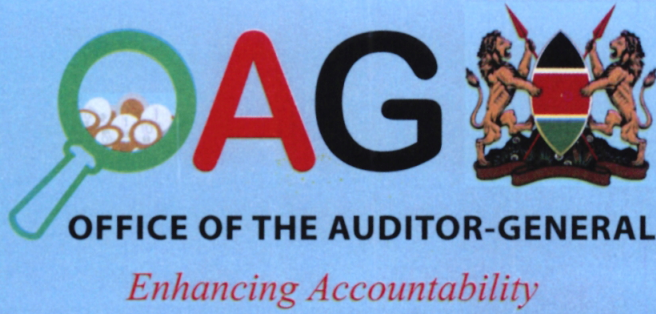


REPUBLIC OF KENYA



**REPORT**

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THE NATIONAL ASSEMBLY PAPERS LAID	
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CLEAR AT THE TABLE:	VIVIAN WAMBUI

**OF**

**THE AUDITOR-GENERAL**

**ON**

**LAISAMIS TECHNICAL TRAINING  
INSTITUTE**

**FOR THE YEAR ENDED  
30 JUNE, 2023**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

Issued 30th June 2023

27 MAY 2025

RECEIVED



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**LAISAMIS TECHNICAL TRAINING INSTITUTE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2023**

---

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

# LAISAMIS TECHNICAL TRAINING INSTITUTE

## Annual Report and Financial Statements for the year ended 30th June 2023

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## LAISAMIS TECHNICAL TRAINING INSTITUTE

### Annual Report and Financial Statements for the year ended 30th June 2023

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#### Acronyms and Definition of Key Terms

OM	Board of Management
CPAK	Institute of Certified Public Accountants of Kenya
SAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
VTTC	Vocational Training College
TTTC	Teachers Training College
LTI	Laisamis Technical Training Institute

**LAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

---

**2. Key Entity Information and Management**

**(a) Background information**

The Laisamis Technical Training Institute was established under the TVET Act No. 29 (2013) on 26<sup>th</sup> April 2017. The entity is domiciled in Kenya. The institute is under the Ministry of Education state Department for Technical and Vocational Education and Training. Currently, the institution runs eight academic departments namely Electrical and Electronics Engineering, Mechanical and Automotive Engineering, Building Technology, Health Sciences, Agriculture and Environmental Studies, Information Communication Technology and Informatics, Business Studies and Liberal Studies, and Institutional Management (Hospitality). Administrative offices include the following: Office of the Principal, Office of Deputy Principal Administration, Deputy Principal Academics, Finance and procurement. Board of Governors appointed by the Cabinet Secretary in the Ministry of Education undertakes decision-making and oversight roles in the institution. The Fiduciary Management Transact the Operations of the institution on behalf of the Principal Secretary, State Department of TVET who is the Chief Accounting officer in the education sector.

**(b) Principal Activities**

The principal activity/mission/ mandate of the entity is to enhance knowledge, skills and technology for industrial development.

**(c) Key Management**

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

- Board of Management
- Accounting Officer/ Principal/Manager
- Management

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal/Manager	<b>Charles Rotich.</b>
2.	Deputy Principal/Assistant Manager Finance	<b>Abigail Kithinji.</b>
3.	Deputy principal/Assistant Manager Academics	<b>Joshua Orguba.</b>
5	Registrar	<b>Samuel Mutwiri.</b>
6	Dean of student	<b>Feroze Kiptuisang</b>
7.	Finance	<b>Bosco Kombe.</b>

**Key Entity Information and Management (Continued)**

**(e) Fiduciary Oversight Arrangements**

The Fiduciary oversight arrangement consist of the following levels: -

<b>Audit and risk committee activities</b>	<b>Not Available</b>
<b>Finance and operations committee activities</b>	<b>Not Available</b>
<b>Academic committee activities</b>	<b>Available</b>

**Academic Committee's.**

The academic committee oversee the quality of services offered to the trainees in the institution.

**(f) Entity Headquarters**

P.O. Box 30-60500  
Marsabit  
3km from Laisamis town  
Along Marsabit-Moyale Highway

**(g) Entity Contacts**

Telephone: 0700303300  
E-mail: [laisamistechnical@gmail.com](mailto:laisamistechnical@gmail.com)  
Website: [www.laisamistech.ac.ke](http://www.laisamistech.ac.ke)

**(h) Entity Bankers**

Cooperative Bank  
Marsabit Branch  
Account Name. Laisamis Technical and Vocational College

**(i) Independent Auditors**

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

**LAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

---






**Key Entity Information and Management (Continued)**

- (j) Principal Legal Adviser**  
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**LAISAMIS TECHNICAL TRAINING INSTITUTE**







**Annual Report and Financial Statements for the year ended 30th June 2023**

**3. The Board of Management**

Member/ Director	Details
 Philip Lepakio Designation: Board Chair.	Qualification: Master of Philosophy in Defence and Strategic studies
 Barak Ali Leruk Treasurer	MBA (Accounting and Finance)
 Richard Mwirungi Kiungu	Master in Project management
 William Irungu	BSC IT
 Charles Rotich Secretary to the Board	Masters in Business Administration

**LAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**4. Key Management Team**

SN.	Management	Details
1.	 Name. Charles Rotich Designation: Principal	Master's in Business Administration
2.	 Name. Abigail Kithinji Designation. Deputy Administration	M.A Project Planning and management
3.	 Name. Joshua Orguba Designation. Deputy Academic	Bsc.in Information Technology
4.	 Name. Samuel Mutwiri Designation: Registrar	Bsc. in Information Technology
5.	 Name. Feroze Kiptuisang Designation. Dean of Student	Bsc.in Hospitality & Tourism Management
6.	 Name. Bosco kombe	CPA II (intermediate level) cont..... Diploma in Procurement

# AISAMIS TECHNICAL TRAINING INSTITUTE

## Annual Report and Financial Statements for the year ended 30th June 2023

Designation. Finance Officer	
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### 5. Chairman's Statement



I am honoured to present the statement for the annual reports and financial statement of Laisamis Technical Training Institute for the financial year 2022-2023. This report provides an overview of our institution's achievements financial performance and strategic direction as we continue our commitment excellence in Technical and Vocational Education.

#### Institution Achievements and Growth.

LTTI has continued to make significant progress in advancing its mandate to provide high-quality technical and vocational training. Some of our key accomplishments over the past years.

- **Expansion of Training program.** We have introduced new competency-based education and training (CBET) program to align with the industry demands ensuring our graduates are well prepared for the job market.

- **Infrastructure Development.**

Investment in modern training facilities, including well-equipment workshops, classrooms and digital learning platforms have enhanced the learning experience for our students.

#### Financial Performance and Sustainability

The financial statements for 2022-2023 reflects our commitment to prudent financial management, accountability and sustainability. Key highlights include:

**Revenue growth and efficient resource allocation:** the institution has effectively managed its financial resources, ensuring operational stability while investing in key priority areas.

**Transparency and compliance:** LTTI has upheld high standards of financial governance, ensuring compliance with financial regulations and best practices.

#### Future Outlook

As we move forward, LTTI remains committed to:

- **Enhancing training quality:** by continuously upgrading our curriculum, investing in staff development and embracing technology in teaching and learning.

- **Expanding infrastructure:** to accommodate a growing student population and improve learning facilities.

- **Financial sustainability:** by strengthening revenue generation initiatives and fostering strategic partnership.

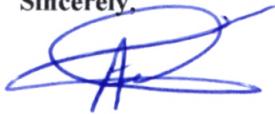
**LAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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**Appreciation**

I extend my sincere gratitude to the Board of Governors, the Principal, staff, students and all stakeholders for their dedication and support in making LTTI a centre of excellence in technical and vocational education. Together, we will continue to build a brighter future for our students and contribute to national development.

Sincerely,



**BrgRT Philip Lepakiyo**

**Chairperson of the Board of Governors**  
**Laisamis Technical Training Institute**

# LAISAMIS TECHNICAL TRAINING INSTITUTE

## Annual Report and Financial Statements for the year ended 30th June 2023

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### 6. Report of the Principal



I am pleased to present the statement for the annual reports and financial statements of Laisamis technical training Institute (LTTI) for the financial year 2022-2023. This report highlights our progress, financial performance and strategic efforts to enhance technical and vocational training for our students.

#### Institutional Achievements and Growth

The past year has been marked by significant growth and development at LTTI. Some of our notable achievements includes:

- **Expansion of training program:** we have introduced new competency-based education and training (CBET) courses to align with market demands and industry needs.
- **Infrastructure development:** investment in modern training facilities, including workshops, classrooms and ICT infrastructure, have improved the learning environment for our students.
- **Student enrolment and performance:** LTTI has recorded an increase in student enrolment, reflecting growing demand for technical education. Our students have continued to excel in national examinations and industrial attachments.

#### Financial Performance and Sustainability

Our financial statements for the year 2022-2023 demonstrate prudent management and accountability in resource allocation. Key highlights include:

- **Efficient use of funds:** despite economic challenges, we have maintained financial stability, ensuring smooth operations and continuous improvements in training facilities.
- **Transparency and compliance:** we have adhered to financial regulations and best practices, reinforcing our commitment to accountability and good governance.

#### Future plan and strategic directions

Looking ahead, LTTI remains focused on:

- **Enhancing training quality:** we will continue upgrading our curriculum, improving teaching methodologies and investing in faculty development.
- **Expanding infrastructure:** plans are in place to construct additional training facilities to accommodate our growing student population.
- **Strengthening Financial sustainability:** through innovative funding approaches, grants and strategic partnerships, we aim to secure more resources for institutional growth.

#### Appreciation

I sincerely thank the board of governors, staff, students and all stakeholders for their unwavering support and dedication to the growth of LTTI. Your contributions and collaboration have been instrumental in our continued success. Together, we will continue to empower our students with skills for a brighter future.

