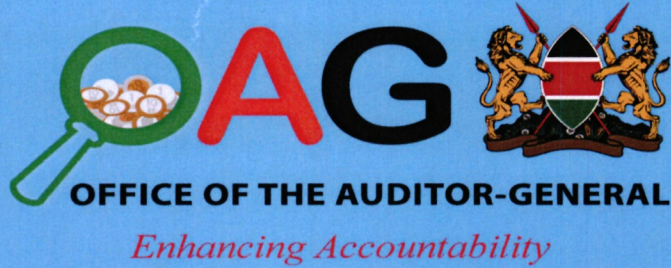


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THE AUDITOR-GENERAL

ON

JEREMIAH NYAGAH TECHNICAL INSTITUTE

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



JEREMIAH NYAGAH TECHNICAL INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2022

Jeremiah Nyagah Technical Institute

Annual Report and Financial Statements for the year ended 30th June 2022

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Jeremiah Nyagah Technical Institute

Annual Report and Financial Statements for the year ended 30th June 2022

1. Key Institute Information and Management

(a) Background information

Jeremiah Nyagah technical institute is a public Technical Institute under the State Department of Vocational and Technical Training In the ministry of Education. The institute was established in 1984 on a 38-acre Land donated by local community. This was made possible by the efforts of the late Hon.J.J.M Nyagah.

The institute derives its mandate from the Technical Vocational and Training Act of 2013. The management of the institute is under a Board of Governors appointed by the Cabinet Secretary, Ministry of Education.

The institute offers training in diploma, craft, and artisan certificate courses in science, engineering technology and business studies.

The principal is the secretary to the Board of Governors and Chief Executive Officer of the institute. The principal is in charge of the day to day running of the institute.

(b) Principal Activities

Mandate

The core mandate and functions of Jeremiah Nyagah Technical Institute as outlined in the strategic plan are to:

- (a) Offer training programs in science and technology through a developed curriculum;
- (b) Promote education through provisions of knowledge, skills and practical attitudes to trainees;
- (c) Diversify training programs in the area of TVET;
- (d) Develop income generating production units for self-sustainability;
- (e) Develop policy framework for collaboration with other institutions offering higher academic levels of education in science and technology;
- (f) Create a Centre of Excellence in various departments.

Vision

To become a Centre of Excellence for Vocational and Technical Training.

Mission

To provide Quality Vocational and Technical Training

Motto

Competence Through Technology

(c) Key Management

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

- (i) The principal who is the Accounting Officer
- (ii) Deputy Principal Administration
- (iii) Deputy Principal Academics

(d) Fiduciary Management

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

NO.	Designation	Name
1	Principal	Mr.Simon Charles Kivutih
2	Deputy Principal Administration	Mr Ismael Ndaru
3	Deputy Principal Academics	Mrs Wandia Kithenya
4	Dean Of Students	Mr Martin Njuguna
5	Curriculum/I.L.O	Mr. Paul Nthigah

(e) Fiduciary Oversight Arrangements**Executive Committee of the Board of Governors**

The executive committee of the Board of Governors help the Board in fulfilling its responsibilities with respect to accounting and management control, and also financial reporting. Specifically, the Executive Committee is responsible for overseeing:

- The internal controls and the work of external auditor,
- That the system of the management control in the Institute is robust and effective and protects the assets of the Institute on a reasonable and economic basis,
- Ensures that financial information is reliable and accurate,
- Monitors compliance with laws and regulations,
- Provides for proper authorization and recording of transactions.

Other Board of Governors Committee were formed on 28th August 2021 as listed below.

- Risk and Audit Committee
- Finance and development Committee
- Operations/Academic & Research Committee

Jeremiah Nyagah Technical Institute
Annual Report and Financial Statements for the year ended 30th June 2022

(f) Institute headquarters

P.O. Box 1264-60100
Along Embu-Kiritiri Road
2.5 kms off-Embu Kiritiri Road
Embu, Kenya

(g) Institute contacts

Telephone: (254)700334477
E-mail: rwikati@yahoo.com
Website:

(h) Institute bankers

1. ABSA Bank
Embu Branch
P.O. Box 60000
Embu, Kenya
2. Kenya Commercial Bank
Embu Branch
P.O BOX
EMBU
3. Equity Bank Of Kenya
Embu Branch
P.O.BOX
Embu,kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

II. The Board of Governors

No	Name	Date Of Birth	Key Qualifications	Work Experience	Membership	Committee
1.	Mr.Dominic Ileri Muriuki 	16/04/1966	-post graduate diploma in law -Bachelor of Law Degree -Bachelor in Economics and Business studies	-private law practice with D. Muriuki & co advocates	-current B.O.G chairperson	Executive
2.	Hon.Dr. Norman M.G.K NYagah 	15/09/1950	-Honorary Doctorate of philosophy in humanities -Bachelor Degree in Tourism and Hotel Management -Diploma in tourism	-Director of Treat-global international ltd -Director of private business in oil & gas industry	B.O.G Member	Executive Finance & Developmer
3.	Dr.Patrick W. Okanye 	1//1/1978	PHD in Natural Sciences (Biochemistry) MSc Bio-Chemistry BSc Biochemistry	Snr. Lecturer Technical University of Kenya	B.O.G Member	Risk & Audi Finance & Developmer
4.	Ms Teresiah Njoki Migua 	31/03/1975	Bcom. Marketing Diploma in Business Administration	Embu Equity Bank Branch Manager Branch manager K-rep bank (Sidian)	B.O.G Member	-Risk & Audit -Finance & Developmen

Jeremiah Nyagah Technical Institute
Annual Report and Financial Statements for the year ended 30th June 2022

5.	Mr.Eliud mwendia Kibuchi 	17/07/1975	-masters of science in civil engineering (structure option) -Bachelor degree in civil engineering	-Civil Engineer Director of Roads Kirinyaga County	B.O.G Member	Risk & Audit
6	M/s Mary Akoth 	1/01/1979	-Bachelor of science in Electrical Engineering	-consultancy services	B.O.G Member	Academic & Human Resource Committee.
7	Mrs.Jayne Mugambi 	27/09/1959	-B.e.d science Botany & Zoology -Masters Agricultural Entomology	B.O.G Member and County Government of Embu Representative	B.O.G Member	Academic & Human Resource Committee.
8	Ken Wayne Mutuma	- During the time of reporting the member had not submitted his personal details.	-	-	-Attended only one meeting and had shown interest to resign as a BOG member.	Academic & Human Resource Committee.
9	Mr.Simon Charles kivutiuh 	29/09/1965	-Master's in Business Administration (HRM Option) B.e.d (Arts) Economics and Business Studies	-Principal Jeremiah Nyagah Technical Institute	B.O.G Secretary	Principal

III. Management Team

NO	NAME	ACADEMIC QUALIFICATIONS	RESPONSIBILITY
1	Mr. Simon Charles Kivutih 	-Masters in Business Administration (HRM Option) B.e.d (Arts) Economics and Business Studies	Principal
2	Mr. Ishmael Ndaru 	-Degree in Project management	Deputy Principal Administration
3	Mrs. Wandia Kithenya 	-B.S.C Agriculture Education and Extension	Deputy Principal Academics

Jeremiah Nyagah Technical Institute
Annual Report and Financial Statements for the year ended 30th June 2022

IV. Chairman's Statement

The Board of Jeremiah Nyagah Technical Institute is quite focused in delivering its mandate. In its deliberations and operations it ensures the management is able to meet the target as per performance contract cycle and the work plans

Continuous consultations and monitoring is the mainstay of the board for timely competition of projects and also give encouragement in case of difficulties.

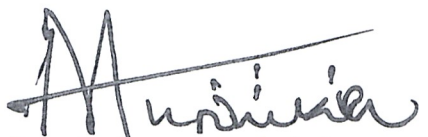
The college has struck quite good relationship with stakeholders and neighbours due to open door policy the Board operates so that 'all ears and eyes' are on everyone. Its quite fascinating on the Board's observance of 'you are so I am'.

The above modis operandi ensured the institute was connected to tarmac road courtesy of Embu county Government.

