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TABLED
BY:

Hon. Owen Banyiro MP
Deputy leader of the majority

OF
THE TABLE:

House

THE AUDITOR-GENERAL

ON

**EKERUBO GIETAI TECHNICAL TRAINING
INSTITUTE**

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



EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2023

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 30th June 2023

Ekerubo Gietai Technical Training Institute
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1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

2. Key Institute's Information and Management

A

a) Background Information

Ekerubo Gietai Technical Training Institute (EGTTI) is one of the thirteen new TVET institutions in Kenya established during the 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/0011/2016R).

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:

Offer teaching/training in science and technology.

Offer innovative discovery, transmission and preservation of knowledge.

Carry research and entrepreneurial activities.

Participate in commercial ventures and activities that promote the objectives of the institution

Foster the general welfare of staff, students and the community

Develop and provide educational, cultural, professional, technical and vocational services to the community and in particular foster corporate social responsibility

Promote social – economic development in line with the county's development agenda

b i) Vision

A market leader in the provision of quality and relevant training, research and innovation.

b ii) Mission

To provide holistic, quality and relevant training to foster research and innovation for sustainable development.

b iii) Motto

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

Key Institute’s Information and Management (Continued)

b iv) 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:

Integrity – Transparency, accountability and cost effectiveness

Courtesy- Respect for staff and diversity.

Teamwork – Partnership for collaboration, advantage and synergies.

Competence – Impact, performance and science orientation

Fidelity to law- committed to respect the rule of law in all our undertakings.

Confidentiality- embraces the principle of confidentiality in service delivery.

Environmental stewardship- Committed to preservation and conservation of the environment.

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 2022/2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Mr. Geoffrey Andama
2.	Deputy Principal- Administration	Mr. Albert Omariba
3.	Deputy Principal- Academics	Mrs. Joyce Omweri
4.	Registrar	Mr. Devis Nyangeri
4.	Dean of Students	Mrs. Mary Nyamori
5.	Head of Finance	CPA. Rebecca Mouti
6.	Head of Internal Audit	Mr. Alfred Robungu
6.	Head of Procurement	Mrs. Sylvia Omambia
7.	Head of Human Resource	Mr. Evans Moriasi

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e) Fiduciary Oversight Arrangements

During the year under review, the Institute was oversighted by the following committees:

Board Committees

Name of The Committee	Members	Designation
Finance Resource Mobilization and Project Management (FIRMPROM)	Mr. Tom Macakiage Mr. Kennedy Buko Mr. Samuel Makori Mr. Tom Olango	Chairperson Member Member Member
Administration Research and Training Committee (ART)	Ms. Phoebe Makungu Dr. Elisha Ogada Mr. Samuel Makori Mr. Tom Olango	Chairperson Member Member Member
Audit and Risk Management (ARM)	Ms Lucy Wachira Ms Phoebe Makungu Dr. Elisha Ogada Mr. Tom Olango	Chairperson Member Member Member

f) Institute's Headquarters

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

g) Institute's Contacts

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

h) Institute's Bankers

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



i) Independent Auditors

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


j) Principal Legal Adviser

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

3. The Board Of Governors


No.	Member	Details
	 <p data-bbox="368 1081 550 1115">Dr. Bob Ndubi</p>	<p data-bbox="901 562 1150 591">Date of Birth: 1974</p> <p data-bbox="901 595 1398 1003">Mr. Ndubi was appointed Chairman of the Board in February 2021. He holds a first degree in Education, MBA – Finance and is a PhD. in the same area. He is currently MD Silver House Capital and has previously served as Business Development Manager (Kenya Railways), Managing Partner (Kilele Consulting), Lead Consultant (Kilele Consulting) and Research Executive (Research International East Africa Ltd.).</p> <p data-bbox="901 1041 1398 1272">Dr. Ndubi has extensive Board experience having served as a trustee (Kenya Railways), Board member, Kenya Red Cross Nairobi Branch; Chairman of the Board, Westlands Cooperatives Alliance and Chairman of the Board, Chache Tumaini SACCO.</p>
	 <p data-bbox="368 1821 619 1854">Mr. Tom Macakiage</p>	<p data-bbox="901 1350 1137 1379">Date of Birth: 1970</p> <p data-bbox="901 1384 1398 1688">Mr. Macakiage joined the Board in February 2021 as an independent member and was subsequently appointed Chairman of the Board Committee on Finance, Resource Mobilization & Project Management (FIRMPROM). He holds a first degree in Engineering and two post-graduate degrees: MBA and the other in Technology Entrepreneurship.</p> <p data-bbox="901 1727 1398 1921">Additionally, Mr. Macakiage is qualified as a Certified Information Systems Manager (CISM) and a Certified Information Systems Auditor (CISA). He is also a Certified Novell Administrator, Certified Ethical Hacker,</p>

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		<p>and a Project Management Professional (PMP). He has skills and expertise in Information Technology and Systems; Organizational Strategy and Managing Work Teams.</p> <p>He serves as Country Director, Servetech Systems Ltd. and has previously worked as Head of IT, CFC Stanbic Bank; IT Manager, Unilever East & South Africa (ESA); IT Service Delivery Manager, Unilever ESA; IT Infrastructure & Operations Manager, Unilever Kenya Ltd. MIS Manager & Business Model Analyst, Firestone E. A. (1969) Ltd. and Computer Instructor & Programmer, KCITI & Data Center Ltd</p>
	 <p>Dr. Elisha Ogada</p>	<p>Date of Birth: 1977</p> <p>Dr. Ogada, Elisha Achieng is a mathematics lecturer at Egerton University. He holds a PhD in Applied Mathematics from Harbin Institute of Technology (HIT) in China, in the specific area of Mathematical Image processing. Dr. Ogada has previously served in the Faculty of Science, Africa Nazarene University (ANU). He has also served as lecturer and advisor to engineering students at Multimedia University of Kenya (MMU) and Technical University of Kenya (TUK). He has supervised and examined postgraduate students in Applied Mathematics, where he is widely published in peer reviewed Journals.</p> <p>Dr. Ogada served in management of Egerton University's Nairobi Campus as Coordinator of Mathematics and as member of the committee on Outreach and Strategic Marketing. He has previously served as a BOM member of Masogo Mixed Secondary School in Homa Bay County.</p> <p>He was appointed member of the Board of Governors, Ekerubo Gietai Technical</p>


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		<p>Training Institute in February 2021 where he also serves in the Audit and Risk Management Committee and in the Administration, Research & Training Committee.</p> <p>Dr. Ogada serves in the management of Emperica Consult, a consultancy, as one of the Monitoring, Evaluation and Learning experts. He is also a Data Collection, Analysis and Reporting Consultant on that board. In addition, he serves as a consultant editor for several organizations including Zizi Afrique Foundation. He is also a motivational speaker and an advisor on career and life-skill matters.</p> <p>Dr. Ogada, is passionate about youth empowerment and gender mainstreaming.</p>
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	 <p>Mr. Samuel Menyenya Makori</p>	<p>Date of Birth 1974</p> <p>He joined the college on 02/05/2018 as a member of the Board of Governors when the second BOG was inaugurated. In the year 2021 he was reappointed as a member of the Board of Governors serving a second term. He holds a Bachelor of Agriculture degree from JKUAT. He has 21 years of experience working as a Manager with Eastern Produce Company. He currently works as a manager at KTDA Company Ltd in Bomet County.</p>
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	 <p>Ms Lucy Wahito Wachira</p>	<p>Date of birth 1978 She joined the college on 05/02/2018 as a member of the Board of Governors when the second BOG was inaugurated. In the year 2021 he was reappointed as a member of the Board of Governors serving a second term.. 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.</p>
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	 <p>Eng. Kennedy Orangi Buko</p>	<p>Date of birth 1963 Joined the college on 05/02/2018 as a member of the Board of Governors, when the second BOG was inaugurated. In the year 2021 he was reappointed as a member of the Board of Governors serving a second term. 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.</p>
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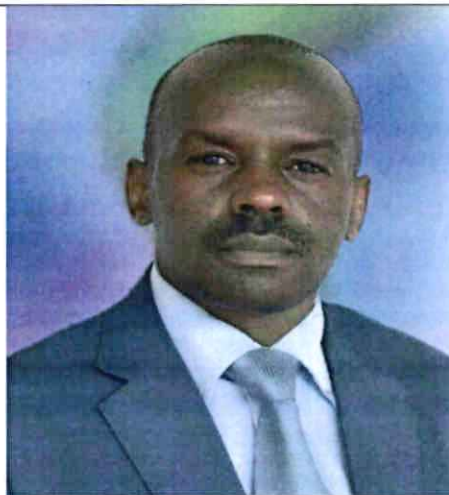
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Mrs. Phoebe Makungu

Date of birth 1971

She joined the college on 05/02/2018 as a member of the Board of Governors, when the second BOG was inaugurated. In the year 2021 he was reappointed as a member of the Board of Governors serving a second term. 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. Tom Olango

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.

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	 <p>Mr. Geoffrey Andama</p>	<p>Date of birth 1970</p> <p>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>
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4. Management Team


No.	Member	Details
	 <p data-bbox="411 898 831 936">Mr. Geoffrey Nyamweya Andama</p>	<p data-bbox="895 479 1129 510">Date of birth 1970</p> <p data-bbox="895 546 1399 1025">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 28 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="371 1518 608 1554">Mrs Joyce Omweri</p>	<p data-bbox="895 1066 1129 1097">Date of birth 1965</p> <p data-bbox="895 1133 1399 1473">She holds a Bachelor of Education degree from Kenyatta University, Diploma in Technical Education (KTTC) as well as SMC from the Kenya School of Government. She has previously worked at Kisii National Polytechnic as a Trainer/HOD since 1993. Currently she is the Deputy Principal (Academics) of the Institute. She is in charge of curriculum implementation.</p>

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	 <p>Ms. Mary Osindi</p>	<p>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.</p>
	 <p>Mr. Devis Mokoro Nyangeri</p>	<p>Date of birth 1985 Devis Mokoro Nyangeri holds a degree in Education Bed Science (Chemistry and Biology) from Kenyatta University. He has worked as a secondary school teacher from 2008 to 2014 before transferring to TVET Institution in 2016. He has a teaching experience of 15 years and currently serves as the Registrar of the institution. He is in charge of admissions and outreach programmes of the institution.</p>

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	 <p>Name: CPA Mouti Rebecca Kerubo</p>	<p>Date of birth 1986</p> <p>Rebecca Holds a BCOM from KCA University Finance option. She is also a CPAK registered with The Institute of Certified Public Accountants of Kenya (ICPAK) Membership number 28086 . She has 15 years of experience in the Finance field; she has worked as a Secondary School Bursar for 7 years at Matongo Boys High School. Currently she is the Institute's Finance Officer since May 2017. She is in charge of Finance function.</p>
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	 <p>Mr Alfred Obungu Akora</p>	<p>Date of birth 1978</p> <p>Alfred holds a BCOM from JKUAT. He is also a CPA finalist. He has experience of 20 years working as a school Bursar at Secondary School level, Finance Officer at the Institute, and now as the Internal Auditor.</p> <p>He is in charge of the Internal Audit Function, to ensure that Internal Control Systems are working as required.</p>
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		<p>Date of birth 1978</p> <p>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 four years in the HRM function. Currently he is the Human Resource Officer of the Institute in charge of employees.</p>
		<p>Date of birth 1991</p> <p>She holds a Diploma in Procurement from Kenya Institute of Management (KIM), and 7 years' experience of in Procurement Department. Currently she is in charge of the Institute's Procurement Function.</p>

Mr. Evans Moriasi Ngasora

Mrs Sylvia Omambia

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5. 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 Board which I chair was appointed in February 2021 and inaugurated on 23rd March 2021. Induction of the Board was done from 23rd to 25th June 2021 at Kamel Park Resort in Kisii town.

Despite the challenges posed by the covid-19 pandemic which interrupted operations and whose ramifications have continued to ravage and affect effective and efficient delivery of services, the institute managed to conduct all its core obligations in the 2022/2023 financial year. The Board underwent a very useful training on audit and risk management in Kisumu in November 2021. This training was important in capacity building for members of the Board to offer effective oversight.

The Board was also able to approve several policies including the Academic Policy, the Human Resource Policy and Procedures, the internal control procedures and the anticorruption policy. These important documents should be pivotal in ensuring the compliance environment at EGTTI is enhanced for the benefit of more effective and efficient service provision.

During the year under review, the Institute received a bus courtesy of the Area Member of Parliament, Hon. Joash N. Nyamoko. The funds for the purchase of the bus came from the Constituency Development Fund (CDF). I would like to express sincere and heartfelt gratitude for this kind gesture by Hon. Nyamoko which has enabled EGTTI to own its first vehicle.

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 i.e., 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.

I would however hasten to appreciate the Government, 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.

I wish to reiterate the commitment of the Board to the provision of steady and consistent oversight and policy guidelines to ensure management provides prudent, effective and efficient services. The Board has the right array of qualifications, skills and experience to deliver on this role.


Mr. Bob Ndubi - **Chairman BOG (EGTT)**

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6. Report Of The Principal

I am pleased to present the annual report and financial statements for the year ended 30th June 2023 whose contents are outlined in this document. The year under review was challenging due to the residual effects of the covid-19 pandemic including disruption of the usual academic calendar – the actual trainer-trainee contact hours were significantly affected. The most challenging experience was the reduction in capitation funds remitted to the Institute by the parent Ministry which saw the Institute receive Ksh.13,000 instead of Ksh.30,000 per student. This had a devastating impact on the effective implementation of the Institute’s budget with several planned activities being shelved.

Ekerubo Gietai Technical Training Institute (EGTTI) started the year with cash and cash equivalents of Kshs.19,106,306 and received Kshs.20,800,000 from the Government of Kenya as capitation income, The Institute also collected tuition fees and other charges amounting to Kshs.44,910,319. In total, therefore, the Institute had Kshs.65,710,319 at its disposal for operations.

EGTTI spent Kshs.76,093,331 during the year, which included employee costs of Kshs.22,381,592 representing 24.6% of the total income. About 45% of the personal emoluments expense went to compensation of additional trainers contracted to reduce the staffing deficit the Institute has continued to experience over time. The Institute spent Kshs. 42,387,977 on goods and services, Kshs. 6,146,614 on general expenses, Kshs. 630,240 on repairs and maintenance, and Kshs.4,505,000 on the BOG expenses. In addition, there was depreciation expense of Kshs.24,549,454

The Institute targeted to raise income of Ksh 131,172,596 during the financial year 2022/2023 However, this target was not met mainly because of non-remittance of 57% of capitation funds by the parent Ministry. The Institute received Ksh.5,000 for the 1st quarter, Ksh.4,000 for the 2nd and a similar amount for the 3rd quarter per student. No capitation was received for the 4th quarter.

The Institute’s enrolment has risen steadily reaching 2200 during the year under review. The increase in population has exerted 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 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 to develop more training facilities and in particular for the completion of the library project.

The Institute was unable to participate in sports during the year because the activities were cancelled due to funding challenges. However, EGTTI’s drama team did extremely well and was able to represent the Institute at the National Drama Festivals hosted by the Kenya Coast National Polytechnic. The Institute initiated some activities targeted at climate change mitigation including setting up of several tree seedling nurseries and growing of 3000 trees in the Institute compound. As a form of corporate social responsibility, the Institute provided two watering points for the public to obtain tap water free of charge. This helped the neighbouring community especially during the dry season when drinking water was scarce.

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 Andama - Principal / Secretary BOG (EGTTI)

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7. Statement Of Performance Against Predetermined Objectives

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

Ekerubo Gietai T. T. I has 8 strategic themes and objectives within current Strategic Plan for the FY 2018 - FY 2022. These strategic pillars are as follows:

- Theme 1: Infrastructure development
- Theme 2: Academic performance
- Theme 3: ICT Integration
- Theme 4: Linkages, partnerships and collaboration
- Theme 5: Research, Science and Technological Development
- Theme 6: Environmental Management
- Theme 7: Governance
- Theme 8: Strengthen accounting system

The Institute develops its annual work plans based on the above 8 themes. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2021/2022 period for its 8 strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar / theme / issue 1	Infrastructure development	To enhance a quality learning environment	Three workshops ICT Centre and a library well equipped	Request for government funding for library Procurement of training materials	Wrote to the MOE Procured computers & several training materials
Pillar / theme / issue 2	Academic performance	To provide adequate high quality education and training	Annual skill audit report modern and quality skills acquired by staff. Teaching effectiveness enhanced	Hire needed trainers Sponsor trainers for workshops etc Monitor teaching	Improved examination performance from 61% to 64%

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Pillar / theme / issue 3	ICT Integration	To develop and integrate ICT in teaching, learning, research and management	Arch CAD and auto Cad software, Screens, Digital content, Wireless internet, and Laptops procured.	Procure hardware & software Procure internet connectivity Procure LMS	Procured computers, internet connectivity & Learning Management System (LMS)	13
Pillar / theme / issue 4	Linkages, partnerships and collaboration	To establish the Institute's resource base and develop linkages with national and international institutions and organizations	MOUs with the universities will be ready to accept.	MOUs in place	Initiated partnership with 8 tea factories in Nyamira and Kericho County and Riatirimba TVC.	
Pillar / theme / issue 5	Research, Science and Technological Development	To undertake research, disseminate findings and develop innovations	Students and staff exhibit and present in KATTI, TVET Science and Technology fair.	Participation in TVET Fairs	Developed innovations and participated in the Regional TVET Fair hosted by Matili TTI.	
Pillar / theme / issue 6	Environmental Management	Addressing climate change and promote environmental sustainability	500 trees planted Improved vegetation cover and landscape.	Planting trees	Planted 2000 trees in partnership with County Environment office	
Pillar / theme / issue 7	Governance	Increasing efficiency and effectiveness of Institute management	Governance structures in place	Appointment of BOG Meetings	Held Board meetings as scheduled Operationalized 4 policies	

Pillar / theme / issue 8	Strengthen Accounting Systems	To establish and strengthen	Professionally acceptable reports	Procurement of ERP	Procured and operationalized ERP	
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		financial and accounting systems			
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The Board of the Institute signed a performance contract with the Ministry of Education for the year 2022 / 2023 as has been the practice featuring targets derived from the strategic objectives as outlined in this report. Though the aftermath of the covid-19 pandemic affected effective implementation of some targets, the Institute has demonstrated commendable resilience which should reassure stakeholders of its capability to remain sustainable going forward.