Sincerely,

Charles Rotich



**LAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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**Principal/Secretary BOG**  
**Laisamis Technical Training Institute**

**7. Statement of Performance against Predetermined Objectives**

Laisamis Technical Training Institute developed a strategic plan for the period 2023-2027, which is the guideline towards effective service delivery. The strategic plan comprises of thirteen (13) objectives which is on course and are at different stages of implementation each of which carrying its own merits and challenges

The objectives of Laisamis Technical Training Institute as per the strategic plan are as follows:

- To integrate ICT in training
- To recruit competent and qualified trainers
- To strengthen and nurture industry collaborations
- To enhance infrastructure and facilities to accommodate persons with disabilities
- To upgrade the existing physical infrastructure
- To develop new infrastructure facilities
- To sensitize trainees on alcohol and drug abuse
- To improve the health of trainees
- To strengthen guidance & counselling services
- To increase gross enrolment
- To prudently manage financial resources
- To offer competitive staff remuneration
- To enhance IGA's

Laisamis Technical Training Institute has managed to make stride in the following areas:

- Recruited competent and qualified trainers in the different field study.
- Increased trainee enrolment.
- Pay staff remunerations in time

The college also has face challenges in implementing some of the objectives due to financial constraints and other exogenous factors.

## **LAISAMIS TECHNICAL TRAINING INSTITUTE**

### **Annual Report and Financial Statements for the year ended 30th June 2023**

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#### **1. Corporate Governance Statement**

Laisamis Technical Training Institute is a government Institution under Ministry of Education, State Department of TVET.

It is managed by the Board of Governors appointed by the cabinet secretary who oversees the operations of the institution.

The Board of Governors constitute seven members headed by the chairman and is composed of three committees that include; Finance and Infrastructure, Education and Human Resource, Risk and Audit

The Institution is committed to ensuring compliance with the principles of corporate governance as it is in the Constitution of Kenya 2010, and the Mwongozo Code of Conduct.

The Board of Governors is responsible for the governance of the institution on how it conducts its operations in adherence to the principles of Corporate Governance that is transparency, accountability, risk management, internal controls, ethical leadership and good corporate citizenship.

The top management constituting the Principal, Deputy Principal Administration, Deputy Principal academics, Registrar, Dean of Students, does the day-to-day running of the institution.

The institution continuously assesses its governance-operating model to ensure that robust internal governing systems and practices are in place to support the Board and Management in delivering on its mandate.

**LAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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**9. Management Discussion and Analysis**

**A. OVERVIEW**

The management discussion and analysis provide an in-depth review of financial and operational performance of Laisamis Technical Training Institute for the fiscal year ended 30<sup>th</sup> June 2023. This report highlights key achievements, challenges, financial position and strategic initiatives undertaken to drive growth and sustainability.

**B. OPERATIONAL PERFORMANCE**

**Institutional Growth and Achievements**

- Increased student enrolment reflecting strong demand for technical and vocational training programs
- Expanded academic and training programs to align with industry needs
- Enhanced collaboration with industry partners for internship and job placement opportunities

**C FINANCIAL PERFORMANCES**

**3.1 Revenue and Funding Sources**

- Total revenue for the year has increased from the previous year.
- Funding sources included tuition fees and government grants

**3.2 Expenditure Analysis**

- Operational expenses increased due to staff salaries and training equipment procured.

**3.3 Financial Position and Liquidity**

- The institution maintained a stable financial position with healthy cash flow.
- Debt level remained manageable ensuring financial stability

**D. STRATEGIC OUTLOOK AND FUTURE PLANS**

- Expansion of industry-driven training program to enhance employability.
- Strengthening partnership with local and international institutions for research and innovation.
- Enhancing student support services to improve retention and graduation rates.

**E. CONCLUSION**

The institution remains committed to delivering quality education and training while maintaining financial sustainability and operational excellence. Despite challenges, strategic initiatives undertaken the organization for continued growth and success.

**MAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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**D. Environmental and Sustainability Reporting.**

**a) Sustainability strategy and profile**

Maamis Technical Training Institute is a public institution established to offer relevant and sustainable training in order to improve the livelihoods of the citizens and spur economic growth. The infrastructural development, Human resource and government support ensures that the institution is sustainable over a long period.

**b) Environmental performance**

The institution is at its formative stages and will work towards adhering to environmental sustainability best practices.

**Employee welfare**

The training staff are hired as per the Public Service Guidelines while the non-teaching staff are hired by the Board of Governors as per the human resource policy.

**Market place practices**

The college meets its obligations in paying its suppliers in time.

**LAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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**11. Report of the Board of Management**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the entity's affairs.

**Principal activities**

To provide technical education and training in appropriate and emerging technologies for employment and academic progress of our students through quality and demand driven training, community partnership, work experiences and inspiring students to be life-long learners and socially responsible

**Results.**

The results of the entity for the year ended 30 June 2023.

**Board of Governors**

The members of the Board of Directors who served during the year are shown on page vi of the report.

**Auditors**

The Auditor-General is responsible for the statutory audit of the Authority in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

  
Secretary of the Board  
Marsabit  
Date: 30.06.2023

## **2. Statement of Board of Management Responsibilities**

The board of governors at Laisamis Technical Training Institute (LTTI) plays a pivotal role in steering the institution towards achieving its mission of providing quality training and entrepreneurial skills that are responsive to market demands. Their responsibilities encompass several key areas:

### **Strategic Leadership**

- **Mission and vision alignment:** ensure that LTTI activities align with its mission to develop highly qualified and resourceful graduates
- **Policy development:** formulate and approve policies that guide the institution's operations and strategic direction.

### **B. Governance and Oversight**

- **Regulatory compliance:** ensure adherence to the ministry of education's standards and other regulatory requirements.
- **Ethical standards:** promote and uphold the core values of excellence, integrity, professionalism, creativity, teamwork, accountability and transparency.

### **C. Financial Stewardship**

**Budget approval:** review and approve annual budget, ensuring financial resources are allocated effectively to support institutional priorities.

**Financial monitoring:** oversee financial performance and ensure the sustainability of LTTI programs to maintain high educational standards.

### **D. Institutional Performance**

**Quality assurance:** monitor and evaluate the quality of training program to maintain high educational standards

**Performance metrics:** assess institutional effectiveness through key performance indicators and support continuous improvement efforts.

### **E. Human Resource Management**

- **Staff development:** support policies and programs that promote professional development

### **F. Stakeholder Engagement**

- **Community relations:** foster strong relationships with the local community, industry partners and other stakeholders to enhance collaboration and support.
- **Communication:** ensure transparent and effective communication channel between board, management, staff, student and external partners.

**LAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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**G. Risk Management**


- **Policy implementation:** establish and oversee the implementation of policies that mitigate risks associated with institutional risks associated with institutional operations.
- **Crisis response:** develop and monitor framework for responding to emergencies and unforeseen challenges.

**Approval of the financial statements**

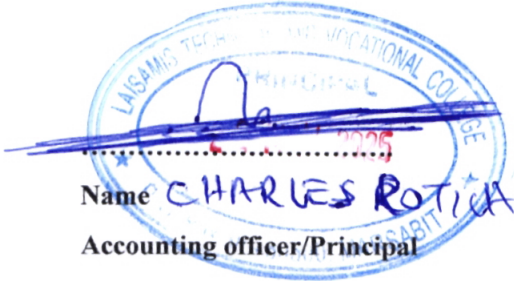
The Entity’s financial statements were approved by the Board on <sup>22-05-2025</sup>.....and signed on its behalf by:

BrgRT Philip Lepakiyo

Charles Rotich



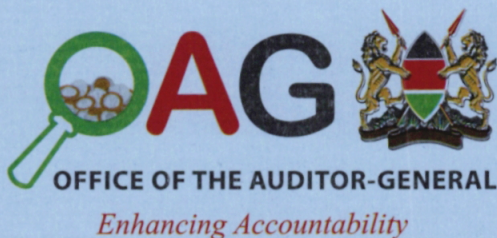
Name **PHILIP LEPAKIYO**  
Chairperson of the Board/Council



The stamp is circular with the text "LAISAMIS TECHNICAL TRAINING INSTITUTE" around the top and "MUNICIPAL" at the bottom. The year "2025" is stamped in red in the center. The signature "CHARLES ROTICH" is written in blue ink across the stamp.

Name **CHARLES ROTICH**  
Accounting officer/Principal

# REPUBLIC OF KENYA



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

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

## REPORT OF THE AUDITOR-GENERAL ON LAISAMIS TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2023

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### PREAMBLE

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

1. Report on 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.

2. 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 the Government achieves value for money and that such funds are applied for intended purpose.

3. Report on the 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A 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 Laisamis Technical Training Institute set out on pages 1 to 30, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Laisamis Technical Training Institute as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Unsupported Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs.56,963,643 as disclosed in Note 16 to the financial statements. However, the Institute has two (2) parcels of land donated by the community measuring 51.90 acres and 41.72 acres respectively whose ownership documents and valuation report were not provided for audit. In addition, the Institute did not maintain a fixed asset register for the year under review.

In the circumstances, the accuracy, completeness and ownership of the property, plant and equipment balance of Kshs.56,963,643 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Laisamis Technical Training Institute Management in accordance with ISSAI 130 on the 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.

#### **Emphasis of Matter**

##### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.14,251,200 and Kshs.12,329,234 respectively resulting to an under-funding of Kshs.1,786,966 or 13% of the budget. However, the Institute spent Kshs.7,896,744 against actual receipts of Kshs.12,329,234 resulting to an under-expenditure of Kshs.4,567,490 or 37% of the actual receipts.

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

My opinion is not modified in respect of this matter.

### **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 Information**

The Management is responsible for the other information set out on page iii to xvii which comprise of Key Entity Information and Management, The Board of Management, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Board of Management Responsibilities. The other information does not include the financial statements and my audit report thereon.

My opinion on the financial statements does not cover the other information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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

### **Conclusion**

As required by Article 229(6) of the Constitution and 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 has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Late Submission of Financial Statements**

The financial statements of Laisamis Technical Training Institute for the year ended 30 June, 2023 were submitted on 4 April, 2025 one and a half years after the statutory requirement. This was contrary Section 47(1) of the Public Audit Act, 2015 which provides for submission of financial statements to the Auditor General within three months after the end of the fiscal year to which the accounts relate.

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

## **2. Non- Submission of Financial Statements**

The Institute was commissioned on May 2018 and operational bank accounts opened later in the year 2019. Since its commissioning, the Institute has not submitted the financial statements to the Auditor General for the financial years 2019/2020, 2020/2021 and 2021/2022. This was in contrary to Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015 which states that an Accounting Officer shall prepare financial statements in a form that complies with the relevant accounting standards as prescribed by the Public Sector Accounting Standards Board not later than three months after the end of the financial year and submit them to the Auditor General with a copy to the County Treasury, the Controller of Budget and the National Treasury.

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

The audit was conducted in accordance with the 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 comply, 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 THE 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 matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

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

Review of documents provided by the Management revealed that the Institute lacks an internal audit function, which implies that there is no independent assurance that the Institute's risk management, governance and internal controls are operating as required by relevant laws, policies and procedures. This was contrary to 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 in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, the College

did not have an audit committee as required by Section 73(5) of the Public Finance Management Act, 2012. This implies that Institute lacked oversight of the internal controls and compliance with laws, regulations and financial reporting processes.

In the circumstances, the effectiveness of internal controls, risk management and governance could not be confirmed.

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

### **Responsibilities of the Management and the Board of Management**

The 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 controls as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, the 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 the Management is aware of the intention to close the Institute or cease operations.

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls 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 Management.
- Conclude on the appropriateness of Management's use of the going concern 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 Company's ability to continue as a going concern. 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 College to cease to continue as a going concern.


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.

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

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

  
FPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

30 June, 2025

**AISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**Statement of Financial Performance for The Year Ended 30 June 2023**

	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from National Government Entities	6	7,929,000	0
		<b>7,929,000</b>	<b>0</b>
<b>Revenue from Exchange transactions</b>			
Fees from students	7	4,400,234	0
		<b>4,400,234</b>	<b>0</b>
<b>Total Revenue</b>		<b>12,329,234</b>	<b>0</b>
<b>Expenses</b>			
Cost of goods and services	8	5,173,145	0
Employee costs	9	1,264,864	0
Depreciation and amortization expense	10	701,400	0
Repairs and maintenance	11	1,420,641	0
	12	688,160	0
<b>Total Expenses</b>		<b>9,248,210</b>	<b>0</b>
<b>Surplus/(deficit) for the year</b>		<b>3,081,024</b>	<b>0</b>

The Financial Statements set out on pages 1 to 6 were signed by:



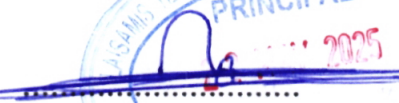

Name: PHILIP LEPAKIYO  
 Chairman of Board

Date: 22-05-2025


Name: Bosco Kombe  
 Accountant  
 ICPAK No.

Date: 22/05/2025

Name: CHARLES ROTICH  
 Principal/Manager

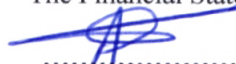
Date: 22/05/2025

**LAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

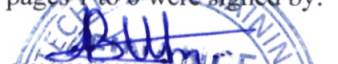
15. **Statement of Financial Position As At 30th June 2023**

Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	13	2,012,937	0
Receivables from non-exchange transactions	14	233,829	0
Inventories	15	0.00	0
<b>Total Current Assets</b>		<b>2,370,845</b>	<b>0</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	16	56,963,643	0
<b>Total Non-Current Assets</b>		<b>56,963,643</b>	<b>0</b>
<b>Total Assets (A)</b>		<b>59,210,409</b>	<b>0</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	17	303,748	0
<b>Total Current Liabilities</b>		<b>303,748</b>	<b>0</b>
<b>Total Liabilities (B)</b>		<b>303,748</b>	<b>0</b>
<b>Net Assets (A-B)</b>		<b>58,906,661</b>	<b>0</b>
<b>Represented By:</b>			
Revaluation Reserves		0	0
Accumulated Surplus		3,081,024	0
Capital Fund		55,825,637	0
<b>Total Net Assets</b>		<b>58,906,661</b>	<b>0</b>

The Financial Statements set out on pages 1 to 6 were signed by:

  
 Name **PHILIP KIPAKIYO**  
 Chairman of Board

Date **22-05-2025**

  
 Name **Basco Kombe**  
 Accountant  
 ICPAK No

Date **22/05/2025**

  
 Name **CHARLES ROTICH**  
 Principal/Manager

Date **22/5/2025**

**AISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**5. Statement of Changes in Net Assets For The Year Ended 30 June 2023**

Description	Revaluation reserve	Accumulated Surplus	Capital Grants/Fund	Total
<b>At July 1, 2021 (previous year)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	-	0	-	0
Capital grants received during the year	-	-	55,825,637	55,825,637
<b>At June 30, 2022</b>	<b>0</b>	<b>0</b>	<b>55,825,637</b>	<b>55,825,637</b>
<b>At July 1, 2022 (current year)</b>	<b>0</b>	<b>0</b>	<b>55,825,637</b>	<b>55,825,637</b>
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	-	3,081,024	-	3,081,024
Capital grants received during the year	-	-	0	0
<b>At June 30, 2023</b>	<b>0</b>	<b>3,081,024</b>	<b>55,825,637</b>	<b>58,906,661</b>