The institute projects to lobby for funds to facilitate cabro paving to the institute gate from the stretch tarmacked.

Stakeholders answered the call to put up private hostels, where college students hire out due there being no enough hostels in the institute.

Long Live JNTI.



Board of governors' chairperson

Mr.Dominic Ileri Muriuki.

V. Report of the Principal

Jeremiah Nyagah Technical Institute is on a trajectory path, courtesy of a well-planned development plan both physical and human resources.

The management from the onset had identified the decade of 2015 to 2025 as the institute 'DECADE' where the college would grow in terms of physical infrastructure and human population for students(Trainees) and Trainers (Lecturers) and members of support staff.

Institute strategic plan for 2019/2020 to 2023/2024 amplifies the above intentions hence reasons for major infrastructure developments towards giving the college a 'NEW LOOK & BELIEVE SYSTEM' to assure the customers this is the college 'to be in'

The dawn of Financial year 2021/2022 was quite promising ,but the mood was quite dampened by delayed release of capitation funds more significantly the Government released a circular towards the end of the financial year notifying the TVET institutions that Forth Quarter of the Government Capitation would not be released.

The institute is on a recovery trend to the effects of covid -19 and we are of the believe that the institute will fully recover and be able to grow.

Jeremiah nyagah technical institute being a tertiary institution desires to enhance its visibility , performance and competitiveness in the tertiary education sector in the face of stiff competition. To do so the institute requires a lot from the government and other stakeholders.

On behalf of the institute Board of Governors and the top management , I take this opportunity to thank the Government for its support during the year under review. I also appreciate the financial and moral support of stakeholders ,collaborators partners and friends during the year under review.

I look forward to their continued support in the new financial year 2022/2023 and years ahead.



Principal/B.O.G Secretary
Mr.Simon Charles Kivutih

Jeremiah Nyagah Technical Institute
Annual Report and Financial Statements for the year ended 30th June 2022

VI. Statement of Performance Against Predetermined Objectives

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

Jeremiah Nyagah Technical Institute has 7 strategic pillars and objectives within its Strategic Plan for the FY 2019/2020 to 2023/2024. These strategic pillars are as follows:

1. To provide adequate, modern and a working infrastructure for quality service delivery
2. To produce quality and globally competitive holistic graduates
3. To promote and entrench into the institute a culture of scientific research and innovation that supports development
4. To boost student enrolment and retention
5. To promote production units for income generation
6. To create and deepen collaborations, partnerships and linkages beneficial to the institute
7. To improve and enhance trainee welfare

Jeremiah Nyagah Technical Institute develops its annual work plans based on the above 7 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The board achieved its performance targets set for the FY 2021/2022 period for its 7 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Modern and Working Infrastructure	To construct a tuition block to accommodate 1000 students	The proposal is with the Ministry of Education for direction and action.	Preparation of Bill of Quantities and drawings	Work in progress.
Quality and Globally Competitive Graduates	Attach all 950 students to relevant field of study for hands on training	All the 950 students were successfully attached and assessed	Trainers Visited all the 950 attaches	Achieved.
Scientific research and Innovation	Complete Multipurpose complex	Multi-purpose Complex 100% Complete	100% complete	100% Complete.
Student enrolment and retention	To increase the student population to a minimum of 5,000 students	Customer satisfaction and retention	Marketing of institution to the neighbouring counties	Number of students increased from 2,500 to 3,100.
Production Units for income generation	Install 100 Beehives(apiary)	Bill of Quantity Stage	Work in Progress	Not Achieved

Collaborations, Partnerships and Linkages	Collaborate with: 1. Kenya Commercial Bank	Collaborated with Kenya Commercial Bank for short courses training of 100 students.	100 Students from Kenya Commercial Bank trained.	Achieved.
Trainee Welfare	Support provision of 3,000 trainee welfare programs such as recreational activities and physiological counselling and health services	Customer lifetime value	The Guidance & counselling department was fully functional to facilitate 3,100 trainee welfare.	Achieved

During the financial year under review Jeremiah Nyagah Technical Institute Signed a Performance contract with the Ministry of Education and the strategic pillars were tied to the performance contract and the performance contracting secretariat meet every Quarter to ensure that the goals set are achieved.

The strategic pillars as highlighted above are a true reflection of how the Board of Management would like to see the institution in 5 years of the strategic plan.

Jeremiah Nyagah Technical Institute
Annual Report and Financial Statements for the year ended 30th June 2022

VII. Corporate Governance Statement

The Board of Governors sits once per every quarter and or if as may be necessitated by an occurrence that requires members to have a sitting within a quarter.

During the year under review the Board had 4 sittings and the attendance was at 98%. The current board is newly appointed and in its second term.

The Board of Governors is guided by a board charter and the functions of the board are drawn from the TVET Act of 2013 as outlined below;

1. Overseeing the conduct of education and training in the institution in accordance with the provisions TVET act 2013 and any other written law.
2. Promoting and maintaining standards, quality and relevance in education and training in the institution.
3. Administering and managing the property of the institution.
4. Developing and implementing the institution strategic plan.
5. Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institute.
6. Receiving on behalf of the institution, fees, grants, subscriptions, donations, bequests or other monies and to make disbursement to the institution or other bodies or persons.
7. Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of TVET act 2013.
8. Mobilising resources for the institution.
9. Developing and reviewing programmes for training and to make presentations thereon
10. Regulating the admission and exclusion of students from the institution, subject to qualification framework and the provision of the TVET act 2013.
11. Approving collaboration or association with other institutions and industries in and outside Kenya
12. Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institution in consultation with the authority.
13. Recruiting and appointing trainers from among qualified professionals and practicing trades person in relevant sectors of industry
14. Making regulations governing organization conduct and discipline of the staff and students
15. Providing for the welfare of the students and staff of the institution
16. Discharging all other functions conferred upon it by the TVET act 2013 or any other written law.

BOG. MEETING REGISTER

Full BoG Meeting

Name	Designation	8/28/2021	2/11/2022	4/8/2022	ATTENDANCE
Mr. Dominic Ileri Muriuki	chairman	√	√	√	3
Hon.Dr. Norman M.G.K Nyagah	member	√	√	×	2
Dr. Patrick W Okanya	member	√	√	√	3

M/s Teresia Njoki Migua	member	√	√	√	3
Mr. Eliud Mwendia Kibuchi	member	√	√	√	3
M/s Mary Akoth	member	√	√	√	3
Dr.Ken Wyne Mutuma	member	×	√	×	1
Peter Kaume / PS REP	CD TVET	√	√	√	3
Jayne N Mugambi	member	×	√	√	2
Total Attendance		7	9	7	23

Finance Committee

Name	Designation	2/25/2022	3/18/2022	ATTENDANCE
Hon.Dr. Norman M.G.K Nyagah	member	√	√	2
M/s Teresia Njoki Migua	member	√	√	2
Peter Kaume / PS REP	CD TVET	√	√	2
Total Attendance		4	4	8

BOARD COMMITTEES

To assist the Board in the discharge of its responsibilities, Board committees have been established. All the Board committees meet at least two times a year. The committees are as follows: -

1. FINANCE, PLANNING AND DEVELOPMENT COMMITTEE

Responsibilities:

- To receive, consider and submit the proposed budget estimates from the various institute department for approval by the Board;
- To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board;
- To report to the Board all matters related to finance and development;
- To ensure that accurate records are kept on the establishments in the Institute;
- To consider and recommend to the Board the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the Institute;
- To report to the Board on the progress of physical infrastructure development of the Institute;
- To prepare Institute Development plans for an approved period and submit to the Board; and
- To exercise such other powers as the Board may from time-to-time delegate to the Committee.

2. AUDIT AND RISK COMMITTEE

Responsibilities:

- a. To evaluate adequacy of management procedure with regard to issues relating to risk management, control and governance;
- b. To review external audit findings and recommendations and propose corrective and preventive actions where necessary;
- c. To review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics;
- d. To initiate special audits and or investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting Officer; and
- e. To exercise such other powers as the Board may from time-to-time delegate to the Committee

3. Academic and Human resource committee

Responsibilities:

Human resource

- a. Continually examine the College's structure, core functions, staff establishment and if necessary, make proposals for harmonization and rationalization in order to eliminate possible wastage arising from redundancy, overlaps and duplications;
- b. Examine policy and procedures on employment
- c. Examine the procedures for assessment of needs for employment, staff development and procedures, staff training for operational efficiency and capacity enhancement for further development and consultancy services;
- d. Examine and review the terms and conditions of service;
- e. Examine the adequacy of the performance and reward system;
- f. Examine and review the staff welfare policy
- g. Establish & review the human resource policy, college scheme of service and career progression structure make recommendations for broad guidelines; and
- h. Propose innovative ideas for transformation of the college into a world-class college of higher learning and employer

Academic

- a) Formulation and Review of the Academic Policy
- b) Quality Assurance & standards evaluations

- c) Development and Implementation of New Programmes
- d) Determination of Resources:
 - i. Human Resource
 - ii. Teaching/Learning Materials
- e) Curriculum Evaluation
- f) Establish Linkage between the College and Industry
- g) Ensure Relevance of Courses to Market Needs
- h) In Charge of Graduations and Academic Awards

Members of the Board of Governors are paid in respect of their services such remuneration or allowances as the board of governors shall be with the approval of the cabinet secretary.

During the year under review the board of governor attended an induction or training, the induction is organised by the Ministry of Education usually during inauguration of a new board.

During the year under review there was no instance of conflict of interest neither an issue of ethics or conduct by the members of the board.

The current Board will serve a 3-year term renewable for a similar period.

VIII. Management Discussion and Analysis

1. Operational and Financial Performance.

- The institute had budgeted for 3,179 students but the actual number of students was 2,947. The financial performance was directly affected by this deficit since the institute receives capitation with regard to the number of Students enrolled. The government never released capitation grants for 4th Quarter FY 2021/2022. This affected the achieving of budget and performance contract Targets.
- The total budget was Ksh. 266,683,070.00 however the actual revenue collected was Kshs.179,901,300 therefore having a performance difference of Kshs.86,781,770. It is worth noting that the budget was not realised.
- The Expenditure increased from kshs.76,438,178 to kshs.196,945,108 due to increased institution activities , provision for Depreciation due to revaluation and provision for bad and doubtful debts. During FY 2020-2021 the institution had closed from March 2020 to October 2020 and this had implication since training materials, Paye meals expenditure, KNEC examination materials are attached to students when in session. After resumption of the institution the activities increased thus the increase in Note 9 on use of goods and services.

2. Key Projects or Investments decision implemented or ongoing.

During the Financial Year the institute did not receive development grants thus did not undertake any development project.

3. Compliance with Statutory Requirements.

The institute submits the statutory deductions to the National Social Security Fund, National Hospital Insurance Fund, Kenya Revenue Authority (Pay As You Earn) and was compliant for the year Ending 30th June 2022.

4. Major Risk.

During the Financial Year covid receivables from exchange transactions .

5. Material Arrears in statutory and Other Financial Obligations.

The institute during financial year under audit did not have any material arrears in statutory and other financial obligations.

IX. Environmental and Sustainability Reporting

JNTI exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 5 pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

a. Sustainability strategy and profile

Jeremiah Nyagah through advertising and continuous visit in secondary schools within and outside Embu County to encourage Form 4 graduates to embrace TVET education is a strategy the institute used during the year under review to ensure sustainability through enrolment. This strategy has been noted since for the last 2 financial years students' enrolment has increased tremendously.

b. Environmental performance

In order to integrate the local community in the environmental conservation and management to also serve as an example to the community and also have a demonstration effect to the rest of the surrounding community, JNTI through a program known as Mbeere South Afforestation program planted 1,000 trees and encouraged the neighbouring community to do the same.

c. Employee Welfare

At Jeremiah Nyagah Technical Institute we value our employees who are directly or indirectly involved in training of our students and contribute to their potential to bring positive and social environmental change. We value the contribution that individuals and external entities make to our institute through community consultation process.

The institute during the year under review developed human resource policy and other human resource related policy to offer guidelines on hiring and appraisal of staff. Staff training and development has been factored in the annual budget to ensure that our staff are trained and equipped in regard to emerging issues.

d. Market place practices-

i) Responsible competition practice.

During the year under review the institute adhered to the public procurement and asset disposal act of 2015 in all its procurement of goods and services. The institute adhered to the timelines as set in the act before awarding any works or provision of services to the institute

At the same time JNTI implemented activities under National Cohesion and values and corruption prevention in the strategic plan, during the year under review. all the measurements are geared towards improving the living standards and welfare of Kenyans.

ii) In maintaining good business practice and treating well suppliers by honouring contracts and respecting payment practices the institute during the year under review closed the year without any pending bills and within the year the suppliers were paid before even the agreeable 3 months after supply of commodities. This was made a reality by proper management of funds and making sure that funds are utilised where they are meant for.

d. Corporate Social Responsibility/Community Engagements-

The institute carried out various corporate social responsibility during the year under review.

- Planting 1,000 trees.
- Due to increased students' population in the year under review, the community around the institute managed to increase students' accommodation from 3,000 to 5,000 capacity.
- Through the county government of Embu Phase II tarmacking of 2.5 kilometre was completed.
- The institute has a dam and during the dry season the local community were allowed to fetch water from the dam for their consumption.
- The student's welfare visited various charity work to promote the act of giving to the less fortunate in the surrounding community.

X. Report of the Board of Governors

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

Principal activities

The principal activities of the institute are to provide competent skills through technology.

Results

The results of the institute for the year ended June 30 are set out on page 1-5

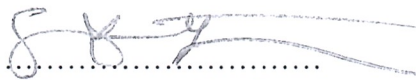
BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page vi-vii. During the year one member of the Board had shown interest to resign.

Auditors

The Auditor General is responsible for the statutory audit of Jeremiah Nyagah Technical Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2022.

By Order of the Board


.....
Principal/ Secretary of the Board
1264-60100
Embu
Date: 30th September 2022

XI. Statement of Board of Governors/Board's 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 the institute, 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 council members are also responsible for safeguarding the assets of the institute. .

The Council 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, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 Council 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 council 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, 2022, and of the institute's financial position as at that date. The Council 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 Council 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 30th September 2022 and signed on its behalf by:



Name **DOMINIC I. MURIUKI**
Chairperson of the Board



Name **MR. SIMON C. KIUTHI**
Accounting Officer/Principal

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON JEREMIAH NYAGAH TECHNICAL INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Jeremiah Nyagah Technical Institute set out on pages 1 to 33, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting

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

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

Basis for Qualified Opinion

1. Inaccurate Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 15 to the financial statements reflects cash and cash equivalents balance of Kshs.64,973,468. However, the bank reconciliation statement reflects Kshs.770,874 in respect to direct credits not yet entered in the cashbook thereby understating the cash and cash equivalents by the same amount.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.64,973,468 as at 30 June, 2022 could not be confirmed.

2. Unsupported Maintenance of Motor Vehicle

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects repairs and maintenance of Kshs.5,472,228 out of which Kshs.1,212,724 was paid to various suppliers for repairs and maintenance of vehicles which were not supported with service contracts and procurement documents showing how the service providers were identified.

In the circumstances, the accuracy and value for money for repairs and maintenance of Kshs.1,212,724 for the year ended 30 June, 2022 could not be confirmed.

3. Inaccuracy in the Financial Statements

The statements of financial Performance and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.134,261,360 in respect to rendering of services-fees from students which includes Kshs.14,401,870 in respect to pay as you eat (PAYE) Meals. However, the corresponding expenditure of Kshs.22,444,941 has been omitted in Note 9 to the financial statements.

In the circumstances, the accuracy and completeness of the financial statements for the year ended 30 June, 2022.

4.0 Lack of Ownership Documents for Assets

The statement of financial position and as disclosed in Note 19 to the financial statements reflects property, plant and equipment net book value balance of Kshs.473,253,190 out of which Kshs.93,000,000 and Kshs.5,754,500 relate to land

and motor vehicles respectively. Records provided for audit revealed that the Institute had two parcels of land with a total acreage of 76 acres. However, one parcel was registered in the name of Rwika Technical Training Institute and the ownership documents for the second parcel were not provided. In addition, (4) motor vehicles were also registered in the name of Rwika Technical Training Institute.

In the circumstances, the accuracy, ownership and fair statement of property, plant and equipment of Kshs.98,754,500 as at 30 June, 2022 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects approved final revenue budget of Kshs.266,683,070 and actual income of Kshs.179,901,300 resulting to a revenue shortfall of Kshs.86,781,770 or 33% of the budget. Similarly, out of the approved expenditure budget of Kshs.266,683,070, the Institute expended Kshs.149,094,126 resulting to an underperformance of Kshs.117,588,944 or 44% of the budget.

The revenue shortfall and under expenditure might have impacted negatively on delivery of services and implementation of the Institute's programmes.

2. Unresolved Prior Year Audit Matters

Review of the progress on follow up of Auditor General's recommendations revealed that Management has not resolved or given explanation on several issues raised in previous years' audit reports contrary to requirement of Section 31(1) of Public Audit Act, 2015 which states that within three months after Parliament or the County Assembly has debated and considered the final report of the Auditor General and made recommendations, a State Organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit.

Management has not complied with the reporting template requirements.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Sale of Farm Produce

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects an amount of Kshs.5,537,440 in respect to revenue from sale of goods which includes Kshs.171,830 from sale of farm produce relating to sale of pigs. However, the disposal process documentations were not provided contrary to Section 53(4) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 176(1) of the Public Procurement and Asset Disposal Regulations, 2020.

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

2. Corporate Governance

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects an amount of Ksh.2,184,800 in respect to board expenses. However, review of the records provided for audit revealed the following anomalies;

2.1 Lack of Authority for Approving Rates for Board Allowances

The Institute paid board allowances amounting to Kshs.2,184,800. However, there was no evidence to show that the rates used to pay the allowances had been approved as required under Section 17 of the Second Schedule of the Technical and Vocational Education and Training (TVET) Act, 2013 which provides that members of Board of Governors shall be paid in respect of their services such remuneration or allowances as the Board of Governors shall, with the approval of the Cabinet Secretary, determine.

In the circumstances, the value for money for the expenditure of Kshs.2,184,800 could not be confirmed. In addition, the Institute was in breach of the law.

2.2 Appointment Procedure of Board Members

The Institute had eight (8) members of the Board of Governors who were appointed in May, 2020 and July, 2021. However, evidence of the notice of the appointments in the Kenya Gazette as provided under Section 1.1 (11) of the Code of Governance for State Corporations - Mwongozo issued jointly by the Public Service Commission and State Corporations Advisory Committee in January, 2015 was not provided.

In the circumstances, the legality of the appointments could not be confirmed.

3. Employee Costs

3.1 Lack of Approved Staff Establishment

The Institute did not have an approved staff establishment contrary to a letter referenced MST/DTE/1/1 from the Ministry of Education, State Department for Vocational and Technical Training which required all Technical and Vocational Education Training institutions to develop a staff establishment and submit the same to the Deputy Director, Technical Education.

In the circumstances, Management was in breach of the Guidelines issued by the Ministry.

3.2 Lack of Salary Structure and Scheme of Service

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects an amount of Kshs.11,279,549 in respect to employee costs. However, the Institute did not have an approved scheme of service for trainers and support staff with clearly defined career structures, well-defined job descriptions and specifications and standards for recruitment and training as required under Section 7(1)(l) of the Technical and Vocational Education and Training Act, 2013. Further, the Institute did not have an approved salary structure.

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

3.3 Failure to Comply with Ethnicity and Diversity Requirement

Review of staff records for the financial year ended 30 June, 2022, revealed that the Institute had a total of forty-three (43) employees out of which twenty-one (21) or 49% belonged to the dominant ethnic group. This is contrary to the requirements of Section 7(2) of the National Cohesion and Integration Act, 2008 which requires that no public establishment shall have more than one third of its staff from the same ethnic community.

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

3.4 Failure to Recruit a Competent Human Resource Officer

Review of letter referenced MOE/VT/ADM/CONF/2/5/27 dated 19 June, 2020 from the Ministry of Education, State Department for Vocational and Technical Training required all Technical and Vocational Education Training institutions to recruit a competent human resource officer in compliance with best practices of Public Finance Management Act, 2012 and Public Finance Management (National Government) Regulations, 2015 and to facilitate compliance with Mwongozo. However, it was noted the Institute had not complied with the directive of the Ministry to recruit a competent human resource officer as required.

In the circumstances, the Institute was in breach of the Guidelines issued by the Ministry.

4. Untagged Assets

Review of the fixed asset register and physical verification of assets revealed that assets valued at Kshs.1,058,330 were not tagged for ease of identification and

movement contrary to Section 139(1)(b) of the Public Finance Management (National Government) Regulations, 2015 which stipulates that accounting officer of a National Government entity shall take full responsibility and ensure that proper control systems exist for assets and that movement and conditions of assets can be tracked.

In the Circumstances, the assets of the Institute had not been properly safeguarded

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis of Conclusion

1. Non-establishment of Internal Audit Department and Audit Committee

As previously reported, the Institute had not established an internal audit department and therefore, no internal audit reviews were carried out during the year and earlier years contrary to the requirement of Section 73(1)(a) of the Public Finance Management Act, 2012 which stipulates that every National Government entity shall ensure that it has appropriate arrangements for conducting internal auditing. In addition, the Institute did not have an audit committee contrary to Section 73(5) of the Public Finance Management Act, 2012, which requires National Government entity to establish an audit committee whose composition and functions shall be prescribed by the regulations.

In the circumstances, the effectiveness of financial and non-financial performance management systems and implementation of the internal control was not assessed to assist in timely detection and prevention of errors, omissions and non-compliance. In addition, the Institute was in breach of the law.

2. Lack of Occupational Safety and Health Policy

Review of the Institutes internal controls revealed that the Institute did not prepare and approve an occupational safety and health policy and does not have an occupational safety and health committee at the workplace contrary to Section 9(1) of the Occupational Safety and Health Act, 2007 which requires every occupier to establish a safety committee at the workplace in accordance with regulations prescribed by the Minister. In addition, there was no evidence that the institute conducted a thorough

safety and health audit of his workplace to be carried out at least once in every period of twelve months by a safety and health advisor contrary to Section 11(1) of the Occupational Safety and Health Act, 2007.

In the circumstances, the effectiveness of Institute's safety policy and operational standards could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management either intends to terminate the Institute or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 June, 2023

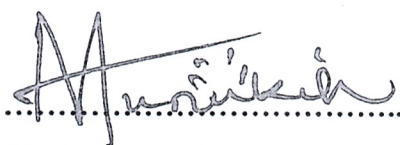
Jeremiah Nyagah Technical Institute
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XIII. Statement of Financial Performance for the year ended 30 June 2022

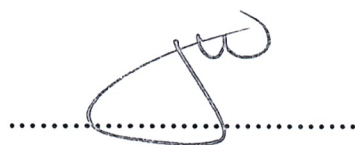
Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	40,102,500.00	41,437,500.00
Revenue from Non-Exchange transactions		40,102,500.00	41,437,500.00
Revenue from Exchange transactions			
Rendering of services- fees from students	7	134,261,360.00	134,020,153.00
Sale of goods	8	5,537,440.00	886,690.00
Revenue from Exchange transactions		139,798,800.00	134,906,843.00
Total Revenue		179,901,300.00	176,344,343.00
Expenses			
Use of goods and services	9	123,105,249.00	38,166,513.00
Employee costs	10	11,279,549.00	10,651,232.00
Board Expenses	11	2,184,800.00	2,432,829.00
Depreciation and amortization expense	12	48,268,582.00	19,180,764.00
Repairs and maintenance	13	5,472,228.00	515,240.00
Contracted services	14	6,634,700.00	5,491,600.00
Total Expenses		196,945,108.00	76,438,178.00
Net surplus/deficit for the year		-17,043,808.00	99,906,165.00

(The notes set out on pages 6 to 37 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 37 were signed by:



Chairman of Board



Finance Officer

ICPAK No 14253



Principal

Date 30th September 2022

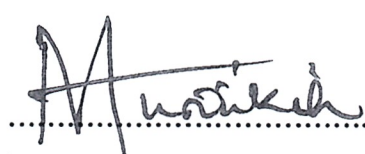
Date 30th September 2022

Date 30th September 2022

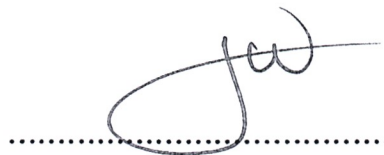
XIV. Statement of Financial Position as at 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	64,973,468.00	62,960,307.00
Current portion of receivables from exchange transactions	16	120,938,055.00	98,240,590.00
Receivables from non-exchange transactions	17	39,232,500.00	24,000,000.00
Inventories	18	1,431,085.00	978,762.00
Total Current Assets		<u>226,575,108.00</u>	<u>186,179,659.00</u>
Non-Current Assets			
Property, plant, and equipment	19	473,253,190.00	190,748,451.00
Intangible assets	20	1,816,200.00	2,176,972.00
Total Non-Current Assets		<u>475,069,390.00</u>	<u>192,925,423.00</u>
Total Assets		<u>701,644,498.00</u>	<u>379,105,082.00</u>
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	21	20,102,422.00	11,716,047.00
Refundable deposits from customers	22	1,465,000.00	263,100.00
Total Liabilities		<u>21,567,422.00</u>	<u>11,979,147.00</u>
Net Assets		<u>680,077,076.00</u>	<u>367,125,935.00</u>
Financed By			
Revaluation reserve		329,994,949.00	0.00
Accumulated Surplus		109,236,865.00	126,280,673.00
Capital Fund		240,845,262.00	240,845,262.00
Total Net Assets and Liabilities		<u>680,077,076.00</u>	<u>367,125,935.00</u>

The Financial Statements set out on pages 1 to 37 were signed by:



Chairman of Board



Finance Officer

ICPAK No 14353



Principal

Date 30-09-2022

Date 30-09-2022

Date 30-09-2022

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

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2019			-14,101,145.00	240,845,262.00	226,744,117.00
Surplus/(Deficit)			40,475,653.00		40,475,653.00
Transfer of depreciation/amortization from capital fund to retained earnings			0.00	0.00	0.00
At June 30, 2020			26,374,508.00	240,845,262.00	267,219,770.00
At July 1, 2020			26,374,508.00	240,845,262.00	267,219,770.00
Surplus/deficit			99,906,165.00	-	99,906,165.00
At June 30, 2021			126,280,673.00	240,845,262.00	367,125,935.00
At July 1, 2021			126,280,673.00	240,845,262.00	367,125,935.00
Revaluation Gain	332,660,836.00				332,660,836.00
Revaluation loss	-2,665,887.00				-2,665,887.00
Capital Fund					
Surplus/deficit			-17,043,808.00		-17,043,808.00
Total comprehensive income					
Capital/Development grants received during the year					
Transfer of depreciation/amortization from capital fund to retained earnings					
At June 30, 2022	329,994,949.00		109,236,865.00	240,845,262.00	680,077,076.00

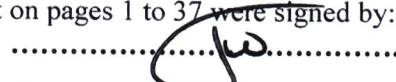
Jeremiah Nyagah Technical Institute
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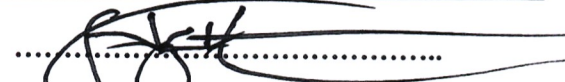
XVI. Statement of Cash Flows for the year ended 30th June 2022

Description		2021-2022	2020-2021
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	40,102,500.00	41,437,500.00
Rendering of services- fees from students	7	134,261,360.00	134,020,153.00
Sale of goods	8	5,537,440.00	886,690.00
Total Receipts		<u>179,901,300.00</u>	<u>176,344,343.00</u>
Payments			
Compensation of employees	10	11,279,549.00	10,651,232.00
Use of goods and services	9	123,105,249.00	38,166,513.00
Remuneration of Directors	11	2,184,800.00	2,432,829.00
Repair and Maintenance	13	5,472,228.00	515,240.00
Contracted Services	14	6,634,700.00	5,491,600.00
Total Payments		<u>148,676,526.00</u>	<u>76,438,178.00</u>
Net Cash Flow before working capital changes	23	31,224,774.00	99,906,165.00
Changes in Working Capital	23	-28,794,013.00	-67,180,965.00
Net Cash Flows from operating activities	23	<u>2,430,761.00</u>	<u>32,725,200.00</u>
Cash flows from investing activities		0.00	
Purchase of property, plant, equipment and intangible assets		-417,600.00	(0.00)
Proceeds from sale of property, plant and equipment		0.00	0.00
Net cash flows used in investing activities		-417,600.00	<u>(0.00)</u>
Cash flows from financing activities		0.00	
Proceeds From Borrowing		0.00	0.00
Repayment Of Borrowings		0.00	(0.00)
Deposits receipts		0.00	0.00
Net cash flows used in financing activities		0.00	(0.00)
Net Increase/(Decrease) in Cash and Cash equivalents		<u>2,013,161.00</u>	<u>32,725,200.00</u>
Cash and Cash equivalents at 1 JULY	15	<u>62,960,307.00</u>	<u>30,235,107.00</u>
Cash and Cash equivalents at 30 JUNE	15	<u>64,973,468.00</u>	<u>62,960,307.00</u>

The Financial Statements set out on pages 1 to 37 were signed by:


Chairman of Board


Finance Officer


Principal

ICPAK No 14353

Date 30-09-2022

Date 30-09-2022

Date 30-09-2022

Annual Report and Financial Statements for the year ended 30th June 2022

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other govt entities and govt grants	95,370,000.00	(0.00)	95,370,000.00	40,102,500.00	-55,267,500.00	-58
Rendering of services- fees from students	156,488,070.00	(0.00)	156,488,070.00	134,261,360.00	-22,226,710.00	-14
Sale of goods	14,825,000.00	-	14,825,000.00	5,537,440.00	-9,287,560.00	-63
Total Income	266,683,070.00	(0.00)	266,683,070.00	179,901,300.00	-86,781,770.00	-135
Expenses						
Compensation of employees	16,527,048.00	-	16,527,048.00	11,279,549.00	5,247,499.00	32
Use of goods and services	186,408,390.00	(0.00)	186,408,390.00	123,105,249.00	63,303,141.00	34
Board Expenses	2,958,400.00	(0.00)	2,958,400.00	2,184,800.00	773,600.00	26
Repair and maintenance	5,229,455.00	(0.00)	5,229,455.00	5,472,228.00	-242,773.00	-5
Contracted Services	7,665,600.00	(0.00)	7,665,600.00	6,634,700.00	1,030,900.00	13
Assets	47,894,177.00		47,894,177.00	417,600.00	47,476,577.00	99
Total Expenditure	266,683,070.00	(0.00)	266,683,070.00	149,094,126.00	117,588,944.00	27
Surplus For the Period	0	0.00	0	30,807,174.00	30,807,174.00	91

(Budget notes)

- i. explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
 - Transfer from other government entities and grants was not achieved since the budget was estimated at 3,179 students which was not achieved and forth Quarter capitation amounting to kshs. 15,232,500 was not received.
 - Rendering of services fees from students was not achieved due to non-payment of fees and NYS debtors amounting to Kshs.31,531,237.00 and on the sale of goods the expected number of NYS students which was set at 1,000 was not achieved.
 - The Compensation of employees, use of goods and services, board expenses, repair maintenance and improvement, contracted services and Assets were all above 10% over due to income constraints since Jeremiah Nyagah Technical Institute does not carry out its operations through a funded budget .The Board of Governors advised the budget making committee to have non ambitious budget estimates to avoid huge performance difference.

XVIII. Notes to the Financial Statements

1. General Information

Jeremiah Nyagah Technical Institute is established by and derives its authority and accountability from TVET Act 2013. The institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The institute's principal activity is to provide competence through Technology.

2. Statement of Compliance and Basis of Preparation

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

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

3. Adoption of New and Revised Standards

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

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Institute'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; • 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 Institute's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Institute provides in its financial statements about social benefits. The

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Standard	Effective date and impact:
	information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Institute; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Institute's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: 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. 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.
Other improvements to IPSAS	Applicable 1st January 2023 • IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). • IPSAS 39: Employee Benefits Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
IPSAS 43	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that

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Standard	Effective date and impact:
	faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Institute. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

iii. Early adoption of standards

Jeremiah Nyagah Technical Institute did not early-adopt any new or amended standards in year 2021/2022.

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Dividends

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

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 2021/2022 was approved by the Council or Board on **29th June, 2021**. 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 institute upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Institute did not record additional appropriations of on the FY 2021/2022 budget following the Board's approval.

The institute'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 Page 5 of these financial statements.

c) Taxes

Current income tax

The institute is exempt from paying taxes as per schedule 1st Schedule of Income tax Act Cap 470.

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 on reducing balance.

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

NO	ITEM	DEPRECIATION RATE %	METHOD
1	Buildings	10	Reducing Balance
2	Property Plant & Equipment	15	Reducing Balance
3	Computer and Computer related software	30	Reducing Balance
4	Office furniture and fittings	10	Reducing Balance
5	Motor Vehicle	15	Reducing Balance

f) Leases

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

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

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 Institute will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

g) Intangible assets

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

h) Research and development costs

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

- a) The technical feasibility of completing the asset so that the asset will be available for use or sale
- b) Its intention to complete and its ability to use or sell the asset
- c) How the asset will generate future economic benefits or service potential
- d) The availability of resources to complete the asset
- e) 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 Institute determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

- a) The debtors or an institute of debtors are experiencing significant financial difficulty
- b) Default or delinquency in interest or principal payments
- c) The probability that debtors will enter bankruptcy or other financial reorganization
- d) 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 Institute determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are

recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

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

j) 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:

- a) Raw materials: purchase cost using the weighted average cost method
- b) 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 Institute.

k) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

The Institute does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Institute in the notes to the

financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Nature and purpose of reserves

Jeremiah Nyagah Technical Institute during the year under audit did not set aside any reserves.

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

The Institute provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an institute pays fixed contributions into a separate institute (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.

o) 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.

p) 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.

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q) Related parties

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

r) Service concession arrangements

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

s) Cash and cash equivalents

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

t) Comparative figures

Comparative figures for the previous financial year have not been amended.

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

arising beyond the control of the Institute. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

- a) The condition of the asset based on the assessment of experts employed by the Institute
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- c) The nature of the processes in which the asset is deployed
- d) Availability of funding to replace the asset
- e) 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 for bad debt is included in Note 16 a and 16 b.

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.

- a. Bad Debts are written off after a period of 10 years as set out in credit and debt management policy currently since the institute started to be audited by the Auditor General in the FY 2018-2019 no debts are above 10 years thus no provision for bad debts.

Bad debts are provided at the following rates

S no	Age Of Debtors	Rate
1	o 241 -360 days	5
2	o Up to1 year	20
3	o Up to 2 years	50
4	o Up to 3 years	75
5	o Up to 4 years	100

- b. Obsolete stocks are disposed in conformity with Public Procurement and Asset Disposal Act of and an asset disposal committee considers the prevailing market prices.

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6. Transfers from other National Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	40,102,500.00	41,437,500.00
Total Government Grants and Subsidies	40,102,500.00	41,437,500.00

(a) Transfers from other Government entities (Categorized)

Name of the institute sending the grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund. Kshs	Total grant income during the year Kshs	2020-2021 Kshs
Ministry of Education	40,102,500.00	0.00	0.00	40,102,500.00	41,437,500.00
Total	40,102,500.00	0.00	0.00	40,102,500.00	41,437,500.00

7. Rendering of Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Fees	37,443,940.00	39,960,643.00
Activity Fees	5,020,280.00	2,871,250.00
Examination Fees	21,242,510.00	0.00
Library Fees	500.00	500.00
Registration Fees	2,186,000.00	796,000.00
Student ID Card	808,000.00	409,000.00
Repairs Maintenance and Improvement	2,237,280.00	1,694,095.00
Personal Emolument	13,984,650.00	8,182,460.00
Local Travel & Transport	4,667,070.00	3,051,655.00
KNEC Exam Practical	1,166,160.00	647,000.00
Internet	0.00	100.00
Industrial Attachment	3,651,480.00	2,269,800.00
Fees Arrears	0.00	105,260.00
Electricity Water & Conservancy	2,983,640.00	1,548,360.00
NYS Invoices/Payments	20,924,640.00	72,202,100.00
Administration Fee	640,120.00	281,930.00
Computer Maintenance	5,000.00	0.00
Equipment Hospitality and Tourism	6,300.00	0.00

NB: - a) These are income from students Invoices.

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Student Council	716,500.00	0.00
Development Fund	17,500.00	0.00
PAYE Meals	14,401,870.00	0.00
Kenya University and Colleges Placement Services	2,157,920.00	0.00
Total Revenue from The Rendering of Services	<u>134,261,360.00</u>	<u>134,020,153.00</u>

8. Sale of Goods

Description	2021-2022	2020-2021
	Kshs	Kshs
Sale of Tender Documents	0.00	25,000.00
Sale of Idle Assets	3,700.00	9,200.00
Sale of Farm Produce	171,830.00	145,520.00
Hire of Institute Property	113,000.00	17,500.00
Enterprise C& J	1,410.00	400.00
Accommodation	5,247,500.00	689,070.00
Total Revenue from Sale of Goods	<u>5,537,440.00</u>	<u>886,690.00</u>

9. Use Of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Registration Expense	3,282,400.00	500,000.00
Water	1,198,370.00	2,804,570.00
Electricity	1,314,017.00	1,482,048.00
Entertainment	91,541.00	88,800.00
PAYE Meals Expenses	22,444,941.00	3,737,596.00
Performance Contract	799,700.00	1,205,090.00
Industrial Attachment	3,834,116.00	36,000.00
Hired Rent/Accommodation	4,601,000.00	2,716,300.00
Production Unit/ Enterprise Farm	39,730.00	191,330.00
Administration Cost	6,130.00	311,873.00
Audit Fees	500,000.00	500,000.00
Conferences and Delegations	1,141,811.00	1,900,832.00
Co-Curriculum activities	3,516,670.00	863,760.00
Examination	12,801,390.00	5,776,994.00
Insurance	780,859.00	628,211.00
Student board activities	668,500.00	159,600.00
Teaching & Learning Materials	0.00	756,331.00
Stationery	0.00	155,000.00
Library Magazines	108,880.00	103,740.00
Travelling & Accommodation	1,598,462.00	3,749,129.00
Fuel and Oil	2,414,849.00	0.00

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Telephone Expenses	172,500.00	265,750.00
Training Expenses	22,855,825.00	8,596,339.00
Subscriptions	70,000.00	222,970.00
Postages	0.00	19,870.00
Internet Service	257,336.00	84,130.00
Covid-19 Expense	0.00	1,310,250.00
Bursary Refund -Embu County	5,700.00	0.00
Asset Tagging & Valuation	4,500,000.00	0.00
Helb Loan Refund	201,980.00	0.00
Internal meetings	722,000.00	0.00
Rebranding & renaming the institute	125,000.00	0.00
Robotics exhibitions & promotion	1,509,755.00	0.00
Staff Uniforms	641,600.00	0.00
KNEC Examination Practical	10,843,272.00	0.00
Student ID expense	563,500.00	0.00
Training Seminar and Workshop	1,701,480.00	0.00
Tender Meetings/ Advert	97,000.00	0.00
Class Practical Hospitality and Tourism Exp.	1,225,333.00	0.00
Provision for bad debts	16,469,602.00	0.00
Total good and services	<u>123,105,249.00</u>	<u>38,166,513.00</u>

10. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Basic Pay	8,090,230.00	8,679,966.00
Other Allowances	168,000.00	162,000.00
Commuter Allowance	294,415.00	208,320.00
NSSF	983,958.00	409,146.00
Housing benefits and allowances	1,215,800.00	1,083,000.00
Social contributions/JISWA	137,700.00	108,800.00
NHIF	342,400.00	0.00
PAYE	47,046.00	0.00
Employee Costs	<u>11,279,549.00</u>	<u>10,651,232.00</u>