8. Corporate Governance Statement

i) Introduction

The Board of Ekerubo Gietai T. T. I. is committed to the pursuit of higher standards of corporate governance and professional ethics. In the absence of good governance practices, effective and efficient service delivery suffers, and stakeholders lose confidence in the organization. The Board of the Institute therefore strives to adhere to the statutory and regulatory framework including the Constitution of Kenya (2010) and the TVET Act (2013) as well as other relevant government policies, circulars and guidelines.

ii) Board charter

The Charter is an important document that provides guidance to the Board in the execution of its oversight role. It is significant in spelling out the following among other functions.

- The separation of the roles, functions, responsibilities and powers of the board and its individual members.
- Powers delegated to the board committees.
- Matters reserved for final decision-making and approval by the board.
- Policies and practices of the board on matters of corporate governance, directors' declarations and conflict of interest, conduct of board and board committee meetings.
- Nomination, appointment, induction, ongoing training and performance evaluation of the board and its committees.

The Board is in the process of finalising its charter which will be operationalized to ensure that effectively performs its roles as enshrined in the TVET Act, 2013.

iii) Appointment, Inauguration and Induction

The process of appointment of the Board as provided for in the relevant statute begins with nomination of potential members. The committee responsible for this exercise is composed of the Director TVET, the County Commissioner, the area Member of Parliament and the Principal of the Institute. This committee met on 23rd November 2020 and submitted a list of 27 nominees to the Cabinet Secretary in charge of Education who appointed and issued letters of appointment to 7 successful members. The Board was subsequently inaugurated on 23rd March 2021 followed by induction which was successfully undertaken from 23rd to 25th June 2021. Board members serve for a maximum of 2 terms of 3 years each.

The process of appointment is stipulated in the TVET Act 2013 and takes into account the involvement of the community who are represented by the member of Parliament for purposes of inclusivity. Board members undergo an induction and are given an overview of the Institute, new developments in the environment in which the Institute operates, accounting and financial reporting developments, as well as any regulatory changes. Members are also taken through their roles and responsibilities.

No Board member was due for retirement in the 2021/2022 financial year.

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iv) Board Size, Composition and Diversity

The Board is composed of 7 independent members including the Chairman. The other members are the representative of the County Governor (yet to be nominated), the representative of the Principal Secretary, State Department for Vocational and Technical Training, and the Principal / Secretary to the Board. The diversity component is very significant to the quality of governance and oversight provided by the Board. It is therefore important to note that the current Board has members from diverse geographical and professional backgrounds. The following table provides information on Board composition and diversity.

v) Board Diversity (Independent Members)

S/No.	NAME	HOME COUNTY	PROFESSIONAL BACKGROUND	GENDER
	Bob Ndubi	Nyamira	Finance	Male
	Elisha Ogada	Homabay	Education	Male
	Phoebe Makungu	Vihiga	H.R. Management	Female
	Samuel Makori	Nyamira	Agriculture	Male
	Lucy Wachira	Nyandarua	Business Management	Female
	Tom Macakiage	Migori	ICT	Male
	Kennedy Buko	Kisii	Engineering	Male

vi) The Role and Responsibilities of the Board

The basic role of the board is to guide and provide oversight to the Institute towards sustainable long-term success through the exercise of objective and informed judgement in determining the strategy of the Institute, having the best team in place to execute that strategy, monitoring performance and maintaining an effective framework of controls to mitigate risks facing the Institute. To execute its mandate in a structured manner, the Institute Board has established board committees with specific roles and in the spirit of separation of powers and responsibilities. The committees handle agenda in detail and present reports to the board for adoption and approval. The committees as constituted in the year under review are provided in the table below

vii) Board Committees

S/No	COMMITTEE	MEMBERS	DESIGNATION
	Finance Resource Mobilization and Project Management (FIRMPROM)	Mr. Tom Macakiage Eng. Kennedy Buko Mr. Samuel Makori Mr. Tom Olango	Chairman Member Member Member
	Administration Research and Training Committee (ART)	Ms. Phoebe Makungu Dr. Elisha Ogada Mr. Samuel Makori	Chairperson Member Member

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		Mr. Tom Olango	Member
	Audit and Risk Management (ARM)	Ms. Lucy Wachira Ms. Phoebe Makungu Dr. Elisha Ogada Mr. Tom Olango	Chairperson Member Member Member

The Institute board determines its own agenda. In practice, the chairman and the secretary draw the annual board work plan and an agenda for the board meetings and present it to members for adoption. The Institute board meets at least four times a year and the meetings are structured in a way that allows for open discussions. Board papers are prepared and circulated to members for them to prepare and thus facilitate full and effective discussions at the meetings. A summary of board meetings and attendance is shown below.

viii) Board Meetings and attendance for 2022/2023

NAME	DESIGNATION	MEETING DATES				
		5/9/2022	21/10/2022	12/1/2023	7/6/2023	29/6/2023
Bob Ndubi	Chairman (Board)	✓	✓	✓	✓	✓
Tom Macakiage	Member (Board)	✓	✓	✓	✓	✓
Elisha Ogada	Member (Board)	✓	✓	✓	✓	✓
Kennedy Buko	Member (Reappointed)	✓	✓	✓	✓	✓
Lucy Wachira	Member (Reappointed)	✓	✓	✓	✓	✓
Phoebe Makungu	Member (Reappointed)	✓	✓	✓	✓	✓
Samuel Makori	Member (Reappointed)	✓	✓	✓	✓	✓
Tom Olango	P.S. Representative	✓	✓	✓	✓	✓
Andama Geoffrey	Secretary	✓	✓	✓	✓	✓

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9. Management Discussion And Analysis

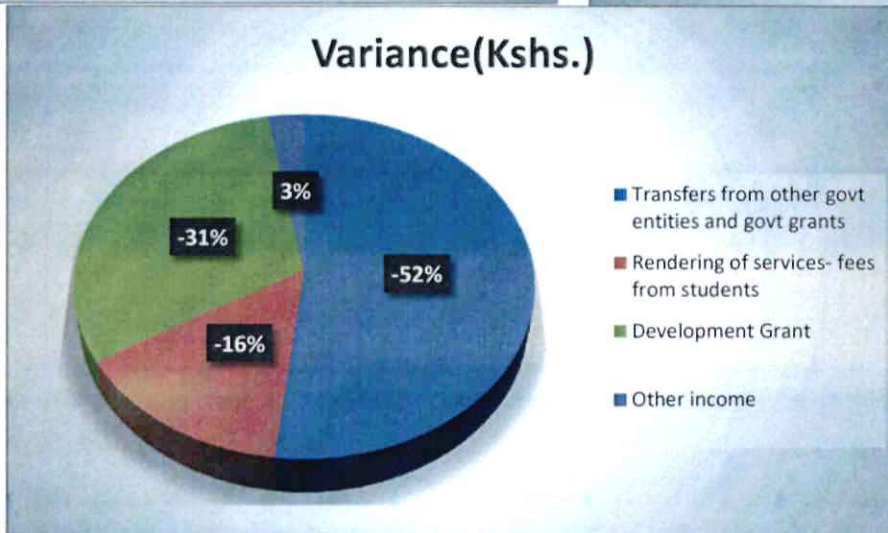
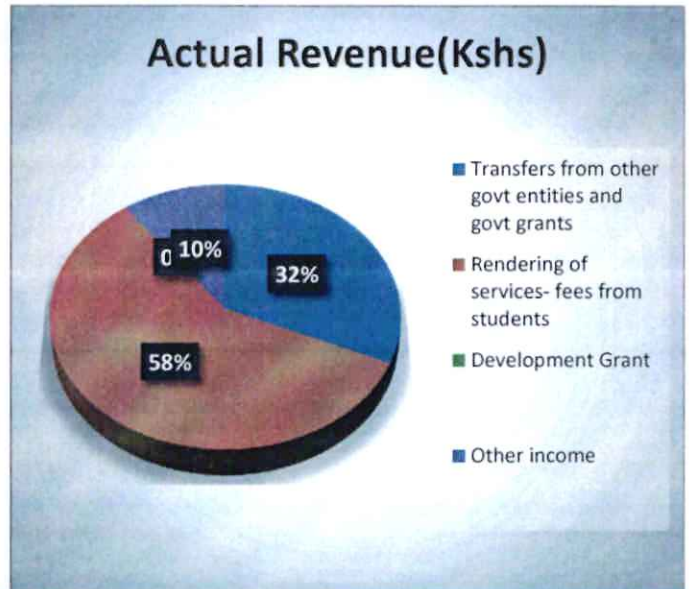
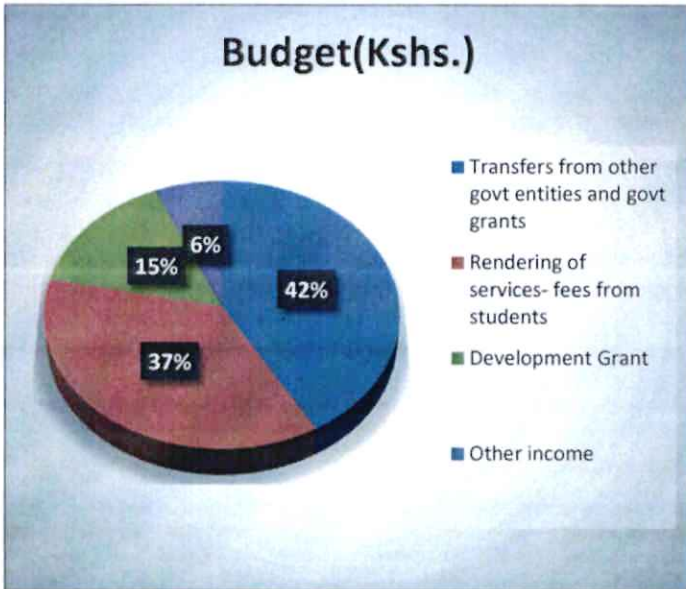
i) Operational and Financial Performance of The Institute