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

**LAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**17. Statement of Cash Flows For The Year Ended 30 June 2023**

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from National Government entities		7,929,000	0
Fees from students		4,440,234	0
<b>Total Receipts</b>		<b>12,329,234</b>	<b>0</b>
<b>Payments</b>			
Use of goods and services		5,173,145	0
Employee costs		1,264,864	0
Board Expenses		701,400	0
Repairs and maintenance		688,160	0
<b>Total Payments</b>		<b>7,827,569</b>	<b>0</b>
<b>Net Cash Flows from operating activities</b>		<b>4,501,665</b>	<b>0</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, and equipment		(2,558,647)	0
Proceeds from the sale of property, plant, and equipment		0	0
<b>Net cash flows used in investing activities</b>		<b>(2,558,647)</b>	<b>0</b>
<b>Cash flows from financing activities</b>			
Proceeds From Borrowing		0	0
Repayment of Borrowings		0	0
<b>Net cash flows used in financing activities</b>		<b>0</b>	<b>0</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>1,943,018</b>	<b>0</b>
Cash & Cash equivalents at the beginning (1 <sup>st</sup> July)		69,919	0
Cash & Cash equivalents at the end. (30 <sup>th</sup> June)		<b>2,012,937</b>	<b>0</b>

**LAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**18. Statement of Comparison of Budget & Actual amounts For Year Ended 30th June 2023**

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	<b>A</b>	<b>B</b>	<b>C=A+B</b>	<b>D</b>	<b>E=C-D</b>	<b>F=E/C%</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
<b>Revenue</b>						
Transfers from National Government entities	8,897,000	0	8,897,000	7,929,000	968,000	10%
Fees from students	5,354,200	0	5,354,200	4,535,234	818,966	15%
<b>Total Income</b>	<b>14,251,200</b>	<b>0</b>	<b>14,251,200</b>	12,464,234	<b>1,786,966</b>	13%
<b>Expenses</b>						
Use of goods and services	10,801,200	-	10,801,200	5,316,770	5,484,430	50%
Employee costs	2,400,000	0	2,400,000	1,264,864	1,135,136	47%
Board Expenses	650,000	0	650,000	701,400	(51,400)	-8%
Repairs and maintenance	400,000	0	400,000	613,710	(213,710)	-53%
<b>Total Expenditure</b>	<b>14,251,200</b>	<b>0</b>	<b>14,251,200</b>	<b>7,896,744</b>	<b>6,354,456</b>	46%
<b>Surplus For the Period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,567,490</b>	<b>4,567,490</b>	100%
<b>Capital Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	0%

**19. Notes to the Financial Statements**

**1. General Information**

Laisamis Technical Training Institute is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the State Department for Technical, Vocational Education and Training (TVET) and domiciled in Laisamis sub-county. The entity's principal activity is technical skills services.

**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 entity's accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the LTTI. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**LAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**3. Adoption of New and Revised Standards**

- i. New and amended standards and interpretations in issue and effective in the year ended 30 June 2024.**

There are no new standards and interpretations issued in the Financial Year.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.**

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b>Applicable 1<sup>st</sup> January 2025</b> 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 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 Entity. 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	<b>Applicable 1<sup>st</sup> January 2025</b> 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.
IPSAS 45: Property Plant and Equipment	<b>Applicable 1<sup>st</sup> January 2025</b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<b>Applicable 1<sup>st</sup> January 2025</b> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

**LAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

Standard	Effective date and impact:
	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

**iii. Early adoption of standards**

Laisamis TTI did not early-adopt any new or amended standards in year 2023.

#### 4. Summary of Significant Accounting Policies

##### a) Revenue recognition

##### ) Revenue from non-exchange transactions

##### Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

##### ) Revenue from exchange transactions

##### Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

##### Sale of goods

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

##### Interest income

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

##### 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.

**LAISAMIS TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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**b) Budget information**

The original budget for FY 2022/2023 was approved by the Board on **xxx**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of **xxx** on the FY 2022/2023 budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on 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 on page **xx** under section **xxx** of these financial statements.

**c) Taxes**

**Current income tax**

The entity is exempt from paying taxes as per schedule **xxx** of the **xxx** Act.

**Sales tax/ Value Added Tax**

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

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

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

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. 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 derecognition. 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 or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**i) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

## **Financial assets**

### **Classification**

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

### **Subsequent measurement**

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows present solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

### **Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note xx.

**Financial liabilities**

**Classification**

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**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:

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

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

**Inventories (Continued)**

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**k) Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**Contingent liabilities**

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

**Contingent assets**

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

**Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**m) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. (Entity to state the reserves maintained and appropriate policies adopted).

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

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

**o) Employee benefits**

**Retirement benefit plans**

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**p) 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.

**q) 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.

**) Related parties**

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

**) Service concession arrangements**

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

**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.

**Comparative figures**

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

**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, 2023.

## **5. Significant Judgments and Sources of Estimation Uncertainty**

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

### **Estimates and assumptions.**

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

### **Useful lives and residual values**

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

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

### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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**6. Transfers from the National Government**

Description	2022/2023	2021/2022
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	7,929,000	0
<b>Total unconditional Grants</b>	<b>7,929,000</b>	<b>0</b>
<b>Total Government Grants and Subsidies</b>	<b>7,929,000</b>	<b>0</b>

**Fees from students**

Description	2022/2023	2021/2022
	Kshs	Kshs
Tuition Fees	3,414,124	0
Activity Fees	181,409	0
Industrial Attachment Fees	45,352	0
Examination Fees	498,876	0
Library Fees	136,057	0
Facilities And Materials	159,640	0
Registration Fees	99,775	0
<b>Total Fees from students</b>	<b>4,400,234</b>	<b>0</b>

**Use of Goods and Services**

Description	2022/2023	2021/2022
	Kshs	Kshs
Teaching and learning materials	531,840	0
Industrial attachment costs	90,000	0
Electricity	63,189	0
Subscriptions	120,000	0
Examination fees	1,037,809	0
Catering, conferences, and delegations	237,760	0
Travelling and accommodation	2,474,447	0
Licenses and permits	57,000	0
Telephone expenses	1,100	0
Printing expenses	560,000	0
<b>Total good and services</b>	<b>5,173,145</b>	<b>0</b>

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**9. Employee Costs**

Description	2022/2023	2021/2022
	Kshs	Kshs
Salaries and wages	1,226,564	0
Social contributions	38,300	0
<b>Employee Costs</b>	<b>1,264,864</b>	<b>0</b>

**10. Board Expenses**

Description	2022/2023	2021/2022
	Kshs	Kshs
Chairman's Honoraria	0	0
Directors Emoluments	701,400	0
<b>Total</b>	<b>701,400</b>	<b>0</b>

**11. Depreciation and Amortization expense**

Description	2022/2023	2021/2022
	Kshs	Kshs
Property, plant and equipment	1,420,641	0
<b>Total depreciation &amp; amortization Expense</b>	<b>1,420,641</b>	<b>0</b>

**12. Repairs and Maintenance**

Description	2022/2023	2021/2022
	Kshs	Kshs
Property	564,460	0
Furniture and fittings	95,700	0
Computers and accessories	28,000	0
<b>Total Repairs and Maintenance</b>	<b>688,160</b>	<b>0</b>

**13. Cash and Cash Equivalents**

Description	2022/2023	2021/2022
	Kshs	Kshs
Current Account	2,012,937	0
<b>Total Cash and Cash Equivalents</b>	<b>2,012,937</b>	<b>0</b>

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3 (a). Detailed Analysis of Cash and Cash Equivalents

Financial Institution	Account number	2022/2023	2021/2022
		Kshs	Kshs
<b>a) Current Account</b>			
Co-operative Bank		2,012,937	0
<b>Sub- Total</b>		<b>2,012,937</b>	<b>0</b>
<b>Grand Total</b>		<b>2,012,937</b>	<b>0</b>

4. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	2022/2023	2021/2022
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	233,829	0
<b>Total Current Receivables</b>	<b>233,829</b>	<b>0</b>

(b) Ageing Analysis of Receivables from Exchange transactions

Description	2022/2023		2021/2022	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	187,218	80%	0	%
Between 1- 2 years	38,136	16%	0	%
Between 2-3 years	8,475	4%	0	%
Over 3 years	0	%	0	%
<b>Total (a+b)</b>	<b>233,829</b>	<b>100%</b>	<b>0</b>	<b>%</b>

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

1 Inventories

Description	2022/2023	2021/2022
	Kshs	Kshs
Consumable stores	0	0
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>0</b>	<b>0</b>

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**16. Property, Plant and Equipment**

**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). The assets have not be revalued, however, the value of the building is known. The cost of land cannot be estimated therefore, it has not been included.

**16 (a) Property, Plant and Equipment at Cost**

Cost	Buildings Kshs	Furniture and fittings Kshs	Computers and Accessories Kshs	Plant and equipment Kshs	Library books Kshs	Other assets Kshs	Capital Work in progress Kshs	Total Kshs
<b>As at 1 July 2022</b>	<b>55,575,637</b>	<b>250,000</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>55,825,637</b>
Additions	0.00	0.00	0.00	0.00	0.00	0.00	2,558,647	2,558,647
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers/Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>At 30th June 2023</b>	<b>55,575,637</b>	<b>250,000</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,558,647</b>	<b>58,384,284</b>
<b>Depreciation And Impairment</b>								
<b>At 30 June, 2023</b>								
Dep Rate	2.50%	12.50%	33%	0.00	0.00	0.00	0.00	0.00
Depreciation	1,389,391	31,250	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0	0	0.00	0.00	0.00	0.00	0.00	0.00
Impairment	0	0	0.00					
<b>At 30 June, 2023</b>	<b>1,389,391</b>	<b>31,250</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,420,641</b>
<b>Net Book Values</b>								
<b>At 30th June 2022</b>	<b>55,575,637</b>	<b>250,000</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>55,825,637</b>
<b>As at 30 June 2023</b>	<b>54,186,246</b>	<b>218,750</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,558,647</b>	<b>56,963,643</b>

