

REPUBLIC OF KENYA



Enhancing Accountability

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OF KENYA
LIBRARY

REPORT

THE NATIONAL ASSEMBLY	
DATE: 29 NOV 2022	
TUESDAY	
TABLED BY:	Lom
CLERK-AT-THE-TABLE:	Moses Lemuna

THE AUDITOR-GENERAL

ON

WOTE TECHNICAL TRAINING INSTITUTE

**FOR THE YEAR
ENDED 30 JUNE, 2021**

MINISTRY OF EDUCATION
P. O. BOX 10001
MANAKOS HUB.
04 JUL 2022
RECEIVED




WOTE TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2021

 THE NATIONAL ASSEMBLY	
P. O. BOX 10001 MANAKOS HUB.	
DATE: 29 NOV 2022	
TABLED BY:	
CLERK-AT THE-TABLE:	

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

WOTE TECHNICAL TRAINING INSTITUTE
ANNUALREPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

Wote Technical Training Institute is situated within Makueni Township. The Institute occupies a 14-acre piece of land and is in a predominantly semi-arid region. The Institution was established as a skills training centre by Volunteer Service Overseas (VSO) in 1990. The institution later changed from a Skills Training Centre to Wote Technical Training Institute and registered as a TVET institution by TVETA under the TVET Act on 2013. The institute is under the Ministry of Education.

Wote TTI has a strategic plan from 2018 to 2023 and the aims, goals and objectives are in line with those of the Ministry of Education. The Institute has six (6) academic departments, namely Electrical Electronics, Building and Civil Engineering, Business and Accounting department, Liberal and community development, Hospitality & Tourism management and Information and communication Technology department. The Institute offers a variety of courses to K.C.P.E and K.C.S.E graduates at Artisan, Craft, and Diploma levels. The courses offered are examined by KNEC, KASNEB, NITA, CDACC and Wote TTI. Currently, the Institute has 48 trainers and a student population of 1014 students, who are either boarders or commuters.

The Institution is run on day-to-day basis by a Principal who is appointed by the CS, Ministry of Education under the State department Vocational and Technical Training. The Institute is managed by a Board of Governors (BOG), appointed by the Cabinet Secretary, Ministry of Education as stipulated by the TVET Act (January, 2013). Responsibilities of the Board of Governors include recruitment of support staff, overseeing financial management, upholding of staff and student discipline, maintenance of infrastructure & other assets, and sourcing for finances.

(b) Principal Activities

The principal activity/mission of Wote TTI is to train highly skilled workforce that is responsive to national and global competitiveness, implementing training in TVET programs, carrying out research programs, and innovation into products and services

Our vision is to be Technical Centre of excellence in business and Technology for all sectors of the economy. Our mission is to provide quality training for the production of self driven craftsmen, business and technical labour for the local and international market.

The core functions of Wote tti include providing directly, or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional, scientific education; conduct examinations for and grant such academic awards as provided under the polytechnic order.

Fundamental Statements

Vision

“To become a technical training centre of excellence in business and technology for all sectors of the economy”

Mission

“To provide quality training, for the production of self-driven craftsmen, business and technical labour for the local and international market”

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Core values

- Accountability
- Honesty and Integrity
- Equity
- Partnerships
- Quality
- Health and Safety
- Gender Sensitivity

Institute Motto

- Excellence in Science, Innovation & Technology.

Objectives of the Institute

- i. Upgrade on infrastructure, Facilities, and Environment.
- ii. Acquire and use modern ICT.
- iii. Promote linkages with other Institutions.
- iv. Promote Research and Development.
- v. Improve Marketing of the Institute.
- vi. Create conducive working environment.
- vii. Strengthen the Financial Position of the Institute

(c) Key Management

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

- Board of Governors
- The Principal
- Deputy Principal Planning, Administration & Finance
- Deputy Principal Academic Affairs
- Registrar
- Deans of Students
- Finance Officer
- Internal Auditor
- Heads of Departments

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chairman of the BOG	Mr. Lwanga Mutiso
2.	Principal	Mr. Joshua K. Munywoki
3.	Finance Officer	CPA John M. Kimiti

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4.	Deputy Principal Planning, Administration & Finance	Mr. Paul Githaiga
5.	Deputy Principal- Academic Affairs	Ms Jessy Ngina Kitusa
6.	Registrar	Ms Eunice Wambua
7.	Dean of students	Ms Faith Philip
8.	PC Coordinator	-
9.	H.O.D s Representative	Mr Joseph MutukuNgemu
10.	Management Representative	Ms Christine Nzyimi
11.	Gideon Mwongela	Internal Auditor

(e) Fiduciary Oversight Arrangements

1. The BOG finance and development committee

The Committee shall exercise all the powers of Board of Governors in financial matters except in relation to the items which are reserved to Board of Governors in these Standing Orders, on which the Committee shall advise Board of Governors.

Terms of Reference

The role of the Committee shall be to monitor the financial status of the Institute on behalf of Board of Governors. In addition to advising Board of Governors on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters.
- b) To receive reports from the Chief Principal and the Senior Finance Officer.
- c) To monitor implementation of the strategy for the Institute estate.
- d) To receive reports of the extent and condition of the Institute estate including the efficiency of space utilisation, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for Institute services and facilities.
- g) To supervise the financial administration of the Institute and make recommendations to Board of Governors where appropriate.
- h) To supervise the arrangements for safeguarding the Institute's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the Institute's intellectual property.
- l) To make recommendations to Board of Governors on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institute.
- n) To supervise the Institute's purchasing procedures and practices.

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- o) To submit an annual statement on its activities to Board of Governors.
- p) To keep under review the activities of the Institute's various departments.

2. The BOG Audit Committee Activities

a. Governance Initiatives:

Review and provide oversight on governance initiatives established by the BOG and maintained by the organization.

b. Risk Management:

Review and provide oversight on the establishment, implementation, maintenance, and effectiveness of risk assessment, risk management, and risk reporting practices.

c. Internal Control Framework:

Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk, and control assurance providers.

d. Audit Activity:

Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments.

e. Follow Up On Management Action Plans:

The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.

f. Financial Statements And Public Accountability Reporting:

The audit committee shall review and provide advice to the BOG on the key financial management and performance reports and disclosures issued to the public.

• Government Oversight Activities

The Government of Kenya's oversight role include provision of Grants for both Operations and Development as well as provision of the regulatory framework.

The audit of the Instructional activities is undertaken by the Office of the Auditor General.

3. Academic Committee Activities

The academic committee of the Board is entrusted with the following roles and functions:

- a. To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Board.
- b. To propose regulation for consideration by the Board regarding the eligibility of persons for admission to a course of study,
- c. To propose regulations for consideration by the Board regarding the standard of proficiency to be gained in each examination for a Diploma, certificate or other award.
- d. To approve programmes of study, regulate admission of persons to WOTE TTI and determine their continuation or discontinuation in such programmes.
- e. To determine the Academic policy of WOTE TTI and to advise the Board on the provision of facilities to carry out that policy,
- f. To direct and regulate the training and instruction within the Institute subject to the powers of the Board.

4. Senior Management Committee Activities

The main purpose of the Senior Management Team is to:

- 1) Ensure that WOTE TTI's Board of Governors is able to take strategic decisions relating to WOTE TTI's activities
- 2) Provide leadership in communicating WOTE TTI's mission, values, plans and achievements effectively and consistently to Board of Governors Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- 3) Be accountable for the development and implementation of WOTE TTI's strategic, corporate and business plans in line with the mission and values;
- 4) Take a strategic overