditor		Date of Birth	31.03.1994
			Qualification	BCom, CPAK
			Experience	3 years
Caroline B. Ojode	Procurement officer		Date of Birth	17.03.1969
			Qualification	Dip in S.C.M
			Experience	26 Years



IV. CHAIRMAN'S STATEMENT

It is my pleasure to present the institute's annual report and financial statement for the year ended 30th June 2020.

The Institute's Board of Governors note with appreciation the continued support of the government and other stakeholders in the daily running of the institute.

We thank the government for the new programmes on Competency Based Education and Training (CBET) aimed at matching skills in institution with industry needs. The BOG will work with industry and other partners to strategies in order to ensure that the skills offered Nairobi meet the industry needs.

It is important to note that the total student enrolment has increased from 3763 in the year 2018 to **6,721** in the year 2019.

The completion rate has also improved from 85% to 95%. This has been enabled by the great support from the staff and students. The Government has also played a great role by the provision of resources to acquire teaching and learning materials.

During the year under review, the tenure of the Board of Governors ended in March 2020 and a new board was appointed under my Chairmanship. I therefore take this opportunity to thank them for steering this institution efficiently. It under their stewardship that many development projects were undertaken. While many of those projects were completed, some were still in progress by the time their term ended. We shall endeavour to execute the developments to completion.

During the year under review the institute continued working on various projects among them:

- Construction of a tuition block with Six (6) Classrooms.
- Cabro paving of the quadrangle thus reducing dust in the Institute
- Purchase of a Sixty-Five (65) Seater Bus.
- Installation of Solar Security Lighting and Solar Water Heating System in Institutional Management Department
- Equipping Institutional Management Department with modern restaurant furniture.
- Installation of a Biometric gate to enhance security
- Installation of CCTV Cameras in offices, Workshops and other areas to enhance security within the Institute.
- Purchase of Furniture for both students' and staff to cope with the growing population
- Creation of two (2) additional ICT Laboratories and equipping them with new furniture, computers and printers.
- Purchase of additional computers for office use.

Ongoing Projects.

- Construction of a four (4) Storey Building comprising of workshops, offices & tuition rooms.
- Construction of a multi – purpose hall.
- Construction of a power house.
- Tiling the floor of tuition rooms for ease of maintenance.
- Installation of Staff Portal, Application, Admission and Clearance Module.

Mentored Institutions



- Narok South Technical & Vocational College was completed in 2019 and handed over to the Ministry in January, 2020. Awaiting equipment and posting of a Principal.
- Kamukunji Technical & Vocational College was also handed over, equipped with both furniture and training equipment and Principal posted. Ready to start admitting trainees in May, 2020.
- Gilgil and Ol'Kalou Technical & Vocational College are still under construction.

We are pleased of the achievements so far realised despite the financial challenges faced especially due to the closure of all learning institutions by the Government in Term 1 2020 due to the COVID-19 pandemic. The closure affected the revenue flows from students in Term 2 2020.

Let me lastly thank the Government of Kenya, parents, guardians, suppliers and service providers for their trust, support and continued partnership and cooperation during the Financial Year 2019/2020

GORDON Z. OYOMNO
CHAIRMAN BOARD OF GOVERNORS



V. REPORT OF THE PRINCIPAL

Let me take this opportunity to present Nairobi TTI financial statement for the FY 2019/2020 ending 30th June 2020 in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

With support of the BOG we have put in place the necessary financial, procurement and internal control measures to ensure proper utilization of funds entrusted to us.

It is important to note that the total student enrolment has increased from 3763 in the year 2018 to 6721 in the year 2020.

The completion rate has also improved from 85% to 95%. This has been enabled by the great support from the staff and students. The Government has also played a great role by the provision of resources to acquire teaching and learning materials.

During the year under review the institute continued working on various projects among them:

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- Gilgil and Ol'Kalou Technical & Vocational College are still under construction.

I am humbled by the support from institute's BOG, Management and all members of staff for their commitment and dedication to their work and effort that have seen Nairobi TTI move forward in attaining its vision and mission.

Glory Mutungi (Mrs)

Chief Principal/Secretary BOG



VI. REVIEW OF NAIROBI TECHNICAL TRAINING INSTITUTE 'S PERFORMANCE FOR FY 2019/2020

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.

Nairobi Technical Training Institute (NTTI) has 7 strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

Pillar 1: Teaching & Learning, Research and Innovation

Pillar 2: Student-Centered Institute

Pillar 3: Service Delivery

Pillar 4: Partnerships and Linkages

Pillar 5: Technology Integration

Pillar 6: Human Resource

Pillar 7: Financial Management

NTTI develops its annual work plans based on the above X pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The NTTI achieved its performance targets set for the FY 2019/2020 period for its 7 strategic pillars, as indicated in the diagram below:

S/No.	Strategic Pillar	Objectives	Key Performance Indicator	Achievements
1.	Teaching & Learning, Research and Innovation	Excel in Teaching and Learning, Research and innovation	<ul style="list-style-type: none">• Improved performance index in examinations.• Increased number of students absorbed in the market.• Number of research papers and innovations.	<ul style="list-style-type: none">• Competent graduates• Participated in KATTI research conferences.
2.	Student-Centered Institute	Enhance Student satisfaction	<ul style="list-style-type: none">• Increased customer satisfaction index• Reduced number of student complaints.• Rate of student retention.• Number of students enrolled.	<ul style="list-style-type: none">• Satisfied students• Motivated trainees
3.	Service Delivery	Promote good governance and efficient	<ul style="list-style-type: none">• Increased customer satisfaction index	<ul style="list-style-type: none">• Implementation of relevant policies and organizational



S/No.	Strategic Pillar	Objectives	Key Performance Indicator	Achievements
		Service Delivery Culture	<ul style="list-style-type: none"> • Compliance to policies • Reduction in number of legal suits. 	structures. Established and adhered to the institute's Citizen's Service Delivery Charter
4.	Partnerships and Linkages	Establish Strategic Partnerships, Linkages and Collaborations	Number of signed MOUs and agreements.	<ul style="list-style-type: none"> • Collaborations of the Institute with strategic partners including University of Nairobi and KERA
5.	Technology Integration	Increase access to and use of ICT	<ul style="list-style-type: none"> • Reduced paperwork. • Increased ratio of ICT equipment. • % of trainers who effectively use ICT tools • % Increase access to e-resources 	<ul style="list-style-type: none"> • Integration of ICT in service delivery. • Automation of key services such as students' admissions and clearance
6.	Human Resource	Develop Human Resource Capacity and improve Corporate Image	<ul style="list-style-type: none"> • Number of staff trained based on Training Needs Assessment. • Rate of staff retention. • Increased number of linkages and collaborations. 	<ul style="list-style-type: none"> • Management trained in Senior Management • Course Competent human resource. • Positive corporate image.
7.	Financial Management	Enhance financial sustainability	<ul style="list-style-type: none"> • Number of income generating activities (Appropriation in Aid). • Reduced Expenditure 	<ul style="list-style-type: none"> • Financially stable Institution • Financial obligations are met on time. • Adherence to budget.



VII. CORPORATE GOVERNANCE STATEMENT

1. Corporate Governance Statement

- a) Good corporate governance is the key to integrity and corporations and central to the institute stability
- b) Corporate governance their fore encompasses the system practices and procedures by which the individual corporation regulates itself to remain stable, competitive, sustainably and fair.
- c) The BOG follows principles of transparency and accountability in its stewarding institute's affairs'
- d) The role of the BOG is to ensure conformity by focusing and providing the institutes strategic direction and policy making as well as performance review through accountability, monitoring, supervision and internal control to safeguard the assets and ensure the reliability of financial information
- e) Management team comprising of the principal, deputy principal, head of departments and staff meet regularly to consider issues of operational and strategic importance.
- f) Below are key features of the existing governance practices within the institutes which are revised and improved from time to time

2. Institutes BOG

- a) The BOG constitutes of chairman BOG and eight members who have been appointed in accordance to the TVET Act 2013, which meets formally at least three times a year and or any other time when need arises
- b) BOG Is responsible for setting the direction of the institute through establishment of strategic information, policies and approval of budgets. It monitors implementation of the above through structured approach of reporting by the management and accountability.
- c) The BOG is actively involved and bring strong independent judgement on its deliberations and discussions
- d) The BOG members have diverse skill set, wide range of knowledge and experience of the institute in objectives and decision making.
- e) The BOG meets regularly and retains full and effective control over the institutes in all strategic financial operation and compliance areas

3. Related Party Disclosure

Related parties for the purposes of this report include:

- a) The Government
- b) The Board of Governors
- c) The Management



VIII. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A: Operational and Financial Performance

Nairobi Technical Training Institute operational and financial performance

NTTI is a public institution which relies on government funding and fees paid by students. It's not a profit making institution. Due to the reduction of grants from GOK it is not able to fully meet its obligations this resulting to large amounts in arrears bills.

SECTION B: Compliance with Statutory Requirements

Nairobi Technical Training Institute compliance with statutory requirements

Nairobi Technical Training Institute complies to deduction and remittance of statutory deductions such NHIF, NSSF

SECTION C: Key Projects and Investment Decisions

Key projects and investment decisions Nairobi Technical Training Institute is planning/implementing

PROJECT NAME

1. Construction of Health Science block Nairobi TTI
2. Construction of Narok TTI
3. Gilgil Technical & Vocational College
4. Ol Kalau Technical & Vocational College
5. Six (6) Class rooms

FUNDING

Government financed (MOE)
Government financed (MOE)
Government financed (MOE)
Government financed (MOE)
BOG FINANCED

- The above Projects are funded through recommendation by the director of TVET
- The viability and sustainability of the above projects will depend on Government funding.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

SECTION D: Financial and Management Risks

Major risks facing the entity

- Inadequate funding by the ministry of education- on capitation/operation and development grant
- Delayed funding
- Poor fees payments
- Untimely marketing due to late funding
- Due to limited capacity, it is not possible to increase the number of students as expected.
- Reduced funds flow in Term 2 2020 due to the closure on the Institution in March 2020 owing to the COVID-19 Pandemic

Due to the above factors the institution is facing serious challenges in meeting its operations obligation fully resulting to pressure from creditors.

SECTION E: Material arrears in Statutory and Financial Obligations

Material arrears in statutory/financial obligations

1. Pending bills for the financial year 2019/2020
2. Deficit on budget financial year 2019/2020

SECTION F: Governance

The entity's financial probity and serious governance issues

There were no serious governance issues reported during the year under review.