During the year, the Institute's student enrolment has continued to rise steadily reaching 1700 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 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

During the year, the Institute had a revenue budget of Kshs.129,746,082 and actual receipts of Kshs.66,394,865, resulting in a revenue as depicted in the table and chart below:

Revenue Source	Budget (Kshs.)	Actual (Kshs.)	Variance (Kshs.)
Transfers from other govt entities and govt grants	54,000,000	20,800,000	-33,200,000
Rendering of services- fees from students	47,556,000	38,872,626	-8,683,374
Development Grant	19,810,083	0	-19,710,082
Other income	8,480,000	6,722,239	-1,757,761
Total Income	129,746,082	66,394,865	-63,351,217

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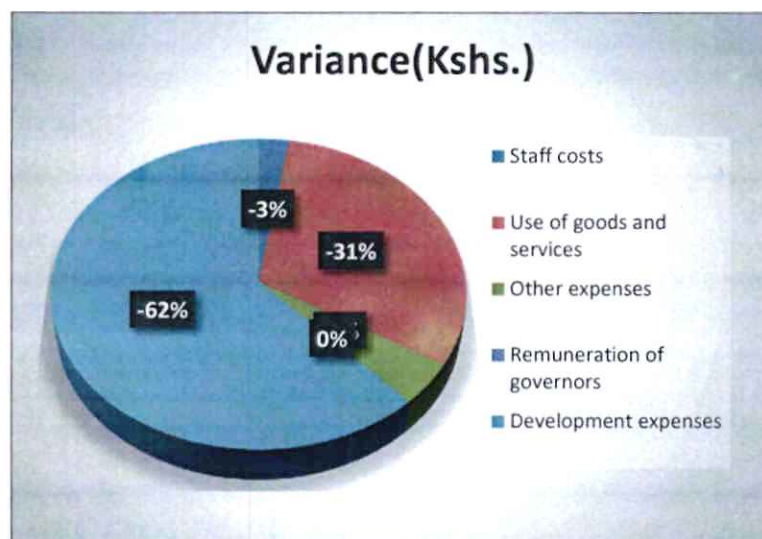
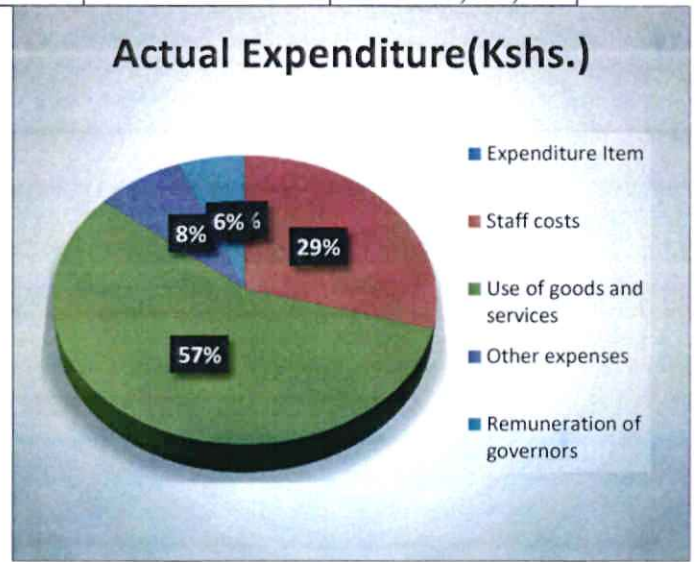
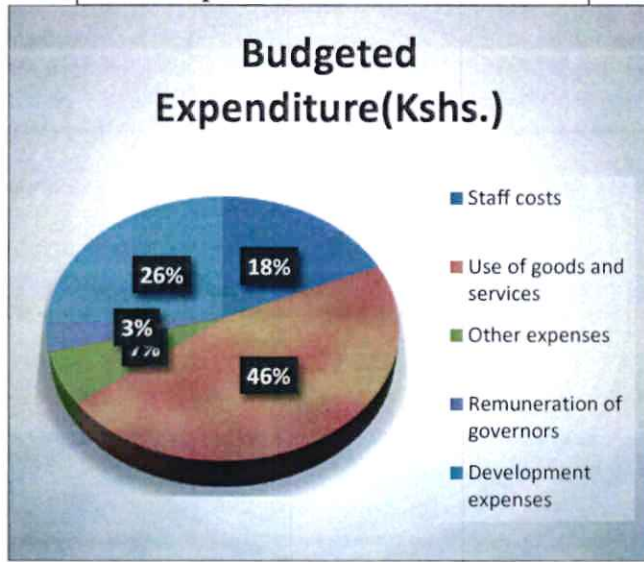


Similarly, the Institute had payments budget of Kshs. 129,746,082 and actual payments of Ksh 76,093,331, resulting in under expenditure of Kshs.53,652,751 as depicted in the table and chart below:

Expenditure Item	Budget (Kshs.)	Actual (Kshs.)	Variance (Kshs.)
------------------	----------------	----------------	------------------

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Staff costs	23,751,175	22,381,591	-1,369,584
Use of goods and services	59,762,655	43,060,125	-16,702,530
Other expenses	8,480,000	6,146,614	-2,333,386
Remuneration of Governors	4,512,000	4,505,000	-7,000
Development expenses	33,240,252	0	-33,240,252
Total Expenditure			-53,652,752



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ii) Institute's Key Projects

Institute library

iii) Institute's Compliance with Statutory Requirements

The Institute met all its statutory requirements (NHIF, NSSF, and P.A.Y.E & HELB REMITTANCES) in compliance with the laws governing them. The institute is therefore not exposed to any potential contingent liability.

iv) Major Risks Facing the Institute

No.	Risk	Risk Cause	Risk Level	Control/Action required
1	Delay in delivery of goods	Late requisitions	Moderate Risk	Requisitions be prepared on time
2	Low quality materials/items	Inadequate and imprecise specifications	Moderate Risk	Proper specifications to be identified
3	Fees arrears	Failure to collect fees	Moderate Risk	Fees paid system to be developed, recovery procedures to be implemented
4	Loss of data	Fire	High Risk	Fire drills carried out, procure fireproof cabinets, regular servicing of fire extinguishers, Insurance cover
5	Terror attack	Unauthorized access	High Risk	Have designated entry and exit gates, CCTC Severance, adequate guards
6	Inadequate reference materials	Few titles purchased	High Risk	To purchase more titles, provision of online learning materials
7	Low enrolment of students	Inadequate marketing	Moderate Risk	Extensive marketing
		Negative attitude to the course		Provision of variety of market tailored courses
8	Accidents	Poor workshop management skills by staff and students	High Risk	Training both staff and students Induction of new students and staff

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				Formulation of workshop/laboratories rules and regulations
9	Underutilized machines	Lack of skilled personnel	High Risk	Recruit skilled personnel Upskill personnel
10	Ineffective teaching	Lack of teaching materials	High Risk	Improve teaching/ learning resources
11	Hardware failure	Computers not properly maintained	High	Maintain computers
12	Data loss	viruses	High	Install anti-viruses; offsite data back-up

v) Material Arrears in Statutory and other Financial Obligations

The Institute had no pending bills as at 30th June, 2023.

10. Environmental And Sustainability Reporting Statement

Ekerubo Gietai Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

i) Sustainability Strategy and Profile

EGTTI is expected to provide lifelong training opportunities and contribute to the alleviation of unemployment and achievement of sustainable futures. To guarantee continued and perpetual existence, EGTTI is committed to cultivation of a culture of compliance and fidelity to the law, civility and human decency among its trainees and staff members.

The Institute recognizes and appreciates the government for the policy on capitation which has ensured many trainees who could not afford to pay for training are able to access this important opportunity. In the same breath, mention must be made of the Higher Education Loans Board (HELB) which together with the efforts made through the constituency development fund (CDF) framework have ensured trainees are retained in college by supplementing their fees obligation. EGTTI has benefited from the partnership with these esteemed public institutions with commendable outcomes.

Technical training and education is necessary for economic development and global competitiveness. In recognition of this significant fact, EGTTI which prides itself as the "Home of Innovation" is committed to supporting research and innovation. As a matter of fact, EGTTI participated in the regional TVET Fair hosted by Matili Technical Training Institute in Bungoma County.

The Institute has maintained good relations with the local authority for continuity purposes through the area Member of Parliament and other leaders. This has enhanced student enrolment partly sponsored by the National Government Constituencies Development Fund (NG-CDF) and the Kenya Universities and Colleges Central Placement Service (KUCCPS).

We have engaged the local community through the area Chief and the Assistant Chief to ensure cordial relations and peaceful co-existence between the Institute and members of the public. Local traders and businesspeople have been encouraged to put up hostels to accommodate the increased student numbers as all of them require external accommodation.

Macroeconomic factors that affected sustainability are late remittance of capitation outside the required quarter, resulting to late or delay in procurement and budget implementation; non-remittance of all funds committed through KUCCPS which resulted in debts which could not be accrued. However, the Institute has remained committed to discharging of its core mandate through focus and teamwork.

ii) Environmental performance

Responsible environmental stewardship is important to sustainable development. EGTTI values and protects the environment and proactively initiated several interventions including the following.

