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REPORT DATE: 03 MAR 2022 DAY: Thurs

TABLED BY:	<u>LOM</u>
CLERK-AT-OF-TABLE:	<u>Conductivity</u>

THE AUDITOR-GENERAL

ON

**EKERUBO GIETAI TECHNICAL TRAINING
INSTITUTE**

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



EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 2020

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



**EKERUBO GIETAI TECHNICAL TRAINING
INSTITUTE**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED JUNE 2020

REVISED COPY

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

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Key Entity Information and Management

(a) Background information

Ekerubo Gietai Technical Training Institute (EGTTI) is one of the thirteen new TVET institutions in Kenya established during term of the 10th parliament. The construction of the Institute was funded by the Government of Kenya with the support of the African Development Bank (AfDB). Work began in June 2012 under the mentorship of Keroka Technical Training Institute (KTTI) and was completed in 2014. The pioneer Principal was posted to the Institute on 20th January 2015 and the first batch of students reported as from 23rd February 2015. The Institute's first Board of Governors (BOG) was inaugurated on 27th April 2015.

EGTTI was officially opened in a ceremony presided over by the 4th President of the Republic of Kenya, His Excellency Hon. Uhuru Kenyatta C.G.H. on 27th April 2016. The Institute is registered by the TVET Authority as a Technical and Vocational College (TVC) and licensed to offer training up to diploma level. Its registration number is (TVETA/PUBLIC/TVC/0011/2016).

EGTTI boasts of a serene training environment, modern equipment, and skilled faculty in the programmes it offers. It is a centre of excellence in Building Sciences and Land Survey.

(b) Principal Activities

The mandate of the Institute includes to:

- a) Offer teaching/training in science and technology.
- b) Offer innovative discovery, transmission and preservation of knowledge.
- c) Carry research and entrepreneurial activities.
- d) Participate in commercial ventures and activities that promote the objectives of the institution
- e) Foster the general welfare of staff, students and the community
- f) Develop and provide educational, cultural, professional, technical and vocational services to the community and in particular foster corporate social responsibility
- g) Promote social – economic development in line with the county's development agenda

VISION

To become a competitive world class Institute in advancement of excellent technical skills knowledge and innovations

MISSON

To provide holistic training that will enhance the trainees' competence, responsibility and creativity to meet the challenges of a dynamic society through efficient use of available resources

MOTTO

To understand the course of things to innovate new ways of doing them better: *"home of innovation"*

CORE VALUES

Our operations are governed by a set of core values which constitute the desired organizational culture. The guiding core values that EGTTI and the stakeholders and partners shall hold in common and endeavour to put into practice while performing their functional obligations include the following:

- a) **Integrity** – Transparency, accountability and cost effectiveness
- b) **Professionalism** - scientific excellence, ethics and flexibility.
- c) **Teamwork** – Partnership for collaboration, advantage and synergies.
- d) **Efficiency** – Impact, performance and science orientation
- e) **Continual improvement**- effective knowledge and innovation management
- f) **Courtesy**- Respect for staff and diversity.
- g) **Confidentiality**- embraces the principle of confidentiality in service delivery.
- h) **Fidelity to law**- committed to respect the rule of law in all our undertakings.
- i) **Respect for individual differences**- Committed to providing education to all learners including those with disabilities/special needs.

(c) Key Management

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

- The Board of Governors
- The Principal (Accounting officer)
- The Central Administration team
- The Heads of Department

(d) Fiduciary Management

The key management personnel who were in office during the financial year 2019/2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Mr. Geoffrey Andama
2.	Deputy Principal	Mr. Albert Omariba
3.	Registrar	Mrs. Joyce Omweri
4.	Dean of Students	Mrs. Mary Nyamori
5.	Head of Finance	Mrs. Rebecca Mouti
6.	Head of Procurement	Mrs. Sylvia Omambia
7.	Human Resource	Mr. Evans Moriasi

Key Entity Information and Management (Continued)

(e) Entity Headquarter

Ekerubo Gietai Technical Training Institute
P.O. Box 382-40500
Tombe-Mokomoni Road
Nyamira, Kenya

(f) Entity Contacts

Telephone : (254) 0794 519 220
E-mail: ekerubogietaitti@gmail.com
Website: www.ekerubogietai.ac.ke

(g) Entity Bankers

1. Kenya Commercial Bank
P.o. Box 403-40500
Nyamira - Kenya

(h) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

I Key Entity Information and Management (Continued)

(i) Principal Legal Adviser

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

THE BOARD OF GOVERNORS

Insert each Director's passport-size photo and name, and key profession/academic qualifications	Provide a concise description of each Director's date of birth, key qualifications and work experience
 <p>Eng Zachary Bundi Obura</p>	<p>Date of birth 1958 Eng. Zachary Obura joined the Institute on 05/02/2018 as chairman of the Board of Governors. He holds a Higher National Diploma (Land survey & mapping) from Kenya polytechnic. He has over 30 years of experience working as an engineer with Roads Authority. He has worked as a project Surveyor / Inspector for many construction roads in Kenya. He also worked as Regional Manager (Roads) for Kisii, Gucha and Nyamira Districts. Currently he is a retired Engineer.</p>
 <p>Mr. Samuel Menyenya Makori</p>	<p>Date of Birth 1974 He joined the college on 02/05/2018 as a member of the Board of Governors and serves as the 3rd signatory to the Institutes bank accounts. He holds a Bachelor of Agriculture degree from JKUAT. He has 19 years of experience working as a Manager with Eastern Produce Company. He currently works as a manager at KTDA Company Ltd in Kiambu County.</p>



