

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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LEADER OF MAJORITY

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OF

OF

LEAH NIWAJEA

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
EKERUBO GIETAI TECHNICAL TRAINING
INSTITUTE

FOR THE YEAR ENDED
30 JUNE 2018



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EKERUBO GIETAI TECHNICAL AND TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2018**

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

EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
For the year ended June 30, 2018

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Ekerubo Gietai Technical and training Institute was registered on 22nd 12, 2015 by the ministry of education under TVET act no 29 of 2013. It is one of the thirteen newly established Technical institutes in Kenya during the tenth parliament. The construction work of phase one of the institute started in June 2012. This was completed in 2014. Before registration Keroka Technical Training institute had been requested to mentor it. The Institute The institute is self governing by the board of Governors and directly funded by the Government. The posting of Principal was done on 20th Jan ,2015 taking over on 17th Feb, 2015 and on 23rd Feb, 2015 admission of the first students started. The Board of Governors was inaugurated on on 27th April, 2015. The Institute is situated approximately 12km from Nyamira Town centre off Mokomoni- Nyaramba Road in Nyamira County. Poor road network, housing and understaffing are the major constraints towards the attainment of fully Technical training Institute. We are striving to ensure that the institute is recognised nationally and internationally as a centre for academic excellence with full support from the Government.

(b) Principal Activities

The mandate of the institute as provided by the ministry of education science and technology includes;

- a) To offer teaching/training in science and technology.
- b) To offer innovative discovery, transmission and preservation of knowledge.
- c) To carry research and entrepreneurial activities.
- d) To participate in commercial ventures and activities that promote the objectives of the institution
- e) To foster the general welfare of staff. Students and the community
- f) To develop and provide educational, cultural, professional, technical and vocational services to the community and in particular foster corporate social responsibility
- g) To 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

MISISON

To provide holistic training that will enhance the tainees’ 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 practise while performing their functional obligations include the following:

- a) **Integrity** – Transparency, accountability and cost effectiveness
- b) **Professionalism** - scientific excellence, ethics and flexibility.



TEKERUBO GIETAI TECHNICAL TRAINING INSTITUTE

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For the year ended June 30, 2018

- c) **Teamwork** – Partnership for collaboration and 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**- embrace 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 college day-to-day management is under the following key organs:

- Board of governors
- Accounting officer (Principal)
- Administration team
- Head of Departments

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	BOG Chairman	Eng. Zachary obura
2.	Principal	Mr. Daniel Nyariki Onywoki
3.	Head of Finance	Mrs Rebecca Mouti
4.	Head of Procurement	Mrs Sylvia Omambia
5.	Deputy Principal	Mr Albert Omariba
6.	Registrar	Mrs Joyce Omweri
7.	Dean Of Students	Mrs Mary Nyamori
8.	Human Resource	Mr Evans Moriasi

(e) Entity Headquarter

EKERUBO GIETAI TECHNICAL TRAINING INSTITUTTE
P.O. Box 382-40500
Tombe - Mokomoni Road
Nyamira, KENYA

(e) Entity Contacts

Telephone :(254) 0727447528
E-mail: ekerubogietaitti@gmail.com
Website: www.ekerubogietai.ac.ke

(f) Entity Bankers

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

(g) 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)

(h) Principal Legal Adviser

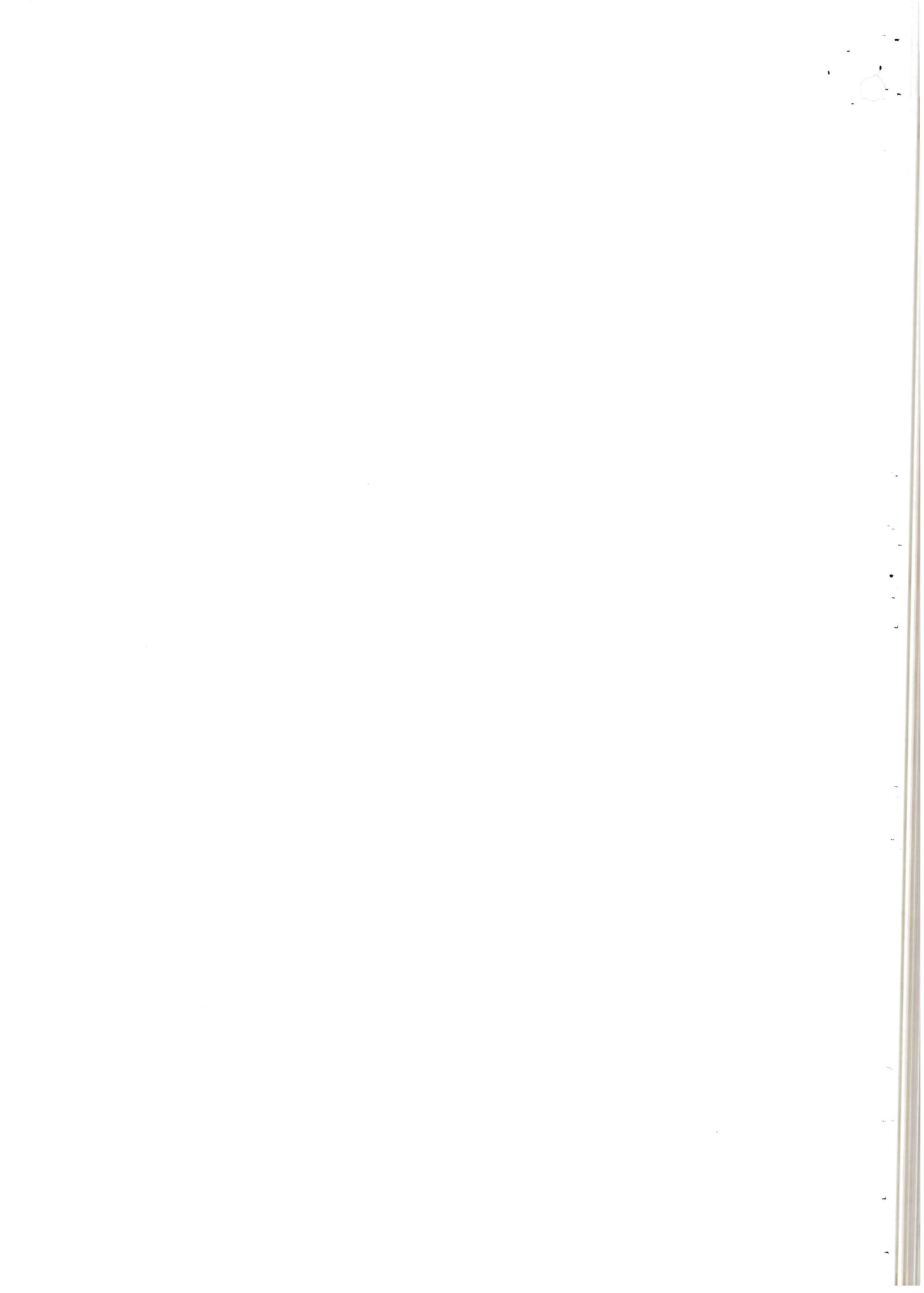
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

(i) THE BOARD OF GOVERNORS *(it should be as they appear in the annual financial statements)*

EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE**-Annual Reports and Financial Statements****For the year ended June 30, 2018**

Board of Governors who retired during the financial year 2017/2018

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
1. Director 1: Dr Grace B. Nyamongo	-50 years -PhD -Lecturer U.O.N
2. Director 2: Eng. Evans N. Nyangaya	-60 years -B. Sc Civil engineering -Eng. Kenya pipeline
3. Director 3: David O. Rioba	-69 years -B. Sc Chemistry -Retired principal of TTI
4. Director 4: Joseph O. Aera	-43 years -B.com –Accounting Option -CDF manager – North Mugirango consti.
5. Director 5: Franklin Tirop	-38years -B.com accounting option -Head of finance sotik tea
6. Director 6: Dr. Skitter Wabugua	-40years -PhD in Physics - County Chief officer in Kisii
7. Director 7: Mrs Elizabeth A Atemi	-41years -Masters in literature -civil servant. Assistant county commissioner -Nyakach



Current 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
1. Director 1: Zachary Bundi Obura Higher National Diploma	-60 years -Higher National Diploma Land and Survey Management -Retired engineer
2. Director 2: Samuel Menyanya Makori	-44 years -Degree -Field Manager
3. Director 3: Lucy Wahito Wachira	-40 years - Masters in Finance - Banker
4. Director 4: Kennedy Orango Buko	-54 years -HNDEEE -Engineer
5. Director 5: Frankline Tirop	-40 years - Degree in ICT - System Analyst
6. Director 6: Phoebe Makungu	-50 years - Masters - Lecturer
7. Director 7: Joash Ondieki Gisore	-58 years -Degree - Office of the Governor
8. Olivia Oluoch Odongo	- -Degree -County Director TVET
9. Mary Kerubo Ongaki	- 33 years - Degree - Lawyer

(j) Board Committees (it should be as they appear in the annual financial statements)

Name of the Committee	Members
Finance and Audit Committee	1. Lucy Wachira 2. Samwel Makori
Project Management Committee	1. Kennedy Buko 2. Phoebe Makungu
Academic Committee	1. Frankline Tirop 2. Mary Kerubo Ongaki



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I KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(a) Key Management*(it should be as they appear in the annual financial statements and should be key personnel of the entity involved in Key decision making and running of the entity)*

Name of the Staff	Responsibility
Mr. Geoffrey Andama	-Chief Executive Officer/ Principal -Management and Making decisions -Accounting officer
Mr. Albert Omariba	-Deputy Principal -In charge of academics and administration
Mrs. Joyce Omweri	-Registrar -Admission and management of exams
Mrs Rebecca Mouti	-Finance -In charge of finances
Mr. Evans Moriasi Ngasora	-Human Resource Officer -In charge of employees
Mrs Sylvia Omambia	-Procurement officer -In charge of procurement
Mrs. Mary Nyamori	-Dean of students - In charge of students

EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements

For the year ended June 30, 2018

CHAIRMAN'S STATEMENT

It is with great pleasure that I present the financial report of Ekerubo Gietai Technical and training Institute for the year ended 30th June, 2018.

The vision of the college is to become a competitive world class college in advancement of excellent technical skills, knowledge and innovations.

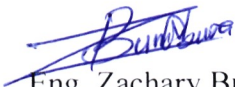
The college was able to register two new courses i.e Hair dressing and Beauty Therapy and Electrical and Electronics engineering, which has attracted more student enrolment.

I wish to appreciate the Government of Kenya and organisations like the Higher Education Loans Board (HELB) for continuing to support our students in paying their fees. A high number of students have difficulties in meeting the cost of education thus HELB as well as other bursary providers have assisted in ensuring our students successfully pursue their studies. I appeal for further support from the private sector and non- Governmental organizations.

The College Board of Governance would like to appeal to the government to consider enhancing our recurrent and development grants to enable the college meet its financial obligations. The college faces huge challenges in completing the on- going Library project and wishes to put up critical infrastructures including learning and accommodation facilities. The college is adversely affected by inadequate funding from the government hence not able to complete the on-going project in time and meet other academic as well as administrative activities.

I thank our students, parents and other stakeholders for choosing to invest in our institution and urge that together we should strive to achieve higher levels of excellence in the coming years.

Thank you.



Eng. Zachary Bundi Obura

CHAIRMAN OF EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE

REPORT OF THE CHIEF EXECUTIVE OFFICER

It is my great pleasure to present the Annual Report and Financial Statements for the year ended 30th June 2018 whose details are given below:

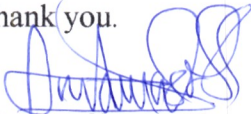
In the financial year 2017/18 Ekerubo Gietai Technical Training Institute started with a cash balance of kshs.2,843 and received 17,000,000 from the Government of Kenya as recurrent income, and kshs.5,423,905 as Development income. The college also managed to collect Kshs.11,010,715 as tuition and other charges. In total therefore, the college had kshs.33,437,463, at its disposal.

Since the college has inadequate teaching staff, the Board of Governors contracted 30 trainers to assist the college in handling trainees. Due to this shortage the college spent kshs.7,586,855 on personal emolument , kshs.20,543,021 as recurrent expenditure and kshs.5,400,000 on ongoing library project.

The college conducted Environmental Impact Assessment (EIA) for new project in collaboration with Kenya Forest, we planted Trees in the college and restored degraded sites as part of the Environmental Ecological Enhancement.

Finally I express my gratitude to the Government of Kenya, The Board of Governors, Staff and students and all stakeholders for supporting the college.