- i. Conducting sensitization campaigns on environmental protection targeting trainees, staff and the community
- ii. Sustainable utilization of natural resources including water, paper and non-renewable energy.
- iii. Planting trees to provide a safe and healthy environment and reduce the greenhouse effect.
- iv. Embracing the waste hierarchy i.e. avoid or reduce, reuse, recycle and dispose of correctly as the last option.
- v. Embracing sustainable practices in relation to design, transport, catering etc.
- vi. Minimizing the use of harmful and hazardous substances.

Although the Institute did not have an environmental policy, it engaged in environmental conservation through planting of trees in co-ordination with the local authority. We conducted environmental impact assessment (EIA) before implementing the SITVES project which involved sinking of fishponds and establishment of a greenhouse among other activities.

Institute sewer system is normally treated and regularly checked to ensure no spillage is discharged to the community as a measure of reducing hazardous environmental impact.

The images below depict the Institutes participation in tree planting:



Pic i) Conservation Officers assisting the County Commissioner (Nyamira), Mr. A. Mariba to plant a tree



Pic ii) EGTTI Principal, Mr. Geoffrey Andama planting a tree



Pic iii)



Pic iv)The County Commissioner, Mr. Amos Mariba with the Area Chiefs



Pic v) Community members and other stakeholders planting trees



Pic vi) The County Commissioner (Nyamira), Mr. Amos Mariba with Forestry Officers



Pic vii) The County Commissioner (Nyamira), Mr. Amos Mariba with Officer in charge of Bonyunyu Police Post and Conservation Officers

iii) **Employee Welfare**

The human resource component constitutes one of the most important and key elements responsible for effective and efficient delivery of the services EGTTI offers. The Institute therefore handles this component with utmost and procedural significance.

The Institute has operationalized a human resource policy and procedures manual that guides the hiring process on merit and ensures gender balance and that people living with disability are considered. These policies are revised after every two (2) years to improve on them.

In compliance with EGTTI human resource procedures, all available vacancies are advertised and competitively filled. The Institute accords equal opportunities to all persons and in particular, affirms proactive interventions to cater for underprivileged parties including people living with disabilities (PWDs).

The Institute recognizes the importance of enhancing the capacity and capability of staff to offer continually improving services. To achieve this desirable outcome EGTTI provides opportunities for staff development through training programs including workshops and seminars organized by relevant professional bodies. This is done through budgetary provision and attendance of various training programmes organized by different professional bodies such as ICPAK, KISM and Kenya School of Government.

iv) Market Place Practices

Ekerubo Gietai T. T. I. believes in fair and competitive access to available opportunities. The Institute advertises all employment and business opportunities. Job vacancies and tenders for supply of goods, services and works are publicly declared and also uploaded on the Institute website. EGTTI deals fairly, openly, responsibly, and objectively.

EGTTI offers its services to all citizens without any form of discrimination. As a public institution we are apolitical and therefore serve all people equally, with respect and courtesy irrespective of their political, religious, ethnic, racial or social persuasion. The Institute has therefore attracted clients from all parts of the Republic of Kenya and hopes to spread its wings beyond our national boundaries.

To guard against fraud and possible corruption, EGTTI has developed and operationalized the anticorruption policy. The Institute has an active corruption prevention committee and has identified corruption risk areas which have been documented and mitigation measures put in place. To minimize the risk and temptation brought about by handling liquid money, EGTTI has automated all its fees transactions with all funds payable directly to the Institute's bank accounts.

The Institute has an operational internal audit function which reports to the Audit and Risk Management Committee of the Board of Governors. This is an important safeguard which has immensely contributed to a more transparent and accountable work environment at EGTTI.

The Institute is committed to continually improving its training environment for a more satisfactory customer experience through the offering of effective and efficient training services so that EGTTI graduates will continue being preferred in the workplace.

EGTTI is a member of the Kenya Association of Technical Training Institutions (KATTI) and the Commonwealth Association of Polytechnics in Africa (CAPA) recently renamed as the Association of Technical Universities and Polytechnics in Africa (ATUPA) both of which encourage partnership and collaboration amongst technical institutions, hence encouraging healthy competition and benchmarked growth.

Suppliers are paid within 30 days upon bringing all the required documents (i.e. delivery note, invoice, credit note) in line with our service delivery charter. We also give opportunity to eligible suppliers through continual enlisting of AGPO registered suppliers.

Marketing the courses offered at EGTTI was done through the print and electronic media as well as outreach publicity initiatives targeting diverse geographical locations without bias.

v) Corporate Social Responsibility / Community Engagements

The Institute is committed to giving back to the society for mutual benefit and enhancing goodwill to the society with key social responsibility given for curbing the spread of COVID-19. This was achieved through:

Giving of sanitizers and liquid soap for curbing the communal spread of covid and improving the hygiene.

We also promoted health talks on Ministry of health covid protocol compliance requirements.

The Institute engaged the local youths in construction and maintenance works.

v(i) Provision of water

Kenya is classified as a water stressed Country. Many people lack safe drinking water which is the cause of socio-economic problems causing starvation and diseases. The challenge is more prevalent in rural areas where women and children walk long distances daily in search of water which is sometimes not safe for drinking. As a response to this problem, EGTTI provided water points along its perimeter fence dedicated to provision of clean tap water to the community around the Institute who collect the water during designated times daily.



Pic i) Lining up for clean tap water provided by E TTI as part of its CSR initiatives.

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v(ii) Provision of Football Field

The institute provided a playground not only to the college students but also to the community for use free of charge. We also provided the field to various schools to hold their events such as athletics, ball games music, drama etc:



Pic ii) Teams utilizing the EGTTI playground



Pic iii)

Ekerubo Gietai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

11. Report Of the Board Of Governors

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

Principal activities

The principal activities of the Institute include the following.

- Offering teaching/training in science and technology and innovation.
- Offering innovative discovery, transmission and preservation of knowledge.
- Carrying out research and entrepreneurial activities.
- Participating in commercial ventures and activities that promote the objectives of the institution.
- Fostering the general welfare of staff, students and the community
- Developing and providing educational, cultural, professional, technical and vocational services to the community and in particular fostering corporate social responsibility
- Promoting social – economic development in line with the county's development agenda

Results

The results of the Institute for the year ended June 30, 2023 are included in the financial statements set out on pages 1 to 38.

Board of Governors

The members of the Board who served during the year are shown on pages viii to xiii.

Auditors

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

By Order of the Board



.....
Secretary to the Board

12. Statement Of Board Of Governor's 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 Board of Governors of an institute to prepare financial statements in respect of that Institute, which give a true and fair view of the state of affairs of the Institute at the end of the financial period and the operating results of the Institute for that period. The Board members are also required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. The Board members are also responsible for safeguarding the assets of the Institute.


The Board Members of Ekerubo Gietai Training Institute were responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial period ended on June 30, 2023. 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 Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013. The Board members are of the opinion that the Institute's financial statements give a true and fair view of the state of the Institute's transactions during the financial year ended June 30, 2023, and of the Institute's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that the Institute will not continue to sustain its services for at least the next twelve months from the date of this statement.

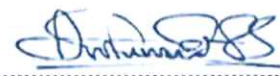
Approval of the financial statements

The Institute's financial statements were approved by the Board on 27/09/2024 and signed on its behalf by:



Name: Bob Ndubi

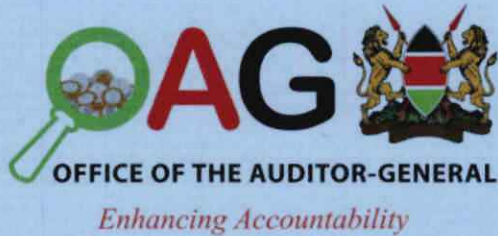
Chairman Board of
Governors



Name: Geoffrey
Andama
Principal

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

The accompanying financial statements of Ekerubo Gietai Technical Training Institute set out on pages 1 to 48 which comprise the statement of financial position as at

30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by BACE Partners LLP Certified Public Accountants (Kenya), auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

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 Ekerubo Gietai Technical Training Institute at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy of Transfers from Other National Government Entities

The statement of financial performance reflects transfers from other National Government entities of Kshs.54,000,000 being capitation grants. Note 6 to the financial statements, however, reflects capitation grants amount of Kshs.20,800,000 resulting to unexplained variance of Kshs.33,200,000

In the circumstance, the accuracy and completeness of transfers from other National Government entities of Kshs.54,000,000 could not be confirmed.

2. Inaccuracy in Current Portion of Receivables from Exchange Transactions Balance

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.55,201,061. However, explanatory Note and ageing analysis of the receivables were not disclosed in the financial statements.

Further, the amount differs with the receivables at the end of the year totalling Kshs.52,440,594 reflected in Note 27(d) to the financial statements resulting in unexplained variance of Kshs.2,760,467. Provision for impairments of the receivables has also not been made.

In the circumstances, the accuracy, completeness and existence of current portion of receivables from exchange transactions totalling Kshs.55,201,061 could not be confirmed.

3. Inaccuracy in Current Receivables from Non-Exchange Transactions Balance

The statement of financial position reflects current receivables from non-exchange transactions balance of Kshs.33,200,000. However, the amount differs with the

receivables totalling Kshs.30,200,000 reflected in Note 19 to the financial statements resulting in unexplained variance of Kshs.3,000,000. Provision for impairments of the receivables has also not been made.