IX. CORPORATE SOCIAL RESPONSIBILITY / SUSTAINABILITY REPORTING

Nairobi TTI being a public entity embraces the policy of the corporate social responsibility (CSR) through engaging itself with the following social responsibility:

- i. Financial support to needy students through coordinating bursary, HELB loans, support sustainability and sponsorship to students where possible as well work study programme.
- ii. Offering both social and economic support to external community through provision of casual labour opportunity and suppliers when opportunities arises
- iii. Environmental activities like, planting of trees
- iv. Offering careers advices to students.
- v. Offering internship and industrial attachment to youth from surrounding community institutions in Kenya.

1. Sustainability strategy and profile -

a. Organisational Sustainability

This strategy focuses on achieving financial, environmental organisational and institutional sustainability within the institute

b. Financial sustainability

The institute has diversified the sources of revenue which include; school fees, rentals and production unit program.

c. Environmental sustainability

The institute embraces the use of environmentally friendly methods in waste disposal. The strategies are targeted at protecting and improving the environment.

d. Organisational and institutional sustainability

Organisational and institutional sustainability aims at achieving and maintaining sustainability. This is addressed from various viewpoints that include community engagement, having in place a risk management framework and implementation of strategies to mitigate the defined risks.

2. Environmental performance

a. Greening TVET

- ✓ greening the institution
- ✓ greening the curriculum
- ✓ greening research
- ✓ greening the culture
- ✓ greening the community

b. Solid Waste management

- ✓ disposal of wastes
- ✓ policies on re-cycling

c. Emission control

- ✓ control on gases emitted to the environment



- d. Adoption of Environmental sustainability guidelines issued by NEMA and adherence to environmentally friendly operational practices within the institute.

3. Employee welfare

The Institute with the support of the Board Members has developed the following policies to guide its operations: -

- Scheme of service for BOG Staff.
- Career progression guidelines for BOG Staff.
- Motivation Policy for both Staff and Students.
- Production Unit Policy.
- ICT policy
- Gender Mainstreaming and Youth Empowerment Policy.

4. Market place practices-

(A) RESPONSIBLE COMPETITION PRACTICE

- (i) Anti -corruption
 - a. Student fees: The institute charges the students fees as per the guidelines from the Ministry of Education. The fees charged is Ksh. 56,420 as capped by the Ministry of Education.
 - b. The admission process is transparent and the institute has introduced online admission to ensure effectiveness and transparency. This helps to ensure that there is integrity in the admission process.
- (ii) Political involvement
 - a. The institute liaises with the area leadership for community service where cleaning the area around the institute is done Participation in trade fairs/ robotics: The institute participates in trade fairs where the students show case their talents and this enhances responsible competition within the students.
 - b. During the graduation ceremonies, the institute invites the local leadership to interact with the graduands and the NTTI community.
- (iii) Fair competition
 - a. The institute acquires the curriculum and syllabus from Kenya Institute of curriculum development (KICD) and CDACC to ensure that what is offered at NTTI is similar to what is offered in other institutions.
 - b. Entry criteria for the program and the entry requirements for the students are clearly defined. i.e. Mean grade c- for Diploma students, D+ for Certificate students and KCSE for artisan. This allows the institute to have a fair competition with the universities who require students to have a mean grade of c to access university education.
 - c. The institute participates in trade fairs which are organized by KATTI for all TVET Institutions. The students are encouraged to compete with other students from other institutions. This encourages the students to solve diverse issues in the industry.
- (iv) Respect for competitors



- a. Mutual beneficial relationships: - The institute undertakes benchmarking with other institutions so as to offer quality service to the trainees and to assist one another to better improve.
- b. The students are placed by KUCCPS and the institute ensures that when student seek for transfers from other institutions to NTTI, there is correspondence from the institution that the student wishes to leave so as to ensure that there is mutual understanding.

(C) RESPONSIBLE MARKETING AND ADVERTISEMENT

- (i) Efforts to maintain ethical marketing practices
 - a. The institute openly advertises in the print and electronic media for all the courses offered in the institution so as to ensure transparency and integrity in the admission process.
 - c. The institution only advertises for the courses that are being offered during the intake to ensure that students do not apply for courses that are not available in the institute.
 - d. The institute ensures that information given during the advertisement is current and not misleading to the prospective students so that they are able to make informed choices on the courses that they want to undertake.
 - e. Brochures with well explained courses and their requirements are issued to prospective students before the intakes to give adequate time for the parents/guardians and students to prepare for the admission.

(D) PRODUCT STEWARDSHIP

- (I) Efforts to safeguard consumer rights and interests
 - a. The institute has a complaints procedure and complaints registers at various offices.
 - b. A complaints line has been established in the institute (0717764444)
 - c. There is proactive disclosure of information by ensuring that information is given through the institutes website, brochures, print and electronic advertisement
 - d. Requests by customers for information on admission and courses is done through e – mail, telephone call and letters. The institute has ensured an active e-mail address nairobitechnical@gmail.com and the telephone line 0721233394.
 - e. There is a service charter that is prominently displayed at the institute’s entrance and at various points and offices within the institute. Where the customers are encouraged to report to the CAJ and EACC in case their rights and interests are not met by the institution.

5. Community Engagements-

The Institute has continuously engaged the community in matters of corporate social responsibility (CSR).

In November 2019, the Institute participated in a major clean up exercise that involved rehabilitating the Mogira Rd roundabout as well as cleaning the neighborhood of the Institute.

Further, in the Institute engaged Rescue Dada Centre, a home for the less fortunate female adults in providing food, clothes as well as internship for some of the victims.



X. REPORT OF THE BOARD OF GOVERNORS

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

Principal Activities

The principal activities of the institution are to train competent Human Resource for social economic development at TVET level.

Results

The results of the entity for the year ended 30 June, 2020 are set out on page 1


BOARD OF GOVERNORS


The members of the Board members who served during the year are shown on page vii. During the year 2019/2020 Alice M. Shivogo Kasibwa (Mrs.) retired as the Chair of the Board in March 2020 and Gordon Z. Oyomno was appointed with effect from 12TH MAY 2020

Auditors

The Auditor General is responsible for the statutory audit of **Nairobi Technical Training Institute (NTTI)** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act for the year ended June 30, 2020 in accordance to section 23 of the Public Audit Act, 2015.

By Order of the Board


.....
Glory K. Mutungi (MRS)
Chief Principal/Secretary BOG

Date: 
.....



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 Nairobi Technical Training Institute (NTTI), which give a true and fair view of the state of affairs of the institute at the end of the financial year/period and the operating results of the institute for that year/period. The Board members are also required to ensure that the institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the institute. The Board members are also responsible for safeguarding the assets of the institute.

The Board members are responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year (period) ended on June 30, 2020.

This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 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 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 institute's financial statements give a true and fair view of the state of institute's transactions during the financial year ended June 30, 2020, and of the institute's financial

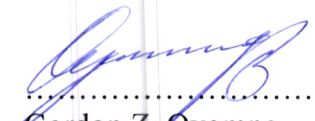



position as at that date. The Board members further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the institute's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The institute's financial statements were approved by the Board on 17th September 2020 and signed on its behalf by:


.....
Gordon Z. Oyomno
Chairman of the Board


.....
Glory K. Mutungi (MRS)
Accounting officer/Principal



**NAIROBI TECHNICAL
TRAINING INSTITUTE**

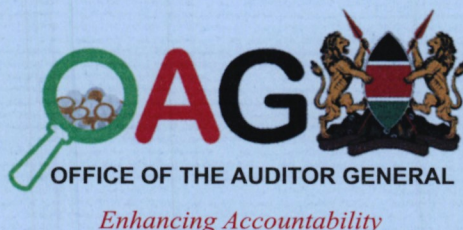
Excel in Business, Science and Technology

ISO 9001 : 2015 CERTIFIED INSTITUTION

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDING 30 JUNE, 2020**

REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Nairobi Technical Training Institute set out on pages 1 to 34, which comprise the statement of financial position as at 30 June, 2020, 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 effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Nairobi Technical Training Institute as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Property, Plant and Equipment

As previously reported, the statement of financial position as at 30 June, 2020 reflects property plant and equipment balance of Kshs.3,305,573,747. Included in this balance are various assets valued at Kshs.3,316,686,400 whose valuation reports were not provided for audit review. Further, the existence of the assets could not be confirmed because the Institute did not maintain a complete fixed assets register. This was contrary to Section 143(1) of the Public the Finance Management Act (National Government) Regulations, 2015 which requires the Accounting Officer to maintain a register of assets under his or her control or possession with proper identification details.

In the circumstances, the accuracy, completeness and ownership of property plant and equipment balance of Kshs.3,305,573,747 as at 30 June, 2020 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgeting Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amount of Kshs.625,372,000 and Kshs.350,184,907 respectively resulting to an under-collection of Kshs.275,187,093 or 44% of the budget. Management attributed the under collection to the budget for development which was not received and the closure of the institution by the Government due to the Covid-19 pandemic.

Similarly, the Institute incurred expenditure of Kshs.355,212,848 against an approved expenditure budget of Kshs.532,352,120 resulting to an under-expenditure of Kshs.177,139,272 or 33% of the budget. The underperformance affected the planned activities and may have impacted negatively on service delivery to the stakeholders and 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

12 October, 2021



**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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

		2020	2019
		Kshs	Kshs
REVENUE	Note		
Revenue from non-exchange transactions			
Transfers from the National Government	6	189,445,000	91,329,628
		189,445,000	91,329,628
Revenue from exchange transactions			
Rendering of Services - Fees from students	7	158,282,408	271,029,019
Rental revenue from facilities and equipment	8	296,350	-
Other Income	9	2,161,149	7,977,003
		160,739,907	279,006,022
Total revenue		350,184,907	370,335,650
EXPENSES			
Use of Goods and Services	10	141,697,195	113,420,578
Employee Costs	11	48,094,676	38,359,554
Remuneration of Board Members	12	5,810,697	4,603,930
Depreciation and Amortization Expense	20	48,221,615	42,137,232
Repairs and Maintenance	13	7,427,425	14,267,988
Contracted Services	14	523,917	4,472,004
Finance Costs	15	714,144	-
Mentoring Institutions expenses	16	88,539,223	21,793,499
Total Expenses		341,028,892	239,054,785
Net Surplus / (Loss) for the Year		9,156,015	131,280,865

The notes set out on pages 6 to 29 form an integral part of the Financial Statements

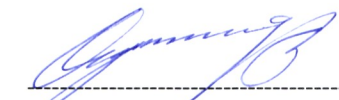


**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**


XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020


	Note	2020 Kshs	2019 Kshs
Assets			
Current assets			
Cash and cash equivalents	17	247,570,631	147,380,151
Current portion of Receivables from exchange transactions	18	51,749,254	100,411,923
Inventories	19	3,153,185	2,352,338
Total Current Assets		302,473,070	250,144,412
Non-current assets			
Property, plant and equipment	20	3,305,573,747	3,295,177,291
Total Non-Current Assets		3,305,573,747	3,295,177,291
Total Assets		3,608,046,817	3,545,321,703
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	71,795,154	18,226,055
Total liabilities		71,795,154	18,226,055
Net Assets		3,536,251,663	3,527,095,648
Capital Reserves & Surpluses			
Accumulated Surpluses	23	188,947,938	179,791,923
Capital Fund	24	3,347,303,725	3,347,303,725
Total Capital Reserves & Surpluses		3,536,251,663	3,527,095,648
Total Reserves and liabilities		3,608,046,817	3,545,321,703

The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Governors by:


Gordon Z. Oyomno
Chairman of Board of Governors

Date..... 30/9/2020.....


Clement Amukhuma
Senior Finance Officer
ICPAK No. 17593
Date 30/9/2020.....


Glory K. Mutungi
Chief Principal
Date..... 30/9/2020.....



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

XV. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

Reserves	Revenue Reserves	Capital Reserves	Deferred Income	Total
	Kshs	Kshs	Kshs	Kshs
Balance as at 1 July 2018	48,511,058	19,134,322	-	67,645,380
Revaluation				
Fair value adjustment on Capital/Valuation surplus	-	3,316,686,400		3,316,686,400
Surplus for the year	131,280,865			131,280,865
Capital/Development Grants received during the Year		11,483,003		11,483,003
Balance as at 30 JUNE 2019	179,791,923	3,347,303,725	-	3,527,095,648
Balance as at 1 July 2019	179,791,923	3,347,303,725	-	3,527,095,648
Revaluation				
Fair value adjustment on Capital/ Valuation surplus	-	-		-
Surplus for the year	9,156,015			9,156,015
Capital/Development Grants received during the Year				-
Balance as at 30 JUNE 2020	188,947,938	3,347,303,725	-	3,536,251,663



**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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

	Note	2019/2020	2018/2019
Cash flows from operating activities			
Receipts			
Transfer from other Government entities/Gov. grants	6	189,445,000	91,329,628
Rendering of Services - Fees from Students	7	158,282,408	271,029,019
Rental revenue from facilities and equipment	8	296,350	0
Other income	9	2,161,149	7,977,003
Total Receipts		350,184,907	370,335,650
Payments			
Use of Goods and Services		139,409,695	113,420,578
Compensation to Employees	11	48,094,676	38,359,554
BOG Members Expenses	12	5,810,697	4,603,930
Repairs and Maintenance	13	7,427,425	14,267,988
Contracted Services	14	523,917	4,472,004
Finance Costs	15	714,144	0
Mentoring Institution expenses	16	88,539,223	21,793,499
Total Payments		290,519,777	196,917,553
		59,665,130	173,418,097
Adjusting for working capital changes			
(Increase)/Decrease in Inventories	19	(800,847)	(2,352,338)
Increase/(Decrease) in Other Payables	21	53,569,099	16,789,387
Decrease (Increase) in Receivables	18	48,662,669	(82,570,741)
Net movement in working capital		101,430,921	(68,133,692)
Net cash flows from operating activities		161,096,051	105,284,405
Cash flows from financing activities			
Grants for Development	24		11,483,003
Net cash flows used in financing activities		0	11,483,003
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	20	(49,312,419)	(6,792,780)
Work in Progress for the Year	20	(13,093,152)	
Proceeds from sale of property, plant and Equipment		1,500,000	0
Net cash flows used in investing activities		(60,905,571)	(6,792,780)
Net increase/(decrease) in cash and cash equivalents		100,190,480	109,974,628
Cash and cash equivalents at the beginning of the Year		147,380,151	37,405,523
Cash and cash equivalents at end of the year		247,570,631	147,380,151



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020	Original budget	Adjustments		Final budget	Actual on comparable basis	Performance difference	% Change
		2019-2020	2019-2020				
REVENUE	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	
Transfers from National Government Ministries	288,000,000			288,000,000	189,445,000	98,555,000	34%
Revenue from Rendering of Services	331,372,000			331,372,000	158,282,408	173,089,592	52%
Rental Revenue from Facilities & Equipment	2,000,000			2,000,000	296,350	1,703,650	85%
Other Income	4,000,000			4,000,000	2,161,149	1,838,851	46%
Total revenue	625,372,000	-	-	625,372,000	350,184,907	275,187,093	
EXPENSES							
Use of Goods and Services	163,984,058	-	-	163,984,058	141,697,195	22,286,863	14%
Employees Costs	54,368,062	-	-	54,368,062	48,094,676	6,273,386	12%
BOG Members Expenses	6,000,000	-	-	6,000,000	5,810,697	189,303	3%
Repairs and Maintenance	12,000,000			12,000,000	7,427,425	4,572,575	38%
Mentoring Institutions	100,000,000			100,000,000	88,539,223	11,460,777	11%
Contracted Services	5,000,000			5,000,000	523,917	4,476,083	90%
Finance Costs	1,000,000			1,000,000	714,144	285,856	29%
Development Expenses	190,000,000			190,000,000	62,405,571	127,594,429	67%
Total Expenditure	532,352,120	-	-	532,352,120	355,212,848	177,139,272	
Surplus/(Deficit) for the Period	93,019,880	-	-	93,019,880	-5,027,941	98,047,821	

Variance Explanation

- The performance differences were as a result of the disruptions caused by the COVID-19 Pandemic.
- The development expenditure variance was due to failure by the government to release the development grant yet it was budgeted for.
- Mentoring institution projects were also not funded during the year by the Government



XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Nairobi Technical Training Institute (NTTI) is under the Ministry of Education, State department of Technical and Vocational Training. In line with Technical and Vocational Education Training (TVET) Act of 2013 the institute has continually imparted its trainees with the necessary knowledge and skills for social economic development in business, science and technology.

The mandate of the institution is to train competent Human Resource for social economic development at TVET level. The institute's strategic obligations revolve around promoting Technical Training through access to quality training.

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 where applicable. 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 college's accounting policies.

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

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. Nairobi Technical Training Institute (NTTI) did not apply this standard in the preparation of the accounts under review.

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • 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;



**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>Nairobi Technical Training Institute (NTTI) did not apply this standard in the preparation of the accounts under review.</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p>Nairobi Technical Training Institute (NTTI) did not apply this standard in the preparation of the accounts under review.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.



Standard	Effective date and impact:
Other Improvements to IPSAS	Applicable: 1st January 2021: a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

iii. Early adoption of standards

The Nairobi Technical Training Institute did not early – adopt any new or amended standards in year 2020.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2019/2020 was approved by the Council or Board June
There were no subsequent revisions made to the original budget for the year 2019/2020

Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

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

c) Taxes

Current income tax

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

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

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

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets



with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

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

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

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

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

g) Intangible assets

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

h) Research and development costs



ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

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

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

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity



ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

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

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

Financial liabilities

Initial recognition and measurement

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

Loans and borrowing

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

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



i) Inventories

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

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

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

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

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

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

j) Provisions

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

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

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

Contingent liabilities

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



Contingent assets

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

k) Nature and purpose of reserves

Nairobi Technical Training Institute has not created or maintained any reserves during the year under review.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign



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

o) Borrowing costs

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

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

p) Related parties

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

q) Service concession arrangements

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

r) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank



**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

s) Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 37



**NAIROBI TECHNICAL
TRAINING INSTITUTE**

Excel in Business, Science and Technology

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**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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



**6 TRANSFERS FROM NATIONAL
GOVERNMENT MINISTRIES**

Unconditional Grants

	2020	2019
	KSH	KSH
NNTI Operational Grant		7,000,000
Kasarani TVC Operation		3,935,000
Wajir TVC Operations	1,000,000	2,000,000
Kamukunji TVC Operations	1,000,000	
Capitation	167,445,000	
	169,445,000	12,935,000

Conditional Grants

Narok South TVC		18,394,628
Gilgil Technical & Vocational College	10,000,000	20,000,000
Ol Kalau Technical & Vocational College	10,000,000	20,000,000
Furniture to TTI's		20,000,000
GOK Development Funding		
	20,000,000	78,394,628
Total Grants and Subsidies	189,445,000	91,329,628

7 RENDERING OF SERVICES

	2020	2019
	KShs	KShs
Tuition Fees	76,832,281	126,350,518
Electricity, Water & Conservancy (EWC)	9,233,313	13,160,660
Personal Emoluments (PE)	25,359,078	46,035,601
Local Transport & Travel (L.T.& T)	7,828,677	11,151,302
Repairs, Maintenance & Improvement (RMI)	5,379,892	12,067,501
Activity Fees	10,134,241	30,960,353
Students Registration	973,436	1,816,249
Students Levy	1,150,706	1,744,438
Caution Money	1,852,400	4,160,685
Students ID Cards	389,855	735,494
KUCCPS Registration	2,509,156	1,721,351
HELB Smart Cards	1,184,316	541,523
Development Fund	15,455,056	20,583,344
Total	158,282,408	271,029,019



**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	KShs	KShs
8 RENTAL REVENUE FROM FACILITIES AND EQUIPMENT		
Straight-line operating lease receipts	-	-
Contingent Rentals	296,350	-
Total Rentals	296,350	-
	2020	2019
	KShs	KShs
9 OTHER INCOME		
Insurance Recoveries	-	84,293
Disposal of Idle Assets		5,830
Production Units		6,295,642
Library		1,473,175
KNEC Materials		118,063
Graduation Fees	1,058,800	
Application Fees	1,102,349	
Total Other Income	2,161,149	7,977,003
	2020	2019
	KShs	KShs
10 USE OF GOODS AND SERVICES		
Loss of disposal of Bus	2,287,500	-
Increase in provision for bad debts	2,723,645	-
Electricity Expenses	2,156,120	4,269,164
Water, Fuel And Conservancy	1,742,159	-
Servicing & Maintenance of Generator	1,425,934	1,800,000
Marketing	3,068,870	4,330,000
School Equipment & Stores (SES)	22,218,789	23,262,731
Local, Transport & Travel (L.T.& T)	8,339,357	12,360,377
Students Activity	5,551,560	5,500,000
TVET Activities (Innovation & Robotics)	4,372,384	2,951,753
Insurance	-	699,300
Stationery Expenses	24,064,138	10,134,729
Staff Development	10,068,456	10,810,012
Performance Contract	4,367,316	8,452,424
Security Services	2,382,000	2,508,000
ISO 9001:2015 Quality Management System	2,243,650	3,258,825



**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Graduation	4,912,738	-
Students Levy	1,535,560	2,290,150
Students Id Cards	480,255	632,834
KUCCPS Registration	3,165,500	
HELB Smart Cards	325,000	1,990,000
Attachment Expenses		1,359,425
Production Units		10,644,778
Newspapers		302,400
Food Items		3,305,779
Cleaning Materials		612,397
Caution Money		1,445,500
Audit Fees	500,000	500,000
NTTI Examination	1,916,023	
Tuition Expenses	31,850,241	
	141,697,195	113,420,578
11 EMPLOYEE COSTS	2020	2019
	Kshs	Kshs
Salaries and Wages-Non-Training staff	30,432,586	38,359,554
Salaries and Wages-BOG Training staff s	17,662,090	
Total Staff Costs	48,094,676	38,359,554
12 BOG MEMBERS EXPENSES	2020	2019
	KShs	KShs
Sitting Allowances	1,630,825	3,019,700
Transport	80,000	250,000
Accommodation	1,286,502	724,063
Training Expenses	2,813,370	348,056
Other Expenses	-	262,111
Total Staff Costs	5,810,697	4,603,930
13 REPAIRS AND MAINTENANCE	2020	2019
	KShs	KShs
Property repairs	7,427,425	14,267,988



**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	Total Repairs and Maintenance	7,427,425	14,267,988
		2020	2019
		KShs	KShs
14	CONTRACTED SERVICES		
	Property valuations	-	-
	Other Services	523,917	4,472,004
	Total Contracted Services	523,917	4,472,004
15	FINANCE COSTS	2020	2019
		KShs	KShs
	Bank Charges (current Accounts)	714,144	-
	Total Finance Costs	714,144	-
16	MENTORING INSTITUTIONS	2020	2019
a	Operations	KShs	KShs
	Kasarani TVC Operations		3,925,000
	Wajir South TVC Operations	2,041,780	1,469,000
	Oi Kalau TVC	25,100,670	
	Gilgil TVC	25,099,474	
	Narok South TTI Operations	15,673,228	16,399,499
	Kamukunji TVC Operations	420,691	
		68,335,843	21,793,499
b	SUPERVISION OF PROJECTS		
	Narok TVC	269,200	-
	Oi Kalau TVC	290,580	-
	Gilgil TVC	317,000	-
		876,780	-
c	Purchase of Furniture for TTI's	19,326,600	
	Totals	88,539,223	21,793,499
		2020	2019



17 CASH AND CASH EQUIVALENTS	KShs	KShs
Current Account	183,718,675	134,011,364
Savings Accounts	63,768,060	13,322,244
Others (Specify)	83,896	46,543
Total Cash and Cash Equivalents	247,570,631	147,380,150
	2020	2019
17 (a) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS	KShs	KShs
(a) Current Account		
Kenya Commercial Bank -		
: 1107678412	52,290,992	35,976,072
National Bank - Main Account I		
01003002837301	109,933,022	74,632,341
- Fund Account II		
: 01003002837300	2,959,062	10,429,690
Equity Bank Limited		
: 0910263423332	641,426	1,297,272
Cooperative Bank of Kenya Limited		
: 01129070020700	235,814	11,675,989
Olkalau Techn. & Voc. College		
: 1260303470	7,379,595	
Narok Tech, Voac. College		
: 1260306356	1,848,750	
Gilgil Tech. & Voc. College		
: 1260304280	8,430,014	
Sub-Total	183,718,675	134,011,364
(b) Savings Accounts		
National Bank - Rental Savings		
: 01241003414500	3,948,654	1,344,093
- NTTI AC Fund		
: 01241003414700	351,472	456,428
- Caution Money A/C		
: 01242003387600	8,256,273	2,256,272
- NTTI Exams AC		
: 01241003414800	51,211,661	9,265,451
Sub - Total	63,768,060	13,322,244
	2020	2019
(c) Others (Specify)	KShs	KShs
Cash in Hand	83,896	46,543



**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

M-pesa		
Sub - total	83,896	46,543
Grand Total	247,570,631	147,380,151
18 RECEIVABLES FROM EXCHANGE TRANSACTIONS	2020	2019
	KShs	KShs
Current Receivables		
Student Debtors	54,472,899	34,670,421
Wajir TVC		
Administration Block	-	5,741,502
Gilgil TVC	-	20,000,000
OIKalau TVC	-	20,000,000
Furniture to TTIs	-	20,000,000
Sub - Total	54,472,899	100,411,923
Less Impairment Allowance (5%)	2,723,645	
Total Receivables from Exchange Transactions	51,749,254	100,411,923
19 INVENTORIES	2020	2019
	KShs	KShs
Consumable Stores	3,153,185	2,352,340
Catering Stores	-	-
Total Inventories at Lower of Cost and net realizable Value	3,153,185	2,352,340

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

20. Property, Plant and Equipment										
	Land	Buildings & infrastructure	Plant, Machinery and Equipment	Motor Vehicles	Computers	Furniture	Intangible Assets	Work in Progress	Total	
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Depreciation Rate		2.00%	10.00%	25%	30%	10.00%	30%			
COST										
Cost as at 1st July 2019	2,600,000,000	450,000,000	258,785,343	16,450,000	5,005,000	2,387,780	4,686,400	-	3,337,314,523	
Additions for the Year										
for the Year		16,028,920	9,222,459	20,040,000	844,770	561,270	2,615,000	13,093,152	62,405,571	
Valuations for the Year										
Disposals in the Year				(5,050,000)					(5,050,000)	
Cost as at 30 June 2020	2,600,000,000	466,028,920	268,007,802	31,440,000	5,849,770	2,949,050	7,301,400	13,093,152	3,394,670,094	
Depreciation As at 1st July 2019										
Disposal		9,000,000	25,878,534	4,112,500	1,501,500	238,778	1,405,920		42,137,232	
Charge for the year				(1,262,500)					(1,262,500)	
Depreciation as at 30 June 2020		9,320,579	26,800,780	7,860,000	1,754,931	294,905	2,190,420		48,221,615	
		18,320,579	52,679,314	10,710,000	3,256,431	533,683	3,596,340		89,096,347	
Net Book Value as at 30th June 2020	2,600,000,000	447,708,341	215,328,488	20,730,000	2,593,339	2,415,367	3,705,060	13,093,152	3,305,573,747	
Net Book Value as at 30 June 2019	2,600,000,000	441,000,000	232,906,809	12,337,500	3,503,500	2,149,002	3,280,480	-	3,295,177,291	



21 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		2020	2019
		KShs	KShs
	Trade Payables	-	7,455,646
	Fees Paid in Advance	62,530,911	-
	Examination Fees Savings		9,265,451
	Provision for Audit Fees	1,000,000	500,000
	Narok TVC-Retention	1,448,750	1,004,958
	Gilgil TVC retention	2,509,948	-
	Oi Kalau TVC retention	2,510,067	-
	Six Class Rooms retention	486,163	-
	Health & App. Sc./Admin. Complex retention	1,309,315	-
	Total Trade and Other Payables	71,795,154	18,226,055
22 CASH GENERATED FROM OPERATIONS		2020	2019
		KShs	KShs
	Surplus for the Year before Tax	9,156,015	131,280,865
	Adjusted for:		
	Depreciation	48,221,615	42,137,232
	Gains and losses on disposal of assets	2,287,500	-
	Working Capital Adjustments		
	(Increase)/Decrease in Inventory	(800,847)	(2,352,338)
	Increase/(Decrease) in Receivables	53,569,099	16,789,387
	Increase/(Decrease) in Payables	48,662,669	(82,570,741)
	Net Cashflow from operating Activities	161,096,051	105,284,405
23 Revenue Reserves		2020	2019
		Kshs	Kshs
	Reserves brought forward	179,791,922	48,511,058
	(Deficit) /Surplus for the Year	9,156,015	131,280,864
	Reserves carried forward	188,947,937	179,791,922
24 Capital Reserves		2020	2019
		Kshs	Kshs
	Reserves brought forward	3,347,303,725	19,134,322
	Valuation Reserve		3,316,686,400
	Development grant	-	11,483,003
	Reserves carried forward	3,347,303,725	3,347,303,725



APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Property, plant and equipment- Balance unsupported	Management has invited the ministry of public works to value the assets	Principal	Unresolved	

Guidance Notes:

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

GLORY K. MUTUNGI (MRS)

CHIEF PRINCIPAL/SECRETARY BOG

Date.....20/9/2020.....

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

	Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements
1	Construction of Health Science block		GOK/BOG	52WEEKS			YES
2	Construction of Narok TVC		GOK	100WEEKS			YES
3	Construction of Gilgil TVC		GOK	52			YES
4	Construction of Olkalou TVC		GOK	52			YES
5	Construction Six(6) classrooms		BOG	52			YES
6	Extension of six(6) classroom		BOG	3MONTHS			YES

Status of Projects completion



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	42,548,591.30	13,093,152.00	27.69			GOK/BOG
2	54,449,162.00	54,449,162.00	100.00	54,449,162.00	54,44,162.00	GOK
3	60,342,782.00	25,099,475.00	41.59			GOK
4	52,340,940.00	25,100,670.00	43.16			GOK
5	9,723,260.00	9,723,260.00	100.00	9,723,260.00	9,729,260.00	BOG
6	4,157,541.00	4,157,541.00	70.00			BOG



APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the State Department for Vocational and Technical Training				
FY 2019/2020				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		08.10.2019	40,552,500.00	2019/2020
		10.06.2020	71,077,500.00	2019/2020
		03.07.2020	55,815,000.00	2019/2020
		Total	167,445,000.00	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		10.04.2020	10,000,000.00	2019/2020
		10.06.2020	10,000,000.00	2019/2020
		Total	20,000,000.00	

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

Clement Amukhuro

Finance Officer

Nairobi Technical Training Institute

Sign

[Signature]

Head of Accounting Unit

State Department for Technical

And Vocational Training.

Ministry of Education

Sign

[Signature]



APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

6 B) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES						
Name of the Entity Sending the Grant	Amount Recognized to Statement of Comprehensive Income	Amount Deferred under deferred Income	Amount Recognized in Capital Fund	Total Grant Income During the Year	Prior Year 2019/2020	
State Dept. for VT	169,445,000	65,059,371	20,000,000	189,445,000	91,329,628	