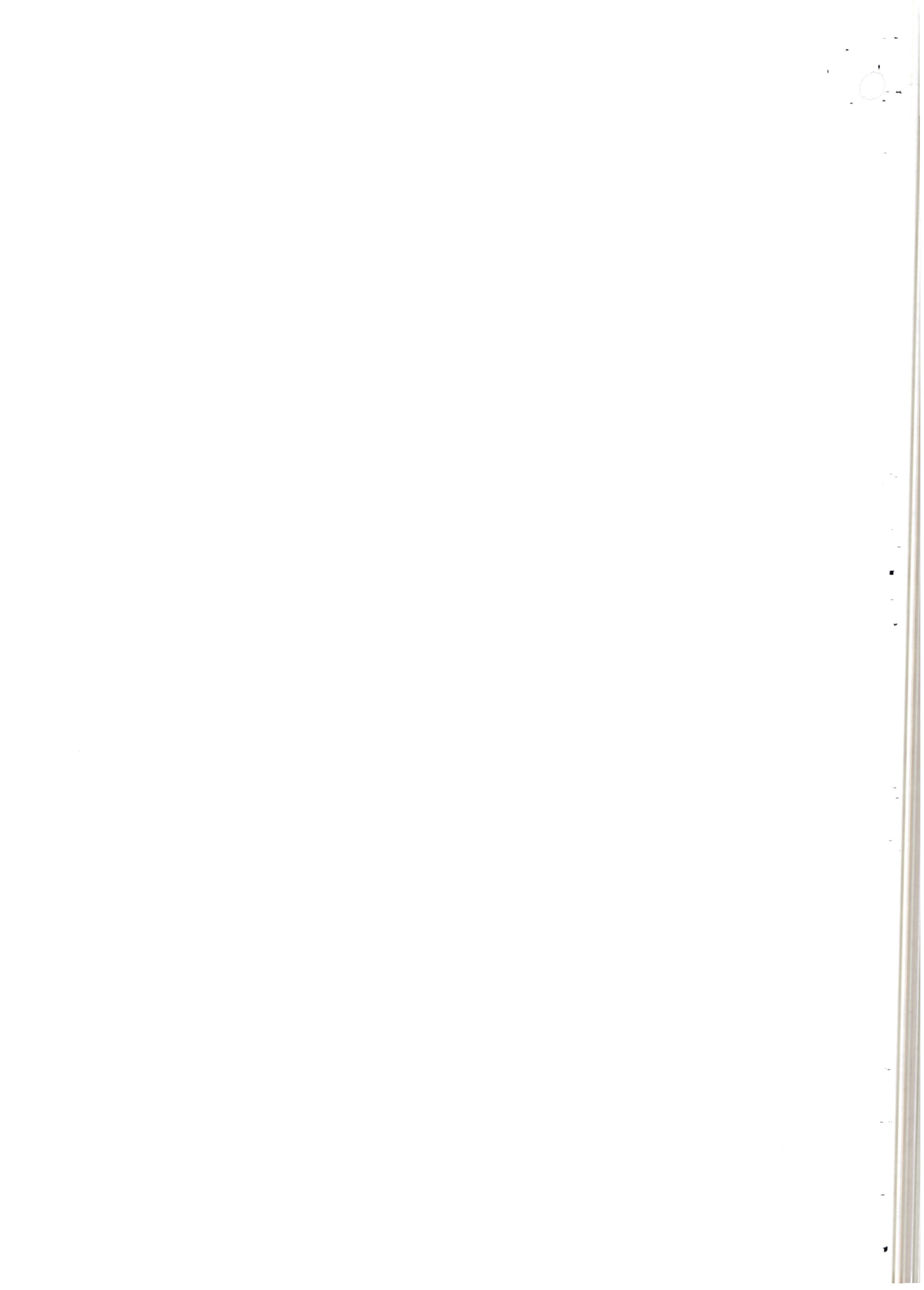
Thank you.



Mr. Geoffrey Andama

CEO EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE





CORPORATE GOVERNANCE STATEMENT

Two-to-three pages

(Under this section, include the number of Board meetings held and the attendance to those meetings by members, succession plan, existence of a board charter, process of appointment and removal of directors, roles and functions of the Board, induction and training, board and member performance, conflict of interest, board remuneration, ethics and conduct as well as governance audit.)

MANAGEMENT DISCUSSION AND ANALYSIS

Two- three pages

(Under this section, the management gives a report on the operational and financial performance of the organisation during the period, entity's key projects or investments decision implemented or ongoing, entity's compliance with statutory requirements, major risks facing the organisation, material arrears in statutory and other financial obligations, and any other information considered relevant to the users of the financial statements.) The management should make use of tables, graphs, pie charts and other descriptive tools to make the information as understandable as possible.)

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Two-to-three pages

(The organisation gives details of CSR activities carried out in the year and the impact to the society. The statement may also include how the organisation conserves the environment, promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives). Where no CSR activities are undertaken during the year, there is no need to include the statement).



REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2018 which show the state of the Ekerubo Gitai TTI's affairs.

Principal activities

The principal activities of the entity are (continue to be)

Results

The results of the entity for the year ended June 30, 2018 are set out on page

Directors

The members of the Board of Directors who served during the year are shown on page 5. During the year 2018 Board of governors retired and a new board of Governors was appointed with effect from 05/02/2018 date.

Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. Or The entity remitted Kshs xxxx (FY 2017 Kshs xxx. The entity did not make any surplus during the year (FY 2017 Nil) and hence no remittance to the Consolidated Fund. [Entities to edit accordingly]

Auditors

The Auditor General is responsible for the statutory audit of the *entity* 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 *entity* for the year/period ended June 30, 2017 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

XXX
Corporate Secretary
Nairobi
Date:.....

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management PFM Act, 2012 and (section 14 of the State Corporations Act, - require the Board of Governors to prepare financial statements in respect of that Ekerubo Gietai Technical and Training Institute, which give a true and fair view of the state of affairs of the college at the end of the financial year/period and the operating results of the college for that year/period. The Board of Governors 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 of Governors are also responsible for safeguarding the assets of the college.

The Board of governors 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 year (period) ended on June 30, 2018. 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 college; (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 of Governors 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 The Board of Governors 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, 2018, and of the college's financial position as at that date. The Board of Governors 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 Board of governors 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 **Ekerubo Gietai Technical and Training Institute** financial statements were approved by the Board on _____ 2019 and signed on its behalf by:



Director

CHAIRMAN (B/G)

Director

Director

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EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
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STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2017-2018	2016-2017
		Kshs	Kshs
Revenue from non-exchange transactions			
Grants and subsidies received:	6		XXX
Recurrent: ksh. 17,000,000			
Development: ksh. 5,423,905		22,423,905	
Public contributions and donations	7	00	XXX
Fines, penalties and levies	8	00	XXX
Licenses and permits		00	XXX
Transfers from other governments – gifts and services-in-kind	9	00	XXX
		0	XXX
Revenue from exchange transactions		0	
Rendering of services (tuition fees)	10	8,804,720	XXX
Sale of water	11	21,155	XXX
Rental revenue from facilities and equipment	12	00	XXX
Finance income	13	00	XXX
Agency fees		00	XXX
Other income	14	2,184,840	XXX
Total revenue		33,434,620	XXX
Expenses			
Use of goods and services	15	16,079,506	XXX
Employee costs	16	7,586,855	XXX
Remuneration of directors	17	00	XXX
Depreciation and amortization expense	18	00	XXX
Repairs and maintenance	19	444,225	XXX
Contracted services	20	00	XXX
Grants and subsidies	21	00	XXX
General expenses	22	4,019,290	XXX
Finance costs	23	00	XXX
Total expenses		28,129,876	XXX
Other gains/(losses)			
Gain on sale of assets	24	00	XXX
Gain on foreign exchange transactions		00	XXX
Unrealized gain on fair value of investments	25	00	XXX
Impairment loss	26	00	(XXX)
Surplus before tax		5,304,744	XXX
Taxation	27	00	(XXX)
Surplus/(deficit) for the period/year		5,304,744	XXX
Remission to National Treasury	51	00	XXX
Net Surplus for the year		5,304,744	XXX
Attributable to:			
Surplus/(deficit) attributable to minority interest		00	(XXX)
Surplus attributable to owners of the controlling entity		00	XXX