Further, ageing analysis of the receivables have not been disclosed in the financial statements.

In the circumstances, the accuracy, completeness and existence of receivables from non-exchange transactions totalling Kshs.33,200,000 could not be confirmed.

4. Inaccuracy in Accumulated Surplus Balance

The statement of financial position reflects accumulated surplus totalling Kshs.61,705,870. The amount is net of transfer of depreciation amount of Kshs.21,213,891 as reflected in the statement of changes in net assets. However, the transfer has not been explained or supported.

In the circumstances, the accuracy and completeness of the accumulated surplus balance of Kshs.61,705,870 could not be confirmed.

5. Inaccuracy of Capital Fund Balance

The statement of financial position reflects capital fund of Kshs.549,351,753. The amount includes transfer of depreciation amount of Kshs.23,985,989 as reflected in the statement of changes in net assets. However, the transfer has not been explained or supported.

In the circumstances, the accuracy and completeness capital fund balance of Kshs.549,351,753 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total income final budget and actual on comparable basis amount of Kshs.129,746,082 and Kshs.66,394,865, respectively, resulting to underfunding of Kshs.63,351,217 or forty-nine percent (49%) of the budget. Similarly, the statement reflects actual total expenditure amounting to Kshs.76,093,330 against receipts of Kshs.66,394,865 resulting to over-expenditure of Kshs.9,698,465 or fifteen percent (15%) of the receipts.

The underfunding affected the planned activities and may have impacted negatively on the delivery of services to the public.

The over-expenditure was not explained and may have been irregular.

2. Encroachment on Land

The statement of financial position reflects property, plant and equipment totalling Kshs.510,831,645. The amount includes land amounting to Kshs.91,400,000 as disclosed in Note 21 to the financial statements. However, physical verification of the land revealed that a portion of the land has been encroached upon by the public. The encroachment involves unauthorized structures and farming activities.

This poses a risk to the institution's property rights and may impact future land use planning.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

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

In connection with my audit on the Institute's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 3000 and 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

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

Basis for Conclusion

Lack of Internal Audit Function

Review of the College's records and functions revealed that the College had not established an internal audit function for oversight of the operations of the Management. This was contrary to Section 73 (1) (a) of the Public Finance Management Act, 2012 which states that a National Government entity shall ensure that it has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

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

The Audit was conducted in accordance with ISSAI 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Governors

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAI will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu CBS
AUDITOR-GENERAL

Nairobi

19 May, 2025

Ekerubo Gietai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

14. Statement of Financial Performance for The Year Ended 30 June 2023

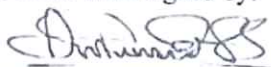
	Notes	2022/2023	2021/2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	54,000,000	27,120,000
Grants from donors and development partners	7	-	1,404,321
		54,000,000	28,524,321
Revenue from Exchange transactions			
Rendering of services- fees from students	8	70,450,357	47,428,000
Other Income	9	6,722,239	7,000,236
Revenue from Exchange transactions		77,172,596	54,428,236
Total Revenue		131,172,596	82,952,557
Expenses			
Use of goods and services	10	42,387,977	35,395,565
Employee costs	11	22,381,592	14,521,928
Board expenses	12	4,505,000	2,021,000
Depreciation and amortization expense	13	24,549,454	30,515,873
Repairs and maintenance	14	630,240	146,560
STIVES Expenses		-	1,406,041
General Expenses	15	6,146,614	6,266,247
Finance costs	16	41,908	-
Total Expenses		100,642,785	90,273,214
Other Gains/(Losses)			
Gain on sale of assets			
Gain/ Loss on fair value of investments			
Impairment loss			
Total Other Gains/(Losses)			
Net surplus/(deficit) for the year		30,529,811	(7,320,657)

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




Name: Bob Ndubi

Chairman Board of
 Governors
 27/09/2024



Name: Rebecca Mouti

Finance Officer
 ICPAK No.28086
 27/092024



Name: Geoffrey
 Andama
 Principal

27/092024

Ekerubo Gietai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

15. Statement of Financial Position as at 30th June 2023

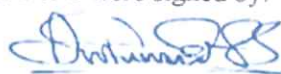
Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	17	5,703,954	19,106,316
Current portion of receivables from exchange transactions		55,201,061	28,873,918
Receivables from non-exchange transactions		33,200,000	00
Inventories	20	1,934,357	1,289,003
Total Current Assets		96,039,372	49,269,237
Non-Current Assets			
Long term receivables from exchange transactions		-	00
Property, plant, and equipment	21	510,831,645	507,743,085
Intangible assets	22	4,056,606	4,988,640
Biological Assets	23	130,000	00
Total Non-Current Assets		515,018,251	512,731,725
Total Assets		611,057,623	562,100,962
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	24	-	39,953
Total Current Liabilities		-	00
Total Liabilities		-	39,953
Net Assets			
Revaluation Reserves		-	(14,055,455)
Accumulated Surplus		61,705,870	52,389,950
Capital Fund		549,351,753	523,626,514
Total Net Assets and Liabilities		611,057,623	562,100,962

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



Name: Bob Ndubi

Chairman Board of
Governors
27/09/2024



Name: Rebecca Mouti

Finance Officer

ICPAK No.28086
27/09/2024



Name: Geoffrey

Andama
Principal

27/09/2024

Ekerubo Gietai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

16. Statement of Changes in Net Asset for the Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2021	-	59,710,607	523,626,514	583,337,121
Revaluation gain	(14,185,455)	-	-	(14,055,455)
Surplus/(deficit) for the year	-	(7,320,657)	-	(7,320,657)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2022	(14,185,455)	52,389,950	523,626,514	561,831,009
At July 1, 2022	(14,185,455)	52,389,950	523,626,514	561,831,009
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	30,529,811	-	30,529,811
Capital grants received during the year	-	-	1,739,250	1,739,250
Transfer of depreciation/amortisation from capital fund to Retained earnings	14,185,455	(21,213,891)	23,985,989	24,249,800
At June 30, 2023	-	61,705,870	549,351,753	611,057,623

Ekerubo Gietai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

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

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	20,800,000	27,120,000
STIVES		-	1,404,321
Rendering of services- fees from students	8	38,188,080	28,217,278
Other income	9	6,722,239	7,000,236
Total Receipts		65,710,319	63,741,835
Payments			
Use of goods and services	10	42,387,977	35,395,565
Employee costs	11	22,381,592	14,481,975
Board expenses	12	4,505,000	,021,000
Repairs and maintenance	14	630,240	146,560
STIVES		0	1,406,041
General expenses	15	6,146,614	26,266,247
Finance Costs	16	41,908	00
Total Payments		76,093,331	59,717,388
Net Cash Flows from operating activities		(10,383,012)	4,024,447
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(3,019,350)	(2,874,847)
Proceeds from sale of property, plant and equipment			
Net cash flows used in investing activities		(3,019,350)	-2,874,847
Cash flows from financing activities			
Proceeds From Borrowing			
Repayment Of Borrowings			
Net cash flows used in financing activities			
Net Increase/(Decrease) in Cash and Cash equivalents		(13,402,362)	1,149,600
Cash and Cash equivalents at 1 JULY	17	19,106,316	17,956,716
Cash and Cash equivalents at 30 JUNE	17	5,703,954	19,106,316

Cash Flows statement has been prepared using direct method

Ekerubo Gietai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	54,000,000	0	54,000,000	20,800,000	33,200,000	39
Development Grant	19,710,082	0	19,710,082	0	0	0
Rendering of services- fees from students	47,556,000	0	47,556,000	38,872,626	8,683,374	82
Miscellaneous Income	8,480,000	0	8,480,000	6,722,239	1,757,761	79
Total Income	129,746,082	0	129,746,082	66,394,865	43,641,135	66
Expenses						
Use of goods and services	59,762,655	-	59,762,655	43,060,125	16,702,530	72
Employee costs	23,751,175	0	23,751,175	22,381,591	1,369,584	94
Board Expenses	4,512,000	0	4,512,000	4,505,000	7,000	99
Development Expense	33,240,252	0	33,240,252	0	0	0
General Expense	8,480,000	0	8,480,000	6,146,614	2,333,386	72
Total Expenditure	129,746,082	0	129,746,082	76,093,330	20,412,500	59
Surplus For the Period	0	0	0	-10,641,896	23,228,635	
Capital Expenditure						

Budget notes

(a) Underutilization in Development Grants – 100%

The Government of Kenya did not release any funds towards the project for the financial year 2022/2023. Management continues to make follow-ups.

(b) Underutilization in Capitation – 61%

The Government of Kenya did not release all the budgeted capitation funds during the year.

(c) Underutilization in Rendering of services – 20%

Our students depend on HELB loans to pay their fees which was not disbursed during the financial year. We therefore collected less income against the budgeted figure.

(d) Underutilization in Other Incomes – 21%

We registered less students for KNEC exams

Underutilization in Employee Costs– 18%

Salary Increment and other allowances were not paid during the financial year as budgeted for due to revenue challenges. In addition, there were general advisories from Government to keep expenditures low as funding difficulties were anticipated due to the covid-19 pandemic.

(e) Underutilization in Use of Goods and Services – 28%, General Expenses – 28%

Capitation Grants for Quarter 4 was not received and the rate per student was reduced from 7,500 to 5,000 for Q1 and 4,000 for Q2 and Q3 hence we had limited resources to do procurement of the above goods and services.