Ms Lucy Wahito Wachira

Date of birth 1978

She joined the college on 05/02/2018 as a member of the Board of Governors. She holds a Masters degree in Business Administration (Strategic Management) from Kisii University. She has worked as an assistant business Loans Manager at Mwalimu National SACCO and acted as a FOSSA Branch Manager in the same SACCO. Currently she works at the Kisii Water and Sanitation Company.



Eng. Kennedy Orangi Buko

Date of birth 1963

Joined the college on 05/02/2018 as a member of the Board of Governors, He holds a Higher National Diploma in Electrical and Electronic Engineering from Kenya Polytechnic. He is a member of Association of Medical Engineers of Kenya (AMEK) Reg. No. 0064 and the Engineers Registration Board of Kenya (ERB Certificate No. C1037. He has over 26 years of experience working as an engineer. He has worked as a senior Engineer with TECHNOMED LTD Nairobi and is currently working with KEMRI WELCOME TRUST RESEARCH PROGRAMME in Kilifi County as a Building Services Engineer.



Mr. Franklin Kipyegon Tirop

Date of Birth 1979

He joined the college in 2015 as a member of the BOG when the first BOG was inaugurated. In the year 2018 he was reappointed as a member of the Board of Governors serving a second term. He holds a Bachelor of Commerce degree from the University of Nairobi and a Diploma in IMIS from Strathmore College. He is a member of ICPAK. He has worked as a project manager and a deputy accountant at James Finlay K. Ltd. Currently he works as a Finance Executive at Sotik Tea Company Ltd. and is also a financial controller in the same company.



Mrs. Phoebe Makungu

Date of birth 1971

She joined the college on 05/02/2018 as a member of the Board of Governors. She holds Bachelor of Education degree from Kenyatta University and Diploma in HRM (post graduate) from Kenya Institute of Management. She has over 21 years of experience in the public sector with various assignments. She has worked as assistant director HRM in the office of the president police department among others. Currently she is working as deputy director- HRM Policy, Recruitment, Training and oversight at the Ministry of Energy and Petroleum. She has good inter-personal skills, training techniques and communication skills.



Mr. Joash Ondieki Gisore

Date of birth 1961

He joined the college on 05/02/2018 as a member of the Board of Governors representing the Governor, Nyamira County. He holds a Bachelor of Education (Special Education - Deaf) from Kenyatta University. He is a trained P1 teacher from Kenya Institute of Special Education (KISE). He has over 31 years of experience working in the Ministry of Education Science and Technology State department of Education as an Assistant Director, Quality Assurance and Standards. Currently he works in the office of the Governor Nyamira county as a political advisor.

Mary Kerubo Ongaki

Date of Birth 1974

She is a lawyer by profession



Mr. Tom Olang'o

Date of birth 1970

Mr. Tom Olango is the County Director TVET (Kisii and Nyamira). He represents the Principal Secretary, State Department for Vocational and Technical Training in the Institute's Board of Governors.



Mr. Geoffrey Nyamweya Andama



Date of birth 1970

He joined the Institute on 14/03/2019 as Principal. He holds a Bachelor of Education degree from Egerton University, a diploma in Education Management (KEMI) as well as SMC and SLDP from the Kenya School of Government. He has 25 years of experience in TVET. He has previously worked as Registrar, Mawego T. T. I., Deputy Principal, Kisumu National Polytechnic, and Principal, Siaya Institute of Technology. He is the Institute's Accounting Officer and Secretary to the Board of Governors.

(a) Board Committees

NAME OF THE COMMITTEE	MEMBERS	DESIGNATION
Administration Finance and Infrastructure Committee (AFI)	<ol style="list-style-type: none"> 1. Eng. Kennedy Buko 2. Mr. Frankline Tirop 3. Mr. Joash Gisore 4. Mr. Tom Olango 	<p>Chairperson</p> <p>Member</p> <p>Member</p> <p>Member</p>
Education Research and Training Committee (ERT)	<ol style="list-style-type: none"> 1. Mr. Samuel Makori 2. Eng. Kennedy Buko 3. Mr. Joash Gisore 4. Mr. Tom Olango 	<p>Chairperson</p> <p>Member</p> <p>Member</p> <p>Member</p>
Risks and Audit Committee (RA)	<ol style="list-style-type: none"> 1. Lucy Wachira 2. Ms Phoebe Makungu 3. Samuel Makori 4. Mr. Tom Olango 	<p>Chairperson</p> <p>Member</p> <p>Member</p> <p>Member</p>

(b) Administration staff

Name of the Staff	Responsibility
 <p data-bbox="328 1048 772 1084">Mr. Geoffrey Nyamweya Andama</p>	<p data-bbox="852 533 1102 564">Date of birth 1970</p> <p data-bbox="852 607 1501 1039">He joined the Institute on 14/03/2019 as Principal. He holds a Bachelor of Education degree from Egerton University, a diploma in Education Management (KEMI) as well as SMC and SLDP from the Kenya School of Government. He has 25 years of experience in TVET. He has previously worked as Registrar, Mawego T. T. I., Deputy Principal, Kisumu National Polytechnic, and Principal, Siaya Institute of Technology. He is the Institute's Accounting Officer and Secretary to the Board of Governors.</p>
 <p data-bbox="245 1787 507 1818">Mr. Albert Omariba</p>	<p data-bbox="852 1473 1102 1505">Date of birth 1969</p> <p data-bbox="852 1514 1501 1765">He holds a Bachelor of Education degree from Kenyatta University. He has experience of 25 years in TVET. He has previously worked as HOD at Keroka Technical Training Institute and now as a Deputy Principal at EGTTI since 2015. He is in charge of the Academics and Administration function.</p>



Mrs. Joyce Omweri

Date of birth 1965

She holds a Bachelor of Education degree from Kenyatta University. She has previously worked at Kisii National Polytechnic as a Trainer/HOD since 1993. Currently she is the Registrar of the College, in charge of Admissions and Management of Exams.



Mrs. Mary Nyamori

Date of birth 1969

Mary Osindi holds Masters degree in Business Administration from Egerton University; she also has a diploma in HRM from Kenya Institute of Management (KIM) and has worked as a lecturer in Kisii University for 5 years. Currently she is the Dean of Students.



Mrs. Rebecca Kerubo

Date of birth 1986

Rebecca is a CPA finalist, currently undertaking B.Com at Kisii University. She has 11 years experience in the Finance field, and has previously worked as a Secondary School Bursar for 7 years at Matongo Boys High School. She has served as the Institute's Finance Officer since 2017. She is in charge of the Finance function.



Mr. Alfred Obungu Akora

Date of birth 1978

Alfred holds a B.Com from JKUAT. He is also a CPA finalist. He has experience of 15 years working as a school Bursar at Secondary School level, Finance Officer at the Institute, and now as the Internal Auditor. He is in charge of the Internal Audit Function, to ensure that Internal Control Systems are working as required.



Mr. Evans Moriasi Ngasora

Date of birth 1978

He holds Bachelor of Science degree from Moi University. He is also holds a Higher National Diploma in HRM from Eldoret Polytechnic. He has experience of two years in the HRM function. Currently he is the Human Resource Officer of the college in charge of employees.



Mrs. Sylvia Omambia

Date of birth 1991

She holds a Diploma in Procurement from Kenya Institute of Management (KIM), and 4 years' experience of in Procurement Department. Currently she is in charge of the Institute's Procurement Function.

CHAIRMAN'S STATEMENT

On behalf of the Board of Governors (BOG), Ekerubo Gietai Technical Training Institute, I am greatly honoured to make this statement regarding governance and performance of the Institute. The BOG membership remained intact throughout the period with the only change being the retirement of the County Director TVET, Mr. Lucas Ocharo who was swiftly replaced with Mr. Tom Olango. In the Board, the CDTVET represents the Principal Secretary, State Department for Vocational and Technical Training. Despite the challenges posed by the covid-19 pandemic which interrupted operations during the 3rd quarter, the college managed to undertake several activities especially in the 1st and 2nd quarters of the financial year. Some of these activities include the November 2019 national examinations and the successful hosting of the KATTI Western Region TVET Fair which was held in Nyamira town. The latter was a memorable event which played a prominent role in marketing the Institute and TVET in general among members of the public.

Another major activity was the recruitment of eight (8) new trainers under Public Service Commission (PSC) terms. The interviews for this important exercise were conducted in September 2019 and May 2020, respectively. These newly recruited trainers will help reduce the staffing deficit which has continued to affect the college.

The Institute faces some challenges which militate against effective and efficient performance in the delivery of training services. First on the list is the slow progress in completion of the library project. The library is a critical learning resource whose absence remains a glaring gap with adverse effects on the delivery of training programs. I wish to urge the Government, through the Ministry of Education to review the funding model for faster completion of the project.

The establishment of the college was realized courtesy of the implementation of phase one (1) of the project which constituted the Building and Civil Engineering department. It is now time for the Government to implement phase two (2) of the project which was envisaged to be the Electrical Engineering department. This would provide training facilities and infrastructure for students taking electrical, electronics and solar technology programs who currently learn under inadequate conditions. The road network leading to the Institute also needs upgrading to improve accessibility.

I would however hasten to appreciate the Government, through the Ministry of Education, staff, students, and other stakeholders for the immense support accorded to the Institute. Sincere thanks go to the Higher Education Loans Board (HELB) and Kenya Universities and Colleges Central Placement Services (KUCCPS) for the critical roles they play in ensuring trainees access training programs at the Institute. Thank you.



Eng. Zachary Bundi Obura
Chairman BOG

REPORT OF THE PRINCIPAL

I am pleased to present the annual report and financial statements for the year ended 30th June 2020 whose contents are outlined in this document. The year under review was a more challenging one given the unprecedented crisis caused by the covid-19 pandemic which culminated in the sudden closure of the Institute in March 2020.

Ekerubo Gietai Technical Training Institute (EGTTI) started the year with cash and cash equivalents of Kshs. 2,113,873.00 and received Kshs. 22,792,500.00 from the Government of Kenya as capitation income. The Institute collected Kshs. 20,565,451.00 from tuition fees and other charges. In total, the college therefore had Kshs. 45,471,824.00 at its disposal for operations.

EGTTI spent a total of Kshs. 12,389,111.00 on personal emoluments which represents 27% of the total income. About 42% of the personal emoluments expense went to compensation of additional trainers hired on contract in a bid to reduce the dire staffing deficit the Institute has continued to experience over time. The college spent Kshs. 16,964,094.00 on goods and services, Kshs.6,446,710.00 on general expenses and Kshs. 3,254,356.00 on the ongoing library project.

The Institute targeted to raise income of Kshs. 71,535,400.00 during the financial year 2019/2020. However, this target was not met mainly because of the adverse operational environment occasioned by the covid-19 pandemic. In addition, the Institute did not receive government capitation for the 4th quarter as well as anticipated development grants.

The Institute's student enrolment has continued to rise steadily reaching 1,150 during the year under review. The increase in population has exerted immense pressure on the limited training facilities including lecture rooms, workshops, and laboratories. The government funded library project coming up at a cost of Kshs.48, 819,382.000 remains incomplete with Kshs. 19,810,083 yet to be received. In the year under review, the Institute did not receive any monies for the project which is funded through quarterly development grants. My earnest appeal is for more support from the government to enable the Institute develop more training facilities and in particular for the completion of the library project.

Apart from training programs, the Institute participated in several co-curricular activities including hosting the Regional TVET Fair and Robot contest where it scooped a trophy in the Civil Engineering category. In June 2020, the Institute hosted the Africa National Tree Planting Week during which exercise over 3000 trees were planted as a contribution towards environmental and ecological enhancement.

Finally, I wish to express sincere gratitude to the Government of Kenya, the Board of Governors, staff, students, and all stakeholders for supporting the Institute.

Thank you.



Mr. Geoffrey N. Andama
Principal / Secretary BOG



CORPORATE SOCIAL RESPONSIBILITY STATEMENT / SUSTAINABILITY REPORTING

Ekerubo Gietai Technical Training Institute recognizes that it exists within a specific social context and therefore strives to play its role in spearheading a transformational agenda through provision of its core mandate activities. EGGTI's vision is to be a competitive world class Institute in advancement of excellent technical skills, knowledge, and innovations. Through its training programs, the Institute aims at enhancing the trainees' competencies, responsibility and creativity and prepare them as versatile workers on the global job market.

1. Sustainability Strategy and Profile

The Institute draws its existence as a Technical and Vocational College from the TVET Act 2013. It has a key role to play within the Science, Technology and Innovation (STI) pillar in the realization of the Kenya Vision 2030. It is also important to note that the Institute has a stake in the realization of the Sustainable Development Goals (SDGs) especially goal number four on quality education i.e. ensure inclusive and equitable education and promote lifelong learning opportunities for all.

The Institute therefore has put in place strategies geared towards enhancing female enrolment in male dominated courses and vice versa.

Various Competencies based Education and Training (CBET) courses have been launched to promote quality education. To promote lifelong learning, the Institute has commenced training modes and programs that recognize prior learning and award credit as stipulated by the Kenya National Qualifications Authority (KNQA).

The one biggest challenge to sustainability has been the humble Institute infrastructure which is gradually unable to sustain the ever-rising student enrolment. This is compounded by inadequacy of financial resources to expand training facilities. Apart from expected government support, the Institute has commenced a project for production of building materials to be used for construction of tuition rooms among other interventions.

2. Environmental Profile

The Institute subscribes to environmental protection and ecological enhancement policies. In June 2020, EGTI hosted the Africa National Tree Planting Week for Nyamira County which saw the planting of over 3000 tree seedlings. The occasion was presided over by the County Commissioner, Nyamira Mr. Amos Mariba.



Mr. Amos Mariba County commissioner.



BOG Chairman Mr. Zachary Obura.



The Principal Mr. Geoffrey Andama.



Other Stakeholders participating in tree planting.

3. Employee Welfare

EGTTI strives to sustain a healthy workplace for its employees. Available opportunities are advertised for competitive and fair recruitment. All employees especially those working in risky environments such as workshops, grounds and sanitation are provided with personal protective equipment (PPEs). The Institute is in the process of preparing its human resource policy to inform its operations in this area.

4. Market Place Practices

Ekerubo Gietai T. T. I. being a public institution does not align itself to any political persuasion and thus offers opportunities to all clients irrespective of their political affiliations. The Institute has signed a performance contract with the Government of Kenya with several targets including eradication of corruption, enhancement of national cohesion and integration and promotion of local content in procurement.

The Institute offers a fair procurement environment for its suppliers by publicly advertising all tender opportunities and practicing openness in award of business. Payment for goods and services is prompt. As can be witnessed from the previous year's performance contract, the Institute achieved the target of maintaining pending bills at less than 1% of the approved budget.

The rights of our students to quality and accessible training is assured as provided for in the Institute's Academic Policy, copies of which have been circulated to the trainees.

5. Community Engagements

Ekerubo Gietai Technical Training Institute made efforts to foster a healthy relationship with its surroundings. As part of its corporate social responsibility obligations, the Institute donated 100 litres of liquid soap to the Nyamira County Covid-19 Response Committee through the County Commissioner during the Africa National Tree Planting Week exercise hosted by the Institute. The college also distributed liquid soap to members of the neighbouring community. In addition, teams from the surrounding areas are allowed access to the Institute's sports pitch free of charge.



Eng Zachary Obura presenting 100 litres of sanitizers and 500 pcs of face masks to the County Commissioner, Nyamira.

1. REPORT OF THE BOARD OF GOVERNORS

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

Principal activities

The principal activities of the entity are (ref page ii above)

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page v to viii
During the year 2019/2020 director Mr. Luchas Ocharo retired and Mr. Tom Olango was appointed with effect from .30. 01. 2020.

Auditors

The Auditor General is responsible for the statutory audit of the Ekerubo Gietai TTI in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the College for the period ended June 30, 2020 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE,
P.O. BOX 382-40500,
NYAMIRA
Date:.....

2. STATEMENT OF BOARD OF GOVERNORS / COUNCIL MEMBERS' RESPONSIBILITIES

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

The Board members are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial period ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the College, (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The Board members are of the opinion that the College's financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30, 2020, and of the College's financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The College's financial statements were approved by the Board on **11-03-2021** and signed on its behalf by:

Name: Mr. Zachary Obura **Name:** Mr. Geoffrey Nyamweya Andama **Name:** Ms Lucy Wahito Wachira

Date: 11.03.2021 Date: 11.03.2021 Date: 11/03/2021

Sign:  Sign:  Sign: 

Chairperson B.O.G

Secretary B.O.G

B.O.G Member

REPUBLIC OF KENYA

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



Enhancing Accountability

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ekerubo Gietai Technical Training Institute set out on pages 1 to 15 which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Ekerubo Gietai Technical Training Institute as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of financial position as at 30 June, 2020 reflects total net assets and liabilities balance of Kshs.577,840,218 and a comparative balance of Kshs.559,704,909 while the statement of changes in net assets for the year then ended reflects a balance of Kshs.71,875,434 and a comparative balance of Kshs.47,467,154 resulting to unreconciled variances of Kshs.505,964,784 and Kshs.512,237,755 respectively.

Further, the statement of cash flows for the year ended 30 June, 2020 reflects Kshs.1,500,382, and Kshs.3,856,915 in respect of increase in trade payables and development project grant respectively which have not been supported.

Consequently, the accuracy of the financial statements for the year ended 30 June, 2020 could not be confirmed.

2. Overstatement of Property, Plant and Equipment

The statement of financial position as at 30 June, 2020 and as disclosed in Note 13 to the financial statements reflects a balance of Kshs.546,909,486 in respect of property,

Report of The Auditor-General on Ekerubo Gietai Technical Training Institute for the Year Ended 30 June 2020

plant and equipment. However, no provision for depreciation was made against non-current assets as required under International Public Sector Accounting Standards 17. In addition, assets register was not provided for audit review.

In the circumstances, accuracy, valuation, and completeness of the property, plant and equipment balance of Kshs.546,909,486 as at 30 June, 2020 could not be ascertained.

3. Long Outstanding Receivables from Exchange Transactions

The statement of financial position as at 30 June, 2020 and as disclosed in Note 11 to the financial statement reflects receivables from exchange transactions balance of Kshs.16,184,626 in respect of student fee debtors which has been outstanding for more than one (1) year with no evidence on any management's effort to recover the amounts owed from students.

Further, there was no provision made to allow for any likely loss of revenue from non-collectable debtors.

Consequently, the completeness, accuracy and recoverability of the receivables from exchange transactions of Kshs.16,184,626 as at 30 June, 2020 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amount for the year ended 30 June, 2020 reflects Ksh.71,535,400 and Ksh.44,880,069 in respect to budgeted and actual revenue on comparable basis respectively translating to an under-realization of 39%.

Similarly, the statement reflects Kshs.71,535,400 and Kshs.36,656,541 in respect budgeted and actual expenditure respectively resulting to under absorption of 49 %.

The budget under absorption of Kshs.36,879,695 is equivalent to services budgeted for but not delivered to the students of the Institute.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness

Report of The Auditor-General on Ekerubo Gietai Technical Training Institute for the Year Ended 30 June 2020

and Effectiveness in Use of Public Resources sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Delay in Construction of Library Block

The statement of financial position as at 30 June, 2020 and as disclosed under Note 13 to the financial statement reflects a balance of Kshs.546,909,486 in respect of property plant and equipment which include capital work in progress balance of Kshs.26,304,356 relating to construction of Library Block. As previously reported, a company was awarded a tender for construction of a library block at a contract sum of Kshs.48,919,38 for a duration of thirty-six (36) weeks and expected to end on 14 April 2010. However, the contract completion period has been revised severally but the project still remains incomplete to date contrary to Section 151(2)(d) of the Public Procurement and Asset Disposal Act, 2015 which requires right quality and within the time frame. Physical verification in February 2021 revealed that the that contractor was not on site and the project had stalled.

In the circumstances, validity and value for money of Kshs.26,304,356 as at 30 June, 2020 could not be ascertained.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Approved Staff Establishment and Human Resource Plan

The Institute lacks an approved staff establishment to support achievement of goals and objectives in the strategic plan. In the circumstances, the Institute may face challenges in determining its optimal staffing levels while recruiting new staff since the available positions are not properly identified and defined in the organizational structure.

2. Lack of Risk Management Policy

The review of the internal controls revealed that the Institute lacks a Risk Management Strategy to ensure that all operations are performed within the approved risk tolerance

levels. There was no documented disaster recovery plan to deal with loss of data or information in case of systems failures to protect the IT infrastructure in the event of a disaster. Further, there is no assurance on the effectiveness of Risk Management strategies as required by the provisions of section 165(1a) of Public Finance Management (National Governments) Regulations, 2015.

In the circumstance, the institute may not be able to respond effectively in an event of a disaster.

3. Lack of Debts Management Policy

The Institute does not have a clear policy and strategy on debts management; spelling out modalities on recovery of outstanding debts, when a debt becomes bad and doubtful, and when a bad debt is to be written off.

In the circumstance, the Institute may not be able to manage its cash flow effectively.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


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

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

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

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

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


 CPA Nancy Gatungu, CBS
AUDITOR-GENERAL

Nairobi

10 February, 2022

EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 2020

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

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	1	25,815,000	15,120,000
Grants from donors and development partners			
Transfers from other levels of government			
Public contributions and donations			
		25,815,000	15,120,000
Revenue from exchange transactions			
Rendering of services- Fees from students	2	31,704,000	21,136,000
Sale of goods		00	
Rental revenue from facilities and equipment		00	
Finance income - external investments		00	
Other income	3	3,545,695	5,810,323
Revenue from exchange transactions		35,249,695	26,946,323
Total revenue		61,064,695	42,066,323
Expenses			
Use of goods and services	4	16,964,094	20,374,264
Employee costs	5	12,389,111	10,498,446
Remuneration of directors	6	857,500	1,010,000
Depreciation and amortization expense		00	
Repairs and maintenance	7	00	
Contracted services		00	
Grants and subsidies		00	
General expenses	9	6,445,710	4,129,594
Total expenses		36,656,415	35,996,204
Other gains/(losses)			
Gain on sale of assets			
Unrealized gain on fair value of investments			
Impairment loss			
Total other gains/(losses)			
Net Surplus for the year		24,408,280	6,070,119
Attributable to:			
Surplus/(deficit) attributable to minority interest			
Surplus attributable to owners of the controlling entity			

The notes set out on pages 6 to 15 form an integral part of the Annual Financial Statements.

5. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	10	14,240,342	2,113,873
Current portion of receivables from exchange transactions	11	16,184,626	7,995,896
Receivables from non-exchange transactions		00	00
Inventories	12	505,764	1,030,680
		30,930,732	11,140,449
Non-current assets			
Property, plant and equipment	13	546,909,486	548,564,460
Total assets		577,840,218	559,704,909
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	14	1,736,355	4,538,919
Reserves			
Accumulated surplus		41,623,049	17,214,769
Capital Fund		534,480,814	537,951,221
Total net assets and liabilities		577,840,218	559,704,909

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

Name ZACHARY B. OBUKA

Name DEBBIE KEROBO

Name ANDAM GETHREY

Sign [Signature]

Sign [Signature]

Sign [Signature]

Date 11-03-2021

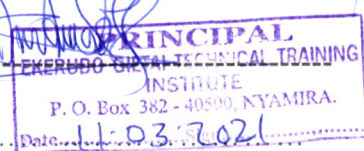
Date 11-03-2021

Date 11-03-2021

Chairman (BOG)

Finance Officer

Principal



6. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2020

	Revaluation reserve	Accumulated surplus	Capital/ Development Grants/Fund	Total
At July 1, 2018	00	11,144,650	26,395,470	37,540,120
Revaluation gain	00	-	-	-
Fair value adjustment on quoted investments	-	-	-	-
Total comprehensive income	-	6,070,119	-	6,070,119
Capital/Development grants received during the year	-	-	3,856,915	3,856,915
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-
At June 30, 2019	00	17,214,769	30,252,385	47,467,154
At July 1, 2019	00	17,214,769	30,252,385	47,467,154
Revaluation gain	00	-	-	-
Fair value adjustment on quoted investments	-	-	-	-
Total comprehensive income	-	24,408,280	-	24,408,280
Capital/Development grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-
At June 30, 2020	00	41,623,049	30,252,385	71,875,434

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

		2019-2020	2018-2019
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	1	25,815,000	15,120,000
Public contributions and donations		0	
Rendering of services- Fees from students	2	15,519,374	13,140,104
Other income	3	3,545,695	5,810,323
Total Receipts		44,880,069	34,070,427
Payments			
Compensation of employees	5	12,389,111	10,498,446
Use of goods and services	4	16,873,394	18,128,300
Bog Remuneration	6	857,500	1,010,000
Other payments	9	6,445,836	4,113,494
Total Payments		36,565,841	32,740,240
Net cash flows from operating activities		8,314,228	1,330,187
Increase in Trade payables-		1,500,382	00
Net cash flows from working capital		1,500 382	00
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(3,345,056)	(1,900,000)
Inter-borrowing to college fund a/c		00	(1,800,000)
Decrease in non-current receivables			
Net cash flows used in investing activities		(3,345,056)	1,900,000
Cash flows from financing activities			
Development project grant		3,856,915	3,856,915
College A/c refund		1,800,000	
Net cash flows used in financing activities		5,656,915	3,856,915
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 JULY	10	2,113,873	631,036
Cash and cash equivalents at 30 JUNE	10	14,240,342	2,113,873

Notes to the cash flow Statement

1. The college has presented the cash flow statements using direct method.
2. Retention money of kshs. 2,627,641.00 are included in cash and cash equivalents.

8. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs
Govt grants capitation	36,000,000		36,000,000	25,815,000	10,185,000
Rendering of services- Fees from students	31,704,000		31,704,000	15,519,374	16,184,626
Other Income	3,831,400		3,831,400	3,545,695	285,705
Total income	71,535,400		71,535,400	44,880,069	26,655,331
Expenses					
Compensation of employees	14,109,200		14,109,200	12,389,111	1,720,089
Use of Goods and services	52,022,700		52,022,700	16,964,094	35,058,606
Remuneration of directors	958,500		958,500	857,500	101,000
General expenses	4,445,000		4,445,000	6,445,836	(2,000,836)
Total expenditure	71,535,400		71,535,400	36,656,541	34,878,859
Surplus for the period	00		00	8,223,528	(8,223,528)

Budget notes

- The Covid-19 pandemic is the major reason for variances over 10%

9. NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

Ekerubo Gietai T.T.I. is established by and derives its authority and accountability from the TVET Act 2013. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is ref page ii

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 college accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note

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

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

Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020.

SUBSEQUENT EVENTS (IPSAS 14)

The 3rd quarter capitation grants was sent on 03/07/2020 after the close of the year under review

1. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Operational grant	00	4,500,000
Capitation	25,815,000	10,620,000
	25,815,000	15,120,000
Conditional grants	00	00
Library grant	00	00
Hostels grant	00	00
Administration block grant	00	00
Laboratory grant	00	00
Learning facilities grant	00	00
Other organizational grants	00	00
Total government grants and subsidies	25,815,000	15,120,000

2 RENDERING OF SERVICES (IPSAS 9)

Description	2019-2020	2018-2019
	KShs	KShs
Tuition fees	5,174,525	4,538,210
Repairs Maintenance and Improvement	670,242	444,821
Personal Emoluments	3,452,553	3,108,606
Local Transport and Travelling	1,431,416	975,851
Electricity Water and Conservancy	1,066,408	666,700
Activity	1,488,437	830,315
Medical	406,489	223,556
Attachment/Insurance	1,689,531	962,504
Practical	00	1,178,347
Catering	00	9,000
Administration	139,773	30,000
Fees Refund	00	172,194
Fees arrears	16,184,626	7,995,896
Total revenue from the rendering of services	31,704,000	21,136,000

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL
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3 OTHER INCOME

Description	2019-2020	2018-2019
	KShs	KShs
Student Council	132,917	233,112
Admission Fees	116,700	266,500
Caution Fees	00	281,259
KNEC Registration Fees	2,310,528	2,068,337
Borrowing	00	300,000
Fees recoveries	37,772	458,565
Smart Card	113,613	104,600
Service Hired	00	259,250
Sale of water	60,000	13,700
Part time Fees	00	25,000
Inter borrowing Development a/c	00	1,800,000
Sale of containers	1,460	00
Sale of milk	6,735	00
Computer Packages	85,380	00
Accommodation (TVET FAIR)	613,600	00
Field Hire	66,990	00
Total other income	3,545,695	5,810,323

4 USE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Electricity	596,468	673,400
Bank Charges	28,002	38,503
Tuition / Departmental	1,950,521	3,891,001
Local Transport And Allowance	3,952,750	2,433,416
Activity	252,560	2,048,144
Medical Services	1,000	38,200
Attachment/ Insurance	434,659	126,180
Marketing	370,870	329,000
Catering	1,471,894	1,369,353
Administration Costs	3,308,197	3,210,643
Farm	125,130	721,370
House Keeping	2,640	95,650
Text Books	6,100	283,430
Practical	00	1,773,730
Pending Bills B/F (Paid)	2,187,494	3,204,873
Tvet Fair	1,512,809	00
Covid 19	108,700	00
KATTI	563,600	00
Total Good And Services	16,873,394	20,287,984

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL
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JUNE 2020

5 EMPLOYEE COSTS

	2019-2020	2018-2019
	KShs	KShs
Salaries and wages	9,820,644	8,576,850
NSSF	1,481,964	1,227,634
NHIF	437,450	365,390
PAYE	289,453	123,572
Welfare Contribution	207,600	52,000
Helb Recoveries	152,000	153,000
Employee costs	12,389,111	10,498,446

6 REMUNERATION OF DIRECTORS

Description	2019-2020	2018-2019
	KShs	KShs
Chairman's Honoraria		
Directors emoluments	857,500	1,010,000
Other allowances		
Total director emoluments	857,500	1,010,000

7 REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2020
	KShs	KShs
Property		
Investment property – earning rentals		
Equipment and machinery		
Vehicles		
Furniture and fittings	00	86,280
Computers and accessories		
Other		
Total repairs and maintenance	00	86,280

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JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 GENERAL EXPENSES

Description	2019-2020	2018-2019
	KShs	KShs
KNEC Registration	3,544,980	3,045,850
Service hired	00	51,700
Borrowing- Development A/c	1,800,000	432,000
Fees Refund	59,600	217,294
Student Council	213,900	262,800
Student Identity Cards	45,900	89,850
Caution Fees	00	1,000
Honoraria	49,400	00
Computer packages	31,500	00
Accommodation Fees – (Tvet Fair)	632,400	00
Admission Fees Expenses	68,000	00
Dev Bank expenses	30	00
Total	6,445,836	4,100,494

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL
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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 CASH AND CASH EQUIVALENTS

Description	2019-2020	2018-2019
	KShs	KShs
Recurrent Account	7,562,393	13,362
Fees Account	4,050,308	1,873,608
Development Account	2,627,641	226,903
Total cash and cash equivalents	14,240,342	2,003,873

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

10(a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2019-2020	2018-2019
		KShs	KShs
a) RECURRENT ACCOUNT			
Kenya Commercial bank		7,561,952	13,241
Cash		441	121
Sub- total		7,562,393	13,362
b) FEES ACCOUNT			
Kenya Commercial bank		4,027,249	1,873,256
Cash		23,059	352
Sub- total		4,050,308	1,873,608
c) DEVELOPMENT ACCOUNT			
Kenya Commercial Bank		2,627,641	226,903
Sub- total		2,627,641	226,903
Sub- total			
Grand total		14,240,342	2,113,873

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 RECEIVABLES FROM EXCHANGE TRANSACTIONS (IPSAS 9)

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables	16,184,626	7,995,896
Student debtors		
Rent debtors		
Consultancy debtors		
Other exchange debtors		
Less: impairment allowance		
Total current receivables	16,184,626	7,995,896

12 INVENTORIES (IPPSAS 12)

Description	2019-2020	2018-2019
	KShs	KShs
Consumable stores	456,558	916,900
Maintenance stores		
Health Unit stores		
Electrical stores		
Cleaning materials stores		
Catering stores	49,206	113,780
Total inventories at the lower of cost and net realizable value	505,764	1,030,680

EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 PROPERTY, PLANT AND EQUIPMENT

Cost	Land	Buildings Shs	Furniture and fittings Shs	Computers Shs	Plant and equipment Shs	Capital Work in progress Shs	Total Shs
At 1 July 2018	64,000,000	282,000,000	10,000,000	2,000,000	160,000,000	21,150,000	539,150,000
Additions		00	1,520,230	994,230	-	1,900,000	4,414,430
Disposals		(00)	-	-	-	(00)	(00)
Transfers/adjustments		00	00	(00)	-	00	(00)
At 30 th June 2019	64,000,000	282,000,000	11,520,230	2,994,200	160,000,000	23,050,000	543,564,430
Additions		00	00	-	90,700	3,254,356	3,345,056
Disposals		(00)	-	-	-	(00)	(00)
Transfer/adjustments		(00)	00	(00)	-	00	(00)
At 30 th June 2020	64,000,000	282,000,000	11,520,230	2,994,200	160,090,700	26,304,356	546,909,486
Net book values							
At 30 th June 2020							
At 30 th June 2020	64,000,000	282,000,000	11,520,230	2,994,200	160,090,700	26,304,356	546,909,486

14 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Trade payables	235,973	2,126,348
Fees paid in advance	1,500,382	1,334,045
Employee advances	00	00
Third-party payments	00	00
Other payables	00	1,078,525
Total trade and other payables	1,736,355	4,538,918

Trade payables ageing analysis

Kshs of 235,973.00 was paid on 07/09/2020 and was cleared

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 Currency

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

3 APPENDICES

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

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.

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

Date.....

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

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

Status of Projects completion

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	LIBRARY	48,819,382	26,304,361	65%	19,710,082	3,254,356	MOEVTT
2							
3							

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APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE		
Break down of Transfers from the State Department Of Vocational Technical Training				
FY 2019/2020				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		10/07/2019	10,620,000	2018-2019
		18/10/2019	7,342,500	2019-2020
		06/05/2020	7,852,500	2019-2020
		Total	25,815,000	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			00	2019-2020
			00	2019-2020
			00	2019-2020
		Total	00	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total		
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	25,815,000	

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

Finance Manager
Ekerubo Gietai T.T.I.

Sign -----

Head of Accounting Unit
Ekerubo Gietai T.T.I.

Sign -----



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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized					Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Statement of cash flows		
Ministry of Education	10/07/2020	Recurrent	25,815,000	25,815,000						25,815,000
Ministry of Education		Development	00							00
USAID		Donor Fund	00							00
Ministry of Education		Direct Payment	00							00
Total			25,815,000	25,815,000						25,815,000