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of the Ekerubo Gietai Technical Training Institute set out on pages 7 to 26, which comprise the statement of financial position as at 30 June 2018, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Ekerubo Gietai Technical Training Institute as at June 30 2018, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Unconfirmed Opening Balances and Failure to Present Comparative Information and Figures

The management did not submit financial statements for the financial years 2015/2016 and 2016/2017 to the Auditor General for audit. Consequently, the validity, completeness and accuracy of the opening balances of assets, liabilities, reserves, accumulated surplus and capital fund in 2017/2018 financial year could not be ascertained.

In addition, the comparative information and figures for the financial year 2016/2017 have not presented in the financial statements for the year ended 30 June 2018. This is contrary to International Public Sector Accounting Standards No. 1 on presentation of financial statements which, requires an entity to present comparative information in respect of the preceding period for all amounts reported in the financial statements.

Report of the Auditor-General on the Financial Statements of Ekerubo Gietai Technical Training Institute for the year ended 30 June 2018

2. Revenue from Tuition Fees

Included in the statement of financial performance is revenue of Kshs.8,804,720 in respect of rendering of services (tuition fees). However, the tuition fees figure differs with potential tuition fees collectable of Kshs.15,088,160 which is calculated as a product of the number of students per course and the annual fees payable as per the approved fees structure. The resulting variance of 6,283,440 was not reconciled or explained satisfactorily by the management. Consequently, the completeness and accuracy of the reported tuition fees revenue of Kshs.8,804,720 could not be ascertained.

3. Statement of Financial Position

The statement of financial position reflects total assets of Kshs.577,690,478, total liabilities of Kshs.1,352,730, accumulated surplus of Kshs.5,304,777, capital fund of Kshs.544,150,000 and nil total net assets and liabilities. In the circumstances, the accuracy and completeness of the balances reported in the statement of financial position as at 30 June 2018 could not be ascertained.

4. Property, Plant and Equipment

Included in the statement of financial position is a balance of Kshs.544,150,000 in respect of property, plant and equipment. However, the register of assets was not maintained and provision for depreciation was not computed. Further, the title deeds for the land where the buildings are situated were not presented for audit. In the circumstances, the ownership and existence of the property, plant and equipment as well as the completeness and accuracy of the balance of Kshs.544,150,000 as at 30 June 2018 could not be ascertained.

5. Statement of Cash Flows

The statement of cash flows reflects grants and subsidies payment of Kshs.5,400,000 which relate to construction of a library under cash flows from operating activities instead of cash flows from investing activities. In the circumstances, the statement of cash flows for the year ended 30 June 2018 is not fairly presented.

6. Total Revenue

The statement of comparison of budget and actual amounts reflects total income (revenue) of Kshs.32,160,715 while the statement of financial performance shows total revenue of Kshs.33,434,620, resulting in unreconciled and unexplained variance of Kshs.1,273,905. In the circumstances, the accuracy of the total income (revenue) for the year ended 30 June 2018 could not be ascertained.

7. Notes to the Financial Statements

All the notes to the financial statements were wrongly cross referenced to the amounts and balances. Therefore, the notes do not disclose correctly or explain the details of the individual components of the financial statements. Consequently, the presentation and disclosures of the financial statements could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Ekerubo Gietai Technical Training

Institute in accordance with ISSAI 30 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 adverse 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. Except for the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections, I have determined that there are no other key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Stalled Construction of the Library Block

A company was awarded a contract for construction of a library block at a contract sum of Kshs.48,919,382 and an agreement signed between the contractor and the Institute on 21 July 2016. The contract period was thirty-six weeks commencing on 4 August 2016. Physical verification of the project done on 4 April 2019 revealed the following anomalies:

- i. The contractor had been paid a total of Kshs.23, 050,000 which is 47% of the contract sum. However, the project was only 43% done and the contractor had abandoned the site.
- ii. The contract period ended on 13 April 2017 yet the project was far from completion and no extension of the contract was granted by the Institute.
- iii. The appendix to conditions of the contract indicate that the liquidated damages payable by the contractor to the Institute for delayed performance is Kshs.20,000 per day. The Institute has not demonstrated that it has made attempts to recover the liquidated damages from the contractor due to delayed performance that had accumulated to approximately Kshs.14,420,000 as at 30 June 2018.

In the circumstances, the value for money and regularity of the expenditure of Kshs.23, 050,000 incurred on the project 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standard requires that I plan and perform the audit to obtain assurance about whether 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 International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability of Ekerubo Gietai Technical Training Institute to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so

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

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

Those charged with governance are responsible for overseeing the 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Ekerubo Gietai Technical Training Institute 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 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 ability of Ekerubo Gietai Technical Training Institute to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease sustaining 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 Ekerubo Gietai Technical Training 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.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

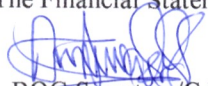
22 July 2019


EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
For the year ended June 30, 2018


STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2017-2018 Kshs	2016-2017 Kshs
Assets			
Current assets			
Cash and cash equivalents	28	631,036	XXX
Receivables from exchange transactions	29	2,240,060	XXX
Receivables from non-exchange transactions	30	27,669,382	XXX
Current portion of long-term receivables from exchange transactions		00	XXX
Inventories	31	3,000,000	XXX
Investments	32	00	XXX
		0	XXX
Non-current assets		0	
Property, plant and equipment	33	544,150,000	XXX
Investments	32	00	-
Intangible assets	34	00	XXX
Investment property	35	00	XXX
Long term receivables from exchange transactions		00	XXX
		00	XXX
Total assets		577,690,478	XXX
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	36	00	XXX
Prepaid fees	37	1,352,730	XXX
Provisions	38	00	XXX
Finance lease obligation	39	-	XXX
Current portion of borrowings	43	00	XXX
Deferred income	40	00	XXX
Employee benefit obligation	41	00	XXX
Payments received in advance		00	XXX
Taxation	52	00	XXX
		00	XXX
Non-current liabilities			
Non-current employee benefit obligation	41	00	XXX
Non-current provisions	42	00	XXX
Borrowings	43	00	XXX
Service concession liability	44	00	-
Deferred tax liabilities	53	00	XXX
		00	XXX
Total liabilities		1,352,730	XXX
Net assets		00	XXX
Reserves		00	XXX
Accumulated surplus		5,304,744	XXX
Capital Fund		544,150,000	XXX
Total net assets and liabilities			XXX