Ekerubo Gietai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

19. Notes to the Financial Statements

1. General Information

Ekerubo Gietai TTI 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 Training

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Institute's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Institute. The values are rounded off to the nearest shilling. 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.

Ekerubo Gietai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.

Ekerubo Gietai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

Standard	Effective date and impact:
	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

Ekerubo Gietai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

iii. Early adoption of standards

The Institute did not early-adopt any new or amended standards in year 2023

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2022/2023 was approved by the Board on xxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of xxx on the FY 2022/2023 budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page xx under section xxx of these financial statements.

c) Taxes

Current income tax

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

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (entity to amend appropriately).* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The institute uses the following depreciation rates to depreciate its assets using reducing balance method as follows: Building- 2.50%, Furniture and fittings – 12.50%, Computers -33.30%, Plant and machinery -12.50% and motor vehicle 25%

f) Leases

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

Ekerubo Gietai Technical Training Institute

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

Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset

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or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net

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assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

m) Employee benefits

Retirement benefit plans

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

n) Foreign currency transactions

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

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p) Service concession arrangements

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

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q) Cash and cash equivalents

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

r) Comparative figures

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

s) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

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6. Transfers from other National Government entities

Description	2022/2023 Kshs	2021/2022 Kshs
Unconditional Grants		
Capitation Grants	20,800,000	27,120,000
Operational Grant	00	00
Total unconditional Grants	00	00
Conditional Grants amortised/ recognised in revenue		
Library Grant	00	00
Hostels Grant	00	00
Total Government Grants and Subsidies	20,800,000	27,120,00

7. Grants from Donors and Development Partners

Description	2022/2023 Kshs	2021/2023 Kshs
SITIVES	00	1,404,321
Total Grants from Development Partners	00	1,404,321

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8. Rendering of Services

Description	2022/2023	2021/2022
	Kshs	Kshs
Tuition fees	20,988,950	7,548,106
Repairs Maintenance and Improvement	3,296,120	1,663,330
Personal Emoluments	14,317,389	5,533,192
Local Transport and Transport	9,526,358	2,422,648
Electrical Water and Conservancy	3,360,292	2,139,152
Activity	4,296,190	2,300,000
Medical	982,350	998,550
Industrial Attachment	3,721,010	1,998,000
Administration Fees	3,778,698	3,614,300
Development Fund	6,183,000	00
Rendering of services revenues received in cash		28,217,278
Fees arrears		19,210,722
Total revenue from the rendering of services	70,450,357	47,428,000

(Provide brief explanation for this revenue)

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9. Other Income

Description	2022/2023	2021/2022
	Kshs	Kshs
Student Council	558,334	482,400
Admission Fees	786,230	552,000
Sale of Tender Documents	3,000	1,000
Exam Registration	4,351,350	5,002,901
Sale of Water	84,515	90,985
Sale of containers	100	2,900
Sale of Milk	1,960	12,320
Computer Packages	85,000	121,800
Graduation Fees	431,230	-
Sale of Fish	16,860	8,950
Smart Cards	22,000	552,000
Sale of Chicken	00	57,700
Sale of Eggs	00	115,280
GIZ Fund	203,700	00
Fines and Penalty	4,000	00
Lost Items	4,250	00
Ground hire	5,000	00
Sale of Tomatoes	6,210	00
Sale of Cows	158,500	00
Totals	6,722,239	7,000,236

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10. Use of Goods and Services

Description	2022/2023	2021/2022
	Kshs	Kshs
Electricity	491,297	883,621
Bank charges	-	53,328
Local Transport and Traveling	8,468,060	10,480,072
Activity / Sports	2,021,460	3,449,857
Medical Services	108,406	5,200
Industrial Attachment	1,261,462	705,094
Marketing	2,145,462	1,551,250
Catering	2,499,808	1,818,989
Administration Costs	9,601,253	7,035,547
Farm	192,160	732,370
House Keeping	328,762	64,993
Text Books	35,800	348,204
Research and Development	639,480	1,027,740
Withholding Tax	85,953	83,080
Hairdressing and Beauty Therapy	531,328	742,728
Computer Studies	1,747,100	163,290
Building and civil Engineering	1,416,693	1,209,190
Institutional Management	651,334	513,255
Robots and automation	1,293,200	3,614,280
Electrical and Electronic Engineering	767,489	913,477
Business Studies	4,200	0
KATTI	731,500	0
KONZA Project	3,416,350	0

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Mechanical Engineering	990,950	
Graduation Expenses	2,958,470	0
Total good and services	42,387,977	35,395,565

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11. Employee Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Salaries and Wages	18,337,855	11,854,341
NSSF	2,296,836	1,647,516
NHIF	700,200	484,800
PAYE	782,700	273,671
Welfare Contribution	156,000	165,600
HELB Recoveries	108,000	96,000
Employee costs	22,381,591	14,521,928

12. Board Expenses

Description	2022/2023	2021/2022
	Kshs	Kshs
New Board Inauguration	-	-
Allowances to BOG	4,133,000	1,916,000
Chairman Honoraria	312,000	105,000
Chairman Airtime	60,000	-
Total BOG Emoluments	4,505,000	2,021,000

13. Depreciation and Amortization expense

Description	2022/2023	2021/2022
	Kshs	Kshs
Property, plant and equipment	24,050,590	29,935,073
Intangible Asset	498,864	580,800
Total depreciation and amortization	24,549,454	30,515,873

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14. Repairs and Maintenance

Description	2022/2023 Kshs	2021/2022 Kshs
Property		00
Furniture and fittings	630,240	146,560
Total Repairs and Maintenance	630,240	146,560

15. General Expenses

Description	2020-2021 Kshs	2020-2021 Kshs
Exams Registration		
Smart Card Exp	5,384,900	5,066,100
Fees Refund	0	160,200
Student Council	52,800	4,550
Computer Packages	333,200	333,220
Bus Expense	30,000	98,000
Admission Fees Expenses	345,214	-
Covid 19	500	292,400
Electricity	0	-
STIVES expenses - supplement	0	-
Total general expenses	6,146,614	6,266,247

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16. Finance Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Borrowings (Amortized Cost)*	00	00
Finance Leases (Amortized Cost)	00	00
Unwinding of Discount from lease liabilities	00	00
Bank Charges	41,908	00
Interest on Loans from Commercial Banks		00
Total Finance Costs	41,908	00

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17. Cash and Cash Equivalents

Description	2022/2023	2021/2022
	Kshs	Kshs
Student fund A/c	528,400	9,263,868
Recurrent A/c	5,175,554	7,511,124
Development A/c	-	2,330,170
STIVES A/C	-	1,154
Total Cash and Cash Equivalents	5,703,954	19,106,316

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

Financial Institution	Account number	2022/2023	2021/2022
		Kshs	Kshs
a) Recurrent account			
Kenya Commercial bank	1167884329	5,175,554	7,470,624
Cash			40,500
Sub- total			7,511,124
b) Fees A/c			
Kenya Commercial bank	1167884027	528,400	9,263,868
Sub- total			9,263,868
Development A/c			
c) Kenya Commercial bank	1169941478	-	2,330,170
Sub- total			2,330,170
STIVES A/c			
Kenya Commercial bank	1280063564	-	1,154
Sub- total			1,154
d) Grand total		5,703,954	19,106,316

18. Receivables from Exchange transactions

18 (a) Current Receivables from Exchange transactions

Description	2022/2023	2021/2023
	Kshs	Kshs
Current Receivables		
Student Debtors		
Rent Debtors		
Consultancy Debtors		
Other Exchange Debtors		
Less: Impairment Allowance		
Total Current Receivables		

27 (b) Long- term Receivables from Exchange transactions

Description	2022/2023	2021/2022
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits		
Advance Payments		
Public Organizations		
Less: Impairment Allowance		
Total		
Current Portion Transferred To Current Receivables		
Total Non-Current Receivables		
Total Receivables		

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27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2022/2023	% of the total	2021/2022	% of the total
	Kshs		Kshs	
Less than 1 year		%		%
Between 1 - 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)		%		%

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27 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2022/2023	2021/2022
	Kshs	Kshs
At the beginning of the year		
Provisions during the year		
Recovered during the year		
Write offs during the year		
At the end of the year	52,440,594	

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

19. Receivables from Non-Exchange transactions

Description	2022/2023	2021/2022
	Kshs	Kshs
Current Receivables		
Capitation Grants*	33,200,000	
Transfers from Other Govt. entities		
Undisbursed Donor Funds		
Other Debtors (Non-Exchange Transactions)		
Less: Impairment Allowance		
Total Current Receivables	30,200,000	

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

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28 (a) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year		%		%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total		%		%

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20. Inventories

Description	2022/2023	2021/2022
	Kshs	Kshs
Office Stationery	356,324	288,069
Institution Management Department	202,713	150,503
Building and Civil Engineering	30,250	83,728
Electrical and Electronics	482,176	268,237
Hair Dressing and Beauty Therapy	393,350	257,128
Catering Stores	356,324	241,338
Farm	53,934	0
Cleaning Material	59,286	0
Total inventories at the lower of cost and net realizable value	1,934,357	1,289,003

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21. PROPERTPLANTANDEQUIPMENT

	Land	Buldings	Furniture and fittings and office equipment	Computers	Plant, machinery and equipment	Motor vihecle	Capital work in progress	Total
Depreciation Rate	-	2.50%	12.50%	33.30%	12.50%	25%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2021	64,000,000	282,000,000	11,520,230	3,921,980	161,112,200	0	26,304,356	548,858,766
Additions	-	358,090	1,293,600	1,223,157	-	0	-	2,874,847
Disposals	-	-	-	-	-	0	-	-
Transfers/adjustments	27,400,000	61,024,904	(8,160,551)	296,902	(94,746,710)	0	-	-
At 30 June 2022	91,400,000	343,382,994	4,653,279	5,442,039	66,365,490	0	26,304,356	537,678,158
Additions	-	280,100	1,000,000	1,739,250	0	-	0	3,019,350
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments*	-	-	-	15,799,800	-	8,450,000	-	-
At 30 June 2023	91,400,000	343,663,094	5,653,279	22,981,089	66,365,490	8,450,000	26,304,356	564,817,308
Depreciation and Impairment								
At 1 July 2021	-	7,050,000	1,440,029	1,306,019	20,139,025	-	-	c
Depreciation	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
At 30 June 2022	-	-	-	-	-	-	-	-
Depreciation	-	8,415,327	526,656	7,217,798	5,778,308	2,112,500	-	24,050,590
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
At 30 June 2023	-	15,634,574	1,966,685	8,523,817	25,917,333	2,112,500	-	53,985,663
Net Book Values								
At 30 June 2022	91,400,000	336,613,094	4,213,250	21,675,070	46,226,465	8,450,000	26,304,356	534,882,235
At 30 June 2023	91,400,000	328,028,520	3,686,594	14,457,272	40,448,157	6,337,500	26,304,356	510,831,645

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Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements on 30 June 2022

31 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	91,400,000	00	91,400,000
Buildings	343,663,094	15,465,327	328,197,767
Plant And Machinery	66,365,490	25,917,333	40,448,157
Motor Vehicles including Motorcycles	8,450,000	2,112,500	6,337,500
Computers and Related Equipment	22,981,089	8,523,817	14,457,272
Office Equipment, Furniture, And Fittings	5,653,279	1,966,685	3,686,594
Total	564,817,308	53,985,663	510,831,645

22. Intangible Assets

Description	2022/2023	2021/2022
	Kshs	Kshs
Cost		
At beginning of the year	4,988,640	1,936,000
Additions	0	3,534,000
At end of the year	4,988,640	5,470,000
Additions—internal development		
At end of the year		-
Amortization and impairment		
At beginning of the year	481,300	580,800
Revaluation Gain	0	99,440
Amortization	498,864	
At end of the year	980,164	481,300
Impairment loss	0	0
At end of the year	980164	481,300
NBV	4,008,476	4,988,640

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Notes to the Financial Statements (Continued)

23. Biological Assets

	2022/2023	2021/2022
	Kshs	Kshs
Cattle	130,000	130,000
Trees		
Others (Specify)		
Total	130,000	130,000

24. Trade and Other Payables

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Trade payables	00		39,953	
Fees paid in advance				
Salary deductions				
Third-Party Payments				
Other Payables				
Total Trade and Other Payables	00		39,953	
Ageing analysis:	2022/2023	% of the Total	2021/2022	% of the Total
Under one year		%		
1-2 years		%		
2-3 years		%		
Over 3 years		%		
Total (to tie to totals above)		%		

25. Events After The Reporting Period

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

26. Ultimate And Holding Entity

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

27. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>1. Variance in Other Income Amount</p> <p>The statement of financial performance reflects other income amount of Kshs.7,000,236 as disclosed in Note 9 to the financial statements while the supporting ledger schedules show balances totaling to Kshs.6,669,589 resulting in a variance of Kshs.330,647 which Management has attributed to an unexplained opening balance.</p> <p>In the circumstances, the accuracy of the other income amount of Kshs.7,000,236 could not be confirmed.</p>	<p>- The Statement of performance reflected Other income of kshs. 7,000,236 which included opening balance of Kshs. 330,649. from the previous year, the ledger schedules had been was attached</p>	Resolved	30th June 2023
	<p>2. Unsupported Rendering of Services</p> <p>The statement of financial performance reflects rendering of services-fees from students amount of Kshs.47,428,000 as disclosed in Note 8 to the financial statements.</p>	Supportive ledgers had been provided to support the said amount	Resolved	30 th June 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>However, the supporting ledger schedules were no provided for audit review. In the circumstance, the accuracy and completeness of Kshs.47,428,000 could not be confirmed.</p>			
	<p>3.1 Unsupported Research and Development</p> <p>The amount of Kshs.35,395,565 includes research and development amount of Kshs.1,027,740 which, according to payment vouchers examined, mainly related to travelling allowance which had nothing to do with research and development. Further, the latter amount includes honoraria of Kshs.257,800 which was not backed by any law.</p> <p>In the circumstances, the propriety of the research and development expenditure of Kshs.1,027,740 could not be confirmed.</p>	<p>-The Ministry had given a directive that we allocate 2% of the total budget to Research and development.</p> <ul style="list-style-type: none"> - However, Participation fees and travelling expenses meant for the training were the only one incurred during the year under review, the staff who were trained are going to do some improvement on this matter. <p>The honoraria of Kshs. 257,800 was paid to the staffs who were given extra duty to perform in different sections. According to the guidance which was given during the exit meeting, the college is going to develop a policy to govern this under extraneous allowance</p>	Resolved	30 th June 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3	<p>3.2 Unsupported Administrative Costs</p> <p>The amount of Kshs.35,395,565 also includes administrative costs amount of Kshs.7,035,547 whose supporting documents, such as receipts, bus tickets and fuel register were not provided for audit review.</p>	<p>Under use of goods and services we had attached the samples of payment vouchers as guided.</p>	Resolved	30 th June 2023
2	<p>In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.7,035,547 could not be confirmed.</p>			
	<p>3. Anomalies in Property, Plant and Equipment</p> <p>The statement of financial position reflects property, plant and equipment balance of Kshs.507,743,085 as disclosed in Note 20 to the financial statements. Included in the balance is Kshs.91,400,000 in respect of land whose title deed was registered in the name of a different technical training institute, whose existence could not be confirmed. Management has however indicated that the process of transferring ownership to the Institute is on-going. Further, the balance excludes undetermined value of the</p>	<p>The Property Plant and Equipment balance had been amended accordingly.</p>	Resolved	30 th June 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Institute's biological assets which include sixteen (16) adult cattle, two (2) heifers, fish held in two (2) fish ponds with the capacity of 1000 fish and poultry. In the circumstances, the ownership, accuracy, completeness of property, plant and equipment balance of Kshs.507,743,085 as at 30 June, 2022 could not be confirmed</p>			
	<p>4. Long Outstanding Receivables from Exchange Transactions The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.28,873,918 which, as disclosed in Note 18 to the financial statements relates to student debtors. However, this balance includes debts amounting to Kshs.9,200,778 which had been outstanding for more than one (1) year and for which, no evidence was provided to show Management's effort to recover the debts. Further, no provision was made for any likely loss of revenue from non-collectable debts.</p>	<p>The management of Ekerubo Gietai had promise to improve on debtor's collection by improving internal control systems in place</p>	<p>Not Resolved</p>	<p>30th June 2024</p>
	<p>In the circumstances, the recoverability of the long outstanding receivables from exchange transactions balance of Kshs.9,200,778 is doubtful and the accuracy of the receivables from exchange</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	transactions balance of Kshs.28,873,9180 as at 30 June, 2022 could not be confirmed.			
	<p>5. Unexplained Variances in the Statement of Comparison of Budget and Actual Amounts The statement of comparison of budget and actual amounts reflects total actual revenue of Kshs.64,785,325, while reconciliation at Note (g) to the statement indicates that the actual revenue for the year was Kshs.63,741,838, resulting in an unexplained variance of Kshs.1,043,487. Similarly, the statement reflects total expenditure amount of Kshs.60,760,878 which differs with a corresponding amount of Kshs.59,717,338 shown in the explanatory Note (g) to the statement, resulting to an unexplained variance of Kshs.1,043,540. In the circumstances, the accuracy of the statement of comparison of budget and actual amounts could not be confirmed.</p>	This amounts were from SITIVES project which was omitted in the Reconciliation statement but This was reconciled	Resolved	

Geoffrey N. Andama

 (Principal / BOG Secretary)
 Date 27/09/2024

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Appendix II: Projects Implemented by Ekerubo Gietai TTI

Status of Projects completion

	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	00	MOEVTT
2							
3							

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APPENDIX III - INTER-ENTITY CONFIRMATION LETTER



Ekerubo Gietai Technical Training Institute wishes to confirm the amounts from you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to us with the amounts we received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 20xx							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023				Amount Received by [Beneficiary Entity] (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
		6,960,000	00	00	6,960,000	6,960,000	
		6,920,000	00	00	6,920,000	6,920,000	
		6,920,000	00	00	6,920,000	6,960,000	
Total		<u>20,800,000</u>	<u>00</u>	<u>00</u>	<u>20,800,000</u>	20,800,000	

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

Head of Accountants department of beneficiary Entity:

Name Mouti Kerubo Rebecca Sign:

Appendix IV: Reporting of Climate Relevant Expenditures

There were no climate related expenditures during the year

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Appendix V: Reporting on Disaster Management Expenditure

There was no expenditure on disasters during the year