11. Board Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Board of Governor Allowance	1,441,000.00	2,432,829.00
Directors Emoluments	0.00	0.00
Other Allowances	0.00	0.00
Other Board/Council Expenses	743,800.00	0.00
Total	<u>2,184,800.00</u>	<u>2,432,829.00</u>

12. Depreciation and Amortization expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	47,490,210.00	18,247,776.00
Intangible assets	778,372.00	932,988.00
Investment property carried at cost	0.00	0.00
Total depreciation and amortization	48,268,582.00	19,180,764.00

13. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Computer maintenance	126,000.00	150,000.00
Repair Maintenance & Improvement	1,121,050.00	249,440.00
Repair Maintenance (E.W.C.)	2,685,350.00	0.00
Vehicles Repairs	1,212,724.00	115,800.00
improvement of infrastructures	327,104.00	0.00
Total Repairs and Maintenance	5,472,228.00	515,240.00

14. Contracted Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Cleaning services & Security Services	6,634,700.00	5,491,600.00
Total contracted services	6,634,700.00	5,491,600.00

15. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
ABSA Bank of Kenya -Cash at Bank	32,978,335.00	39,492,408.00
Kenya Commercial Bank	3,861,912.00	9,916,016.00
Equity Bank of Kenya Limited	28,133,221.00	13,444,480.00
Barclays Bank Cash at Hand	0.00	107,403.00
Others (Specify)	0.00	0.00
Total Cash and Cash Equivalents	64,973,468.00	62,960,307.00

15 (a). Detailed Analysis of Cash and Cash equivalents

		2021-2022	2020-2021
Financial Institution	Account number	Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1121471226	3,861,912.00	9,916,016.00
Equity Bank	0190273909253	28,133,221.00	13,444,480.00

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Absa Bank	2026031233	32,978,335.00	39,492,408.00
Sub- Total		64,973,468.00	62,852,904.00
b) Others			
Cash in Hand		0.00	107,403.00
Sub- Total		0.00	107,403.00
Grand Total		64,973,468.00	62,960,307.00

16. Receivables from Exchange transactions

16(a) Current Receivables from Exchange transactions

Description	Total debt	Provision for bad debt	2021-2022	2020-2021
	Kshs		Kshs	Kshs
Current Receivables				
Student Debtors (Regular Students)	105,876,420.00	14,893,040.00	90,983,380.00	66,709,353.00
Student Debtors (NYS Students)	31,531,237.00	1,576,562.00	29,954,675.00	31,531,237.00
Total Current Receivables	137,407,657.00	16,469,602.00	120,938,055.00	98,240,590.00

16(b) Provision for bad debts

Description	240-360 days	Bad debt rate 5%	Up to 1 year	Bad debt rate 20%	Total Student Debtors (Regular Students)	Total Net debtor
Current Receivables						
Student Debtors (Regular Students)	41,881,629	2,094,082	63,994,791	12,798,958	105,876,420	90,983,380
Student Debtors (NYS Students)	31,531,237	1,576,562			31,531,237	29,954,675
Total Current Receivables	73,412,866	3,670,644	63,994,791	12,798,958	137,407,657	120,938,055

17. Receivables from Non-Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Capitation Grants*	39,232,500.00	24,000,000.00
Total Current Receivables	39,232,500.00	24,000,000.00

18. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores	1,431,085.00	978,762.00
Total Inventories at lower of Cost and Net Realizable Value	1,431,085.00	978,762.00

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Notes to the Financial Statements (Continued)

19. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets	Plant and Equipment	Capital Work in Progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2019	131,096,000.00	-	11,248,000.00	25,938,241.00	6,403,472.00	-	-	60,559,874.00	235,245,587.00
Additions	11,864,078.00	-	-	4,290,030.00	0.00	-	-	23,261,409.00	39,415,517.00
Transfers/adjustments	111,864,078.00	111,864,078.00	-	-	-	-	-	-	-
At 30 th June 2020	31,096,000.00	111,864,078.00	11,248,000.00	30,228,271.00	6,403,472.00	-	-	83,821,283.00	274,661,104.00
At 01/07/2020	31,096,000.00	111,864,078.00	11,248,000.00	30,228,271.00	6,403,472.00	-	-	83,821,283.00	274,661,104.00
Transfer/adjustments	-	83,821,283.00	-	-	-	-	-	83,821,283.00	-
At 30 th June 2021	31,096,000.00	195,685,361.00	11,248,000.00	30,228,271.00	6,403,472.00	-	-	-	274,661,104.00
At 1st July 2021	31,096,000.00	195,685,361.00	11,248,000.00	30,228,271.00	6,403,472.00	-	-	-	274,661,104.00
Additions	-	-	-	-	-	-	-	-	-
Valuation	93,000,000.00	345,000,000.00	6,770,000.00	10,505,700.00	7,359,900.00	-	58,107,800.00	-	520,743,400.00
Disposals	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
At 30th June 2022	93,000,000.00	345,000,000.00	6,770,000.00	10,505,700.00	7,359,900.00	-	58,107,800.00	-	520,743,400.00
Depreciation and Impairment	-	-	-	-	-	-	-	-	-
At 1 July 2019	-	29,841,264.00	9,746,573.00	13,368,493.00	2,456,640.00	-	-	-	55,412,970.00
Depreciation	-	5,656,364.00	449,920.00	2,224,681.00	1,921,042.00	-	-	-	10,252,007.00
Impairment	-	-	-	-	-	-	-	-	-
At 30 June 2020	-	35,497,628.00	10,196,493.00	15,593,174.00	4,377,582.00	-	-	-	65,664,877.00

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Depreciation	-	16,018,773.00	157,726.00	1,463,510.00	607,767.00	-	-	-	18,247,776.00
Depreciation and Impairment	-	51,516,401.00	10,354,219.00	17,056,684.00	4,985,349.00	-	-	-	83,912,653.00
At 30 June 2022	-	-	-	-	-	-	-	-	-
depreciation rate	-	0.10	0.15	0.10	0.30	-	0.15	-	-
Depreciation	-	34,500,000.00	1,015,500.00	1,050,570.00	2,207,970.00	-	8,716,170.00	-	47,490,210.00
Depreciation and Impairment	-	34,500,000.00	1,015,500.00	1,050,570.00	2,207,970.00	-	8,716,170.00	-	47,490,210.00
Net book values									
At 30 th June 2021	31,096,000.00	144,168,960.00	893,781.00	13,171,587.00	1,418,123.00	-	-	-	190,748,451.00
At 30 June 2022	93,000,000.00	310,500,000.00	5,754,500.00	9,455,130.00	5,151,930.00	-	49,391,630.00	-	473,253,190.00

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Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements on 21st September 2021.

19 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	93,000,000.00	0.00	93,000,000.00
Buildings	345,000,000.00	34,500,000.00	310,500,000.00
Plant And Machinery	58,107,800.00	8,716,170.00	49,391,630.00
Motor Vehicles including Motorcycles	6,770,000.00	1,015,500.00	5,754,500.00
Computers and Related Equipment	7,359,900.00	2,207,970.00	5,151,930.00
Office Equipment, Furniture, And Fittings	10,505,700.00	1,050,570.00	9,455,130.00
Total	<u>520,743,400.00</u>	<u>47,490,210.00</u>	<u>473,253,190.00</u>

20. Intangible Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At beginning of the year	2,176,972.00	3,109,960.00
Additions	417,600.00	0.00
At end of the year	<u>2,594,572.00</u>	<u>3,109,960.00</u>
Additions—internal development	0.00	0.00
At end of the year	2,594,572.00	3,109,960.00
Amortization and impairment		
At beginning of the year		
Amortization	778,372.00	932,988.00
At end of the year	778,372.00	932,988.00
Impairment loss		
At end of the year	0.00	0.00
NBV	<u>1,816,200.00</u>	<u>2,176,972.00</u>