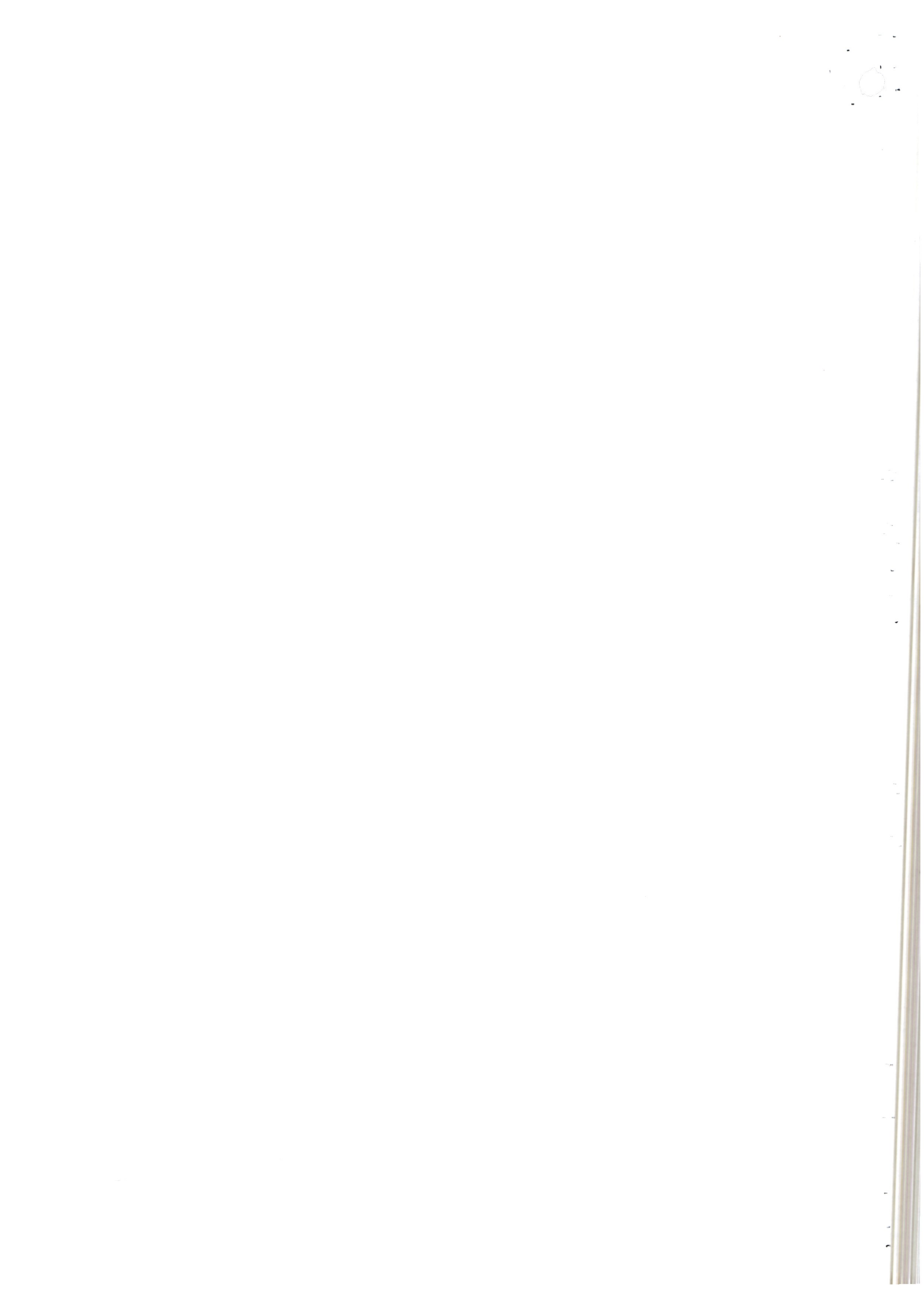
The Financial Statements set out on pages xxx to xxx were signed on behalf of the Board of Directors by:


BOG Secretary/C.E.O
Name: Geoffrey Andama
Date: 29/4/2019

Head of Finance 
Name: Rebecca Mouti
ICPAK Member Number:
Date: 29.04.19


Chairman of the Board
Name: Zachary Obura
Date: 29/04/2019





**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2018**

	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
At July 1, 2016	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Revaluation gain	-	xxx	-	-	-	-	xxx
Transfer of excess depreciation on revaluation	-	(xxx)	-	xxx	-	-	-
Deferred tax on excess depreciation	-	xxx	-	-	-	-	xxx
Fair value adjustment on quoted investments	-	-	xxx	-	-	-	xxx
Total comprehensive income	-	-	-	xxx	-	-	xxx
Capital/Development grants received during the year	-	-	-	-	-	xxx	xxx
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	xxx	-	(xxx)	-
Dividends paid – 2016	-	-	-	-	(xxx)	(xxx)	(xxx)
Interim dividends paid – 2017	-	-	-	(xxx)	-	-	(xxx)
Proposed final dividends	-	-	-	(xxx)	xxx	xxx	-
At June 30, 2017	xxx	xxx	xxx	xxx	xxx	xxx	xxx
At July 1, 2017	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Issue of new share capital	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Revaluation gain	-	xxx	-	-	-	-	xxx
Transfer of excess depreciation on revaluation	-	(xxx)	-	xxx	-	-	-
Deferred tax on excess depreciation	-	xxx	-	-	-	-	xxx
Fair value adjustment on quoted investments	-	-	xxx	-	-	-	xxx
Total comprehensive income	-	-	-	xxx	-	-	xxx



	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
Capital/Development grants received during the year	-	-	-	-	-	xxx	xxx
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	xxx	-	(xxx)	-
Dividends paid – 2017	-	-	-	-	(xxx)	(xxx)	(xxx)
Interim dividends paid – 2018	-	-	-	(xxx)	-	-	(xxx)
Proposed final dividends	-	-	-	(xxx)	xxx	xxx	-
At June 30, 2018	xxx	xxx	xxx	xxx	xxx	xxx	xxx

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 adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances need to be done.

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EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
For the year ended June 30, 2018

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

		2017-2018	2016-2017
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Property taxes		00	XXX
Public contributions and donations		00	XXX
Fines, penalties and levies		00	XXX
Licenses and permits		00	XXX
Government grants and subsidies		22,423,905	XXX
Rendering of services		8,804,720	XXX
Sale of water		21,155	XXX
Finance costs		00	XXX
Other income, rentals and agency fees		2,184,840	XXX
Total Receipts		33,434,620	XXX
Payments			
Compensation of employees		7,586,855	XXX
Goods and services		16,079,506	XXX
Finance costs		00	XXX
Repairs maintenance and improvements		444,225	XXX
Taxation paid		00	XXX
Other payments		4,019,290	XXX
Grants and subsidies paid		5,400,000	XXX
Total Payments		33,529,876	XXX
Net cash flows from operating activities	45	00	XXX
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		00	(XXX)
Proceeds from sale of property, plant and			
Equipment		00	XXX
Decrease in non-current receivables		00	XXX
Increase in investments		00	(XXX)
Net cash flows used in investing activities		00	(XXX)
Cash flows from financing activities			
Proceeds from borrowings		00	XXX
Repayment of borrowings		00	(XXX)
Increase in deposits		00	XXX
Net cash flows used in financing activities		00	(XXX)
Net increase/(decrease) in cash and cash equivalents			
		00	(XXX)
Cash and cash equivalents at 1 JULY 2017	28	168,094	XXX
Cash and cash equivalents at 30 JUNE 2018	28	631,036	XXX

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation)



**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference	
	2017-2018	Kshs	2017-2018	Kshs	2017-2018	Kshs	2017-2018	Kshs	2017-2018	Kshs
Revenue										
Property taxes	00	00	-	00	00	00	00	00	00	00
Public contributions and donations	00	00	(00)	00	00	00	00	00	00	00
Fines, penalties and levies	00	00	(00)	00	00	00	00	00	00	00
Licenses and permits	00	00	-	00	00	00	00	00	00	00
Government grants and subsidies	48,819,382	48,819,382	-	00	00	00	21,150,000	27,669,382	27,669,382	27,669,382
Rendering of services	12,720,000	12,720,000	(00)	00	00	00	11,010,715	1,109,285	1,109,285	1,109,285
Sale of goods	00	00	-	00	00	00	00	00	00	00
Finance Income	00	00	-	00	00	00	00	00	00	00
Gains on disposal, rental income and agency fees	00	00	00	00	00	00	00	00	00	00
Total income	61,539,382	61,539,382			00	00	32,160,715	28,778,667	28,778,667	28,778,667
Expenses										
Compensation of employees	7,803,720	7,803,720	-	00	00	00	7,586,855	216,865	216,865	216,865
Goods and services	16,899,720	16,899,720	(00)	00	00	00	16,079,506	820,214	820,214	820,214
Knec exams paid	00	00	(00)	00	00	00	00	00	00	00
Rent paid	00	00	(00)	00	00	00	00	0	0	0
Taxation paid	00	00		00	00	00	00	00	00	00
Other payments	2,500,000	2,500,000	-	00	00	00	4,463,515	(615,145)	(615,145)	(615,145)
Grants and subsidies paid	34,335,942	34,335,942	-	00	00	00	5,400,000	0	0	0
Total expenditure	61,539,382	61,539,382	(00)	00	00	00	33,529,876	421,937	421,937	421,937
Surplus for the period	00	00	00	00	00	00	(1,369,161)	28,366,730	28,366,730	28,366,730

Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis(budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

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NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Ekerubo Gietai Technical and Training Institute is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is teaching.

2. TRANSFERS FROM OTHER GOVERNMENTS

Description	2017-2018	2016-2017
	KShs	KShs
Unconditional grants		
Operational grant	17,000,000	xxx
Other	0	xxx
	0	
Conditional grants	0	
National housing grant	00	xxx
National infrastructure grant	00	xxx
Provincial health grant	00	xxx
Social services grant	00	xxx
Basic services subsidy	00	xxx
Transportation fund (international funding)	00	xxx
Development grants	5,423,905	xxx
Total government grants and subsidies	22,423,905	

3 RENDERING OF SERVICES

Description	2017-2018	2016-2017
	KShs	KShs
Tuition fees	8,804,720	Xxx
Waste management (sewerage and sanitation)	00	Xxx
Other	00	Xxx
Water quality	00	Xxx
Quality assurance		
Total revenue from the rendering of services	8,804,720	Xxx

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4 SALE OF GOODS

Description	2017-2018	2016-2017
	KShs	KShs
Sale of goods		
Sale of electricity	00	Xxx
Sale of water	21,155	Xxx
Sale of books	00	Xxx
Sale of publications	00	Xxx
Other(include in line with your organisation)	00	
Total revenue from the sale of goods	21,155	Xxx

5 OTHER INCOME

Description	2017-2018	2016-2017
	KShs	KShs
Others	775,100	xxx
Bulk infrastructure levies	00	xxx
Knec exams received	1,354,740	xxx
Income from sale of tender	55,000	xxx
Services concession income	00	xxx
Skills development levy	00	xxx
Income from disposal of assets	00	
Total other income	2,184,840	

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

6 USE OF GOODS AND SERVICES

Description	2017-2018	2016-2017
	KShs	KShs
Electricity	00	xxx
Water	00	xxx
Security	00	xxx
Goods and services	16,079,506	xxx
Subscriptions	00	xxx
Total good and services	16,079,506	xxx



7 EMPLOYEE COSTS

	2017-2018	2016-2017
	KShs	KShs
Salaries and wages	6,554,925	xxx
Employee related costs - contributions to pensions and medical aids	1,031,930	xxx
Travel, motor car, accommodation, subsistence and other allowances	00	xxx
Housing benefits and allowances	00	xxx
Overtime payments	00	xxx
Performance and other bonuses	00	xxx
Social contributions	00	xxx
Expenditure recharged to capital projects	00	xxx
Employee costs	7,586,855	xxx

8 REMUNERATION OF DIRECTORS

Description	2017-2018	2016-2017
	KShs	KShs
Chairman's Honoraria	xxx	xxx
Directors emoluments	xxx	xxx
Other allowances	xxx	xxx
Total director emoluments	xxx	xxx

9 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2017-2018	2016-2017
	KShs	KShs
Property, plant and equipment	xxx	xxx
Intangible assets	xxx	xxx
Investment property carried at cost	xxx	xxx
Total depreciation and amortization	xxx	xxx

10 REPAIRS AND MAINTENANCE

Description	2017-2018	2016-2017
	KShs	KShs
Property	00	xxx
Investment property – earning rentals	00	xxx
Equipment and machinery	00	xxx
Vehicles	00	xxx
Furniture and fittings	300,000	xxx
Computers and accessories	00	xxx
Other	144,225	xxx
Total repairs and maintenance	444,225	xxx



EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 GRANTS AND SUBSIDIES

Description	2017-2018	2016-2017
	KShs	KShs
Development	5,400,000	xxx
Education initiatives and programs	00	Xxx
Social development	00	Xxx
Community trust	00	Xxx
Sporting bodies	00	Xxx
Total grants and subsidies	5,400,000	Xxx

12 GENERAL EXPENSES

Description	2017-2018	2016-2017
	KShs	KShs
Advertising	1,384,600	xxx
Admin fees	00	xxx
Audit fees	00	xxx
Conferences and delegations	00	xxx
Consulting fees	00	xxx
ASPNET	744,215	xxx
Electricity	00	xxx
Fuel and oil	8,500	xxx
Insurance	00	xxx
Legal expenses	00	xxx
Licenses and permits	00	xxx
Council of governors	100,000	xxx
Water purification cost	00	xxx
Student council	73,000	xxx
Printing and stationery	360,605	xxx
Hire charges	00	xxx
Rental	00	xxx
Security costs	00	xxx
Knec exams paid	1,348,370	xxx
Skills development levies	00	xxx
Inventory scrapping	00	xxx
Telecommunication	00	xxx
Training	00	xxx
Other	00	xxx
Total general expenses	4,019,290	xxx



NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 CASH AND CASH EQUIVALENTS

Description	2017-2018	2016-2017
	KShs	KShs
Current account	76,803	xxx
College fund account	479,980	xxx
Development account	74,253	xxx
Staff car loan/ mortgage	00	xxx
Others(specify)	00	xxx
Total cash and cash equivalents	631,036	xxx

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

28 (a). DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	2017-2018	2016-2017
		KShs	KShs
a) Current account			
Kenya Commercial bank	1167884329		xxx
cash:		796	xxx
Bank :		76,007	
Sub- total		76,803	xxx
b) College fund account			
Kenya Commercial bank	1167884027		xxx
Cash		1,533	xxx
Bank		478,447	
Sub- total		479,980	
c) Development account			
Kenya Commercial bank	1169941478		xxx
Bank		74,253	xxx
Sub- total		74,253	xxx
d) Staff car loan/ mortgage			
Kenya Commercial bank		00	xxx
Bank B		00	xxx
Sub- total		00	xxx
e) Others(specify)			
Cash in transit		00	xxx
cash in hand		00	xxx
M pesa		00	xxx
Sub- total		00	xxx
Grand total		631,036	xxx

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 RECEIVABLES FROM EXCHANGE TRANSACTIONS

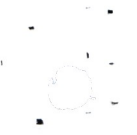
Description	2017-2018	2016-2017
	KShs	KShs
Current receivables		
Service ,water and electricity debtors	00	Xxx
Student sundry debtors	2,240,060	Xxx
Less: provision for bad debts	(00)	(xxx)
Total current receivables	2,240,060	Xxx
Non-current receivables		
Sporting bodies	00	xxx
Public organizations	00	xxx
Less: impairment allowance	(00)	(xxx)
	00	xxx
Current portion transferred to current receivables	(00)	(xxx)
Total non-current receivables	00	xxx
Total receivables	2,240,060	xxx

15 RECEIVABLES FROM NON-EXCHANGE CONTRACTS

Description	2017-2018	2016-2017
	KShs	KShs
Current receivables		
Property tax debtors	00	xxx
Other debtors (non-exchange transactions)	27,669,382	xxx
Less: impairment allowance	(00)	(xxx)
Total current receivables	27,669,382	xxx

16 INVENTORIES

Description	2017-2018	2016-2017
	KShs	KShs
Consumable stores	1,500,000	xxx
Medical supplies	00	xxx
Spare parts and meters	00	xxx
Water for distribution	00	xxx
Other goods held for resale	00	xxx
Catering	1,500,00	xxx
Total inventories at the lower of cost and net realizable value	3,000,000	xxx



EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17 PROPERTY, PLANT AND EQUIPMENT

Cost	Land and Buildings		Motor vehicles		Furniture and fittings		Computers		Other		Plant and equipment		Capital Work in progress		Total	
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2016	346,000,000	00	8,000,000	500,000	00	160,000,000	00	514,500,000								
Additions	5,000,000	00	1,000,000	500,000	00	15,750,000	00	22,250,000								
Disposals	(00)	(00)	00	00	(00)	00	00	(00)								
Transfers/adjustments	00	(00)	00	(00)	00	00	(00)	00								
At 30th June 2017	351,000,000	00	9,000,000	1,000,000	00	160,000,000	00	536,750,000								
Additions	00	00	1,000,000	1,000,000	00	00	00	7,400,000								
Disposals	(00)	(00)	00	00	00	00	00	(00)								
Transfer/adjustments	(00)	(00)	00	(00)	00	00	(00)	00								
At 30th June 2018	351,000,000	00	10,000,000	2,000,000	00	160,000,000	00	544,150,000								
Depreciation and impairment																
At 1 July 2016	(00)	(00)	(00)	(00)	(00)	(00)	(00)	(00)								
Depreciation	(00)	(00)	(00)	(00)	(00)	(00)	(00)	(00)								
Impairment	(00)	(00)	00	00	00	00	00	00								
At 30th June 2017	00	00	00	00	00	00	00	00								
Depreciation	(00)	(00)	(00)	(00)	(00)	(00)	(00)	(00)								
Disposals	00	00	00	00	00	00	00	00								
Impairment	(00)	(00)	00	00	00	00	00	00								
Transfer/adjustment	00	(00)	(00)	00	(00)	00	00	00								
At 30th June 2018	00	00	00	0	00	00	00	00								
Net book values																
At 30th June 2018	00	00	00	00	00	00	00	00								
At 30th June 2017	00	00	00	00	00	00	00	00								
<i>[Include brief description of WIP as a footer]</i>																

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EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE**Annual Reports and Financial Statements****For the year ended June 30, 2018****NOTES TO THE FINANCIAL STATEMENTS (Continued)****18 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description	2017-2018	2016-2017
	KShs	KShs
Trade payables	00	xxx
Payments received in advance	1,352,730	xxx
Employee advances	00	xxx
Third-party payments	00	xxx
Other payables	00	xxx
Total trade and other payables	1,352,730	xxx

19 REFUNDABLE DEPOSITS FROM CUSTOMERS

Description	2017-2018	2016-2017
	KShs	KShs
Consumer deposits	xxx	Xxx
Other deposits	xxx	Xxx
Total deposits	xxx	Xxx

20 CASH GENERATED FROM OPERATIONS

Surplus for the year before tax	2017-2018	2016-2017
	KShs	KShs
Adjusted for:		
Depreciation	xxx	xxx
Non-cash grants received	(xxx)	(xxx)
Contributed assets	(xxx)	(xxx)
Impairment	xxx	xxx
Gains and losses on disposal of assets	(xxx)	(xxx)
Contribution to provisions	xxx	xxx
Contribution to impairment allowance	xxx	xxx
Finance income	(xxx)	(xxx)
Finance cost	xxx	xxx
Working Capital adjustments		
Increase in inventory	(xxx)	(xxx)
Increase in receivables	(xxx)	(xxx)
Increase in deferred income	xxx	xxx
Increase in payables	xxx	xxx
Increase in payments received in advance	xxx	xxx
Net cash flow from operating activities	xxx	xxx

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



21 EVENTS AFTER THE REPORTING PERIOD

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

22 ULTIMATE AND HOLDING ENTITY

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

23 Currency

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



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.

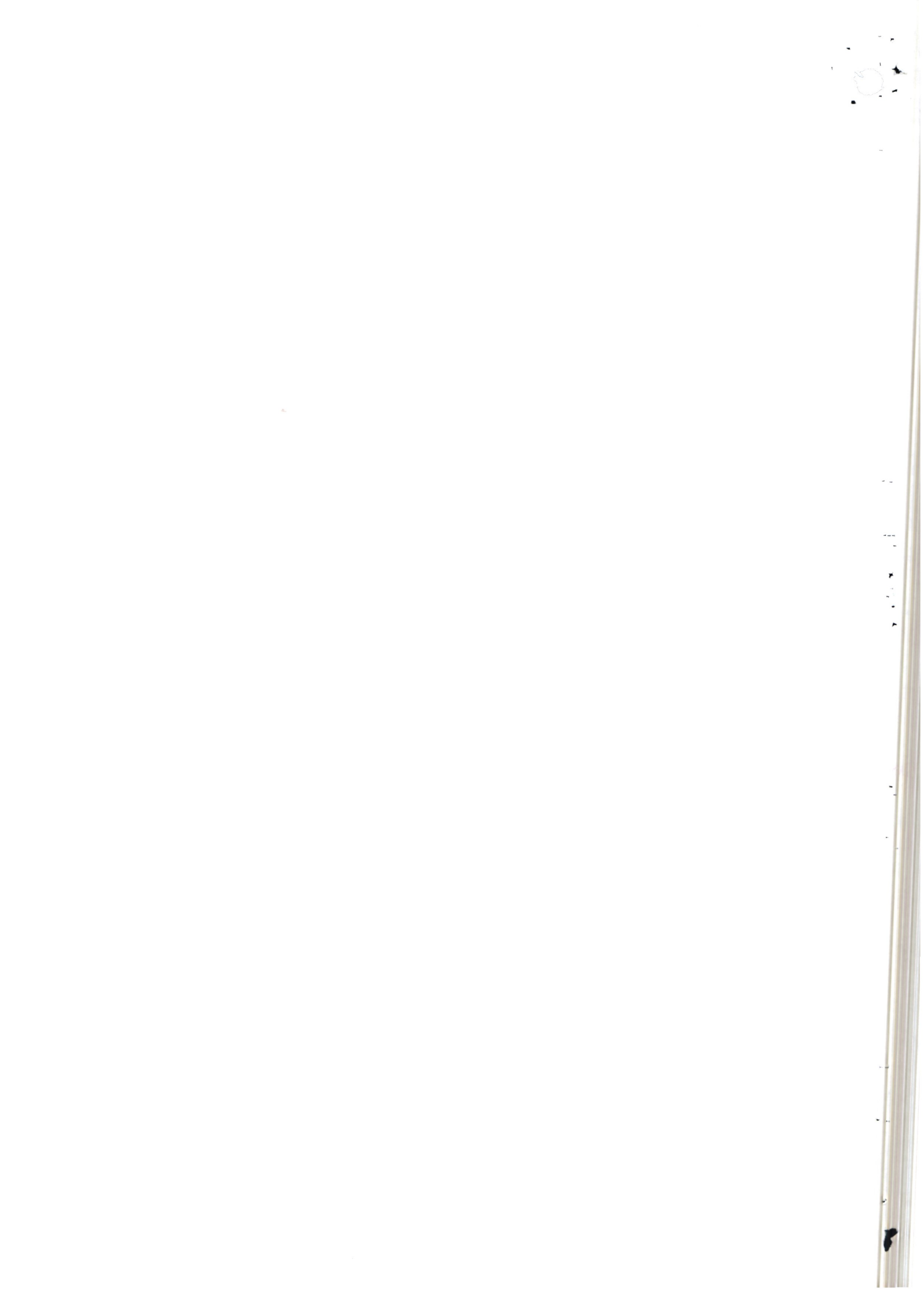
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

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.

Chairman Board of Governors
 Eng. Zachary Obura

Date.....



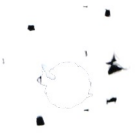
EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE**Annual Reports and Financial Statements****For the year ended June 30, 2018****APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY****Projects**

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	N/A	N/A	N/A	N/A	N/A	N/A
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	48,819,382.20	21,150,000	43%	32,619,382	5,400,000	MOEVTT
2							
3							



EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE
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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 2017/2018				
FY 17/18				
a. Recurrent Grants				
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>	
	27/09/2017	3,500,000	2017/2018	
	27/11/2017	3,500,000	2017/2018	
	15/03/2018	5,000,000	2017/2018	
	25/04/2018	5,000,000	2017/2018	
	Total	17,000,000		
b. Development Grants				
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>	
	13/10/2017	3,785,000	2017/2018	
	06/06/2018	1,638,905	2017/2018	
		00		
	Total	5,423,905		
c. Direct Payments				
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>	
		00		
		00		
		00		
	Total	00		
d. Donor Receipts				
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>	
		00		
		00		
		00		
	Total	00		

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

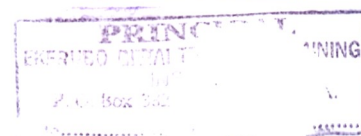
Finance Manager
Ekerubo gietai TTI

Sign



Head of Accounting Unit
Ekerubo Gietai TTI

Sign



EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE
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For the year ended June 30, 2018

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Donor Fund/ Others	Total Amount - KES	Where Recorded/recognized				Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	
Ministry of Planning and Devolution	00	Recurrent	00	00	00	00	00	00
Ministry of Planning and Devolution	00	Development	00	00	00	00	00	00
USAID	00	Donor Fund	00	00	00	00	00	00
Ministry of Planning and Devolution	00	Direct Payment	00	00	00	00	00	00
Total			00	00	00	0	00	00