<b>WIP</b>	
Workshop project	2,037,947
Gate project	520,700
<b>Total</b>	<b>2,558,647</b>

**17. Trade and Other Payables from Exchange Transactions**

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Trade payables	160,280.00		0	
Salary	143,468.00		0	
<b>Total Trade and Other Payables</b>	<b>303,748.00</b>		<b>0</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	303,748.00	100%	0	0
1-2 years	0	%	0	0
2-3 years	0	%	0	0
Over 3 years	0	%	0	0
<b>Total (to tie to totals above)</b>	<b>303,748.00</b>	<b>%</b>	<b>0</b>	<b>0</b>

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**8. Cash generated from operations.**

	2022/2023	2021/2022
	Kshs	Kshs
Surplus/(Deficit) for the year	0	0
<b>Adjusted for:</b>		
Depreciation	0	0
Non-Cash grants received	0	0
Contributed assets	0	0
Impairment	0	0
Gains and Losses on Disposal of Assets	0	0
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Finance Income	0	0
Finance Cost	0	0
<b>Working Capital Adjustments</b>		
Increase in Inventory	0	0
Increase in Receivables	0	0
Increase in Deferred Income	0	0
Increase in Payables	0	0
Increase in Payments received in advance	0	0
<b>Net Cash Flow from Operating Activities</b>	<b>0</b>	<b>0</b>

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

**19. Financial Risk Management**

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

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

**(i) Credit risk**

The entity 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 entity'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
<b>At 30 June 2022</b>				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 30 June 2023</b>				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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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 entity has significant concentration of credit risk on amounts due from xxxx

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.

**(i) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>30 June 2022</b>				
Trade Payables	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>30 June 2023</b>				
Trade Payables	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**(ii) Market risk**

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

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

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

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

**a) Interest rate risk**

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

**Management of interest rate risk**

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

**iv) Capital Risk Management**

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

Description	2022/2023	2021/2022
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	0	0
Capital Reserve	0	0
<b>Total Funds</b>	<b>0</b>	<b>0</b>
Total Borrowings	0	0
Less: Cash and Bank Balances	(0)	(0)
Net Debt/(Excess Cash and Cash Equivalents)	0	0
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

**20. Related Party Balances**

**Nature of related party relationships**

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

**County Government of Marsabit**

The County Government of Marsabit is the principal shareholder of LTTI. The County Government of Marsabit has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The Ministry of Education state Department of TVET
- ii) Board of Management;
- iii) Key management;

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

Description	2022/2023	2021/2022
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>1) Sales to related parties</b>		
Hire of facility by govt. agencies	0	0
Others (specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>3) Purchases from related parties</b>		
Purchases of electricity from kplc	0	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. agencies	0	0
Others (specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>4) Grants /Transfers from the Government</b>		
Grants from National Govt	0	0
Grants from County Government	0	0
Donations in Kind	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Total</b>		
<b>Key Management Compensation</b>		
Board of Management emoluments	0	0
Compensation to Key Management	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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**21. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Description	2022/2023	2021/2022
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	0	0
Assets arising from determination of Court Cases	0	0
Reimbursable Indemnities and Guarantees	0	0
Others (Specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Contingent Liabilities**

Description	2022/2023	2021/2022
	Kshs	Kshs
<b>Contingent Liabilities</b>	0	0
Court Case Xxx against (The Entity)	0	0
Bank guarantees in favour of subsidiary	0	0
Contingent liabilities arising from Contracts including PPPs	0	0
Others (Specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**22. Capital Commitments**

Capital Commitments	2022/2023	2021/2022
	Kshs	Kshs
Authorised for	0	0
Authorised and Contracted for	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

**3. Events After The Reporting Period**

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

**4. Currency**

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

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**20. 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)

**Guidance Notes:**

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

.....  
 Name **CHARLES ROTICH**  
 Principal/Manager  
 (Enter title of Head of entity)  
 Date



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**Appendix II: Projects Implemented by Laisamis Technical Training Institute**

**Projects**

Projects implemented by the Laisamis Technical Training Institute 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 Project 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-Entity Confirmation Letter**


Name of transferring entity: ...MINISTRY OF EDUCATION


Name of beneficiary entity: ... LAISAMIS TECHNICAL TRAINING INSTITUTE

<b>Confirmation of amounts received by Laisamis Technical Training Institute as at 30<sup>th</sup> June 2023</b>					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
11841414deb7	26.10.2022	2,425,000		2,425,000	Capitation for students
1185ee098ebd	26.01.2023	2,752,000		2,752,000	Capitation for students
S04923622	27.06.2023	2,752,000		2,752,000	Capitation for students
Total				<b>7,929,000</b>	

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

**Head of Accounts Department - Disbursing Entity:**  
 Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**  
 Name CHARLES ROTICH Sign  Date 27.6.2023



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**Appendix IV: Reporting of Climate Relevant Emissions**

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

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**Appendix V: Reporting on Disaster Management Expenditure**

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 (Ksh s.)	Comments