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21. Trade and Other Payables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	0.00	0.00
Fees paid in advance	17,789,358.00	9,902,983.00
Salary deductions	0.00	0.00
Third-Party Payments	0.00	0.00
Other Payables (Audit fees)	2,313,064.00	1,813,064.00
Total Trade and Other Payables	<u>20,102,422.00</u>	<u>11,716,047.00</u>

22. Refundable Deposits from Customers/Students

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumer deposits	0.00	0.00
Caution money	1,465,000.00	263,100.00
Other refundable deposits	0.00	0.00
Total Deposits	<u>1,465,000.00</u>	<u>263,100.00</u>

23. Cash generated from operations

	2021-2022	2020-2021
	KShs	KShs
Surplus for the year before tax	-17,043,808.00	99,906,165.00
Adjusted for:		
Depreciation	48,268,582.00	19,180,764.00
Working Capital adjustments		
Increase in inventory	-452,323.00	-412,357.00
Increase in receivables	-37,929,965.00	-88,039,383.00
Increase in deferred income		
Increase in payables	9,588,275.00	2,090,011.00
Increase in payments received in advance		
Net cash flow from operating activities	<u>2,430,761.00</u>	<u>32,725,200.00</u>

24. Financial Risk Management

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

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

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(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	98,240,590.00	61,531,200.00	29,812,850.00	6,896,540.00
Receivables from non-exchange transactions	24,000,000.00	0.00	24,000,000.00	0.00
Bank balances	62,960,307.00	62,960,307.00	0.00	0.00
Total	185,200,897.00	124,491,507.00	53,812,850.00	6,896,540.00
At 30 June 2022				
Receivables from exchange transactions	137,704,322.00	120,938,055.00		16,469,602.00
Receivables from non-exchange transactions	39,232,500.00	15,232,500.00	24,000,000.00	0.00
Bank balances	64,973,468.00	64,973,468.00	0.00	0.00
Total	241,910,290.00	201,144,023.00	24,000,000.00	16,469,602.00

(i) Credit risk (continued)

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

The Institute has significant concentration of credit risk on amounts due from 10 Years.

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the institute's directors, who have built an appropriate liquidity risk management framework for the management of the

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institute's short, medium and long-term funding and liquidity management requirements. The institute manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade Payables	0.00	3,406,123.00	8,309,924.00	11,716,047.00
Refundable deposits from customers	0.00	0.00	263,100.00	263,100.00
Provisions	0.00	0.00	0.00	0.00
Deferred Income	0.00	0.00	0.00	0.00
Employee Benefit Obligation	0.00	0.00	0.00	0.00
Total	<u>0.00</u>	<u>3,406,123.00</u>	<u>8,573,024.00</u>	<u>11,979,147.00</u>
At 30 June 2022				
Fees paid in advance	17,789,358.00	0.00	0.00	17,789,358.00
Trade Payables	500,000.00	0.00	1,813,064.00	2,313,064.00
Refundable deposits from customers	1,201,900.00	0.00	263,100.00	1,465,000.00
Provisions	0.00	0.00	0.00	0.00
Deferred Income	0.00	0.00	0.00	0.00
Employee Benefit Obligation	0.00	0.00	0.00	0.00
Total	<u>19,491,258.00</u>	<u>0.00</u>	<u>2,076,164.00</u>	<u>21,567,422.00</u>

a) Interest rate risk

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

Management of interest rate risk

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

(iii) **Market risk (Continued)**

b) Interest rate risk(continued)

Sensitivity analysis

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

iv)Capital Risk Management

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

	2021-2022	2020-2021
	Kshs	Kshs
Revaluation reserve	329,994,949.00	
Retained earnings	109,236,865.00	126,280,673.00
Capital reserve	240,845,262.00	240,845,262.00
Total funds	<u>680,077,076.00</u>	<u>367,125,935.00</u>
Total borrowings		
Less: cash and bank balances	64,973,468.00	62,960,307
Net debt/(excess cash and cash equivalents)	64,973,468.00	62,960,307
Gearing	9.5%	17.15%

25. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Local Community
- iv) Support Staff
- v) Trainees
- vi) Key management;
- vii) Board of Governors;

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

	2021-2022	2020-2021
		Kshs
a) Grants /Transfers from the Government		
Grants from National Govt	40,102,500.00	41,437,500.00
Grants from County Government		0.00
Donations in kind		0.00
Total	40,102,500.00	41,437,500.00
b) Expenses incurred on behalf of related party		
Payments of salaries and wages for BoG employees	11,279,549.00	10,651,232.00
Payments for goods and services for services	123,105,249.00	38,166,513.00
Total	134,384,798.00	48,817,745.00
c) Key management compensation		
Directors' emoluments	2,184,800.00	2,432,829.00
Compensation to key management		0.00
Total	2,184,800.00	2,432,829.00

26. Events After the Reporting Period

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

27. Ultimate And Holding Institute

Jeremiah Nyagah Technical Institute is a TVET Institution under the Ministry of Education. Its ultimate parent is the Government of Kenya.

28. Currency

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

Jeremiah Nyagah Technical Institute
Annual Report and Financial Statements for the year ended 30th June 2022

XIX. Appendices
Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unsupported Property, Plant and Equipment: No ownership records of Land Number MBETI/GACHOKA 922	The institute Management Following up with Lands Office	Not Resolved	June 2023
2	Staff Ethnic Composition: Noncompliance with section 7(1) and (2) of National Cohesion and Integration Act 2008	New recruitments to be aligned to ethnic balance compliance	Not Resolved	Continuous
3	Lack of Internal Audit Unit	In progress	Not Resolved	June 2023
4	Non-Establishment of Audit committee	In progress	Not Resolved	June 2023
6	Lack of risk management policy	-	Resolved	Resolved
7	Lack of information communication technology (ICT) Policy	-	Resolved	Resolved
8.	Lack of risk management policy	-	Resolved	Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
9	Lack of approved staff establishment	-	Resolved	
10	Lack of authority for approving rates for board allowances	The Ministry of education is yet to send feedback on BOG allowances sent to them for approval	Not Resolved	June 2023
11.	Untagged Assets	The assets are sufficiently recorded in the permanent stores' ledger awaiting availability of funds to tag them	Not Resolved	June 2023
12.	Non- payment of fees	Fees payment policy developed and approved	Resolved	
13.	Unexplained long term receivables balance	Fees payment policy developed and approved	Not resolved	June 2023
14.	Unexplained increase in regular students receivable balance	Fees payment policy developed and approved	Not resolved	June 2023

Name Mr. Simon Charles Kivuthi
Accounting Officer
PRINCIPAL/BOG SECRETARY
Date 30TH September 2022

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Appendix II: Projects Implemented by Jeremiah Nyagah Technical Institute

Projects

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

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

Status of Projects completion

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

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

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Appendix III- Inter-Institute Confirmation Letter



MINISTRY OF EDUCATION
STATE DEPARTMENT OF VOCATIONAL & TECHNICAL TRAINING
JEREMIAH NYAGAH TECHNICAL INSTITUTE
P.O. BOX 1264 - 60100 EMBU. Tel: 020-3538386, 0700 334477, 0722 457711
Email rwikat@yahoo.com / Web: www.inti.ac.ke



The Ministry of Education wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Institute] as at 30 th June 2022						
Reference Number	Date Disbursed	Amounts Disbursed by Ministry of Education to Jeremiah Nyagah Technical (Kshs) as at 30th June 2022			Amount Received by [beneficiary Institute] (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	
DTE/CAP/9/28	22-11-2021	12,435,000	0	0	12,435,000	0
DTE/CAP/9/30	28-02-2022	12,435,000	0	0	12,435,000	0
DTE/CAP/9/23	23-05-2022	15,232,500	0	0	15,232,500	0
QUARTER 4	0	0	0	0	0	0
Total		40,102,500			40,102,500	

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Institute:

Name MOR SIMON C. KIWITIT Sign [Signature] Date 29-09-2022

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Appendix IV: Reporting of Climate Relevant Expenditures

Name of the Organization
 Telephone Number
 Email Address
 Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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Appendix V: Disaster Expenditure Reporting Template

Date:

Institute

Period to which this report refers (FY)	Year	Quarter				
Name of Reporting Officer						
Contact details of the reporting officer:	Email	Telephone				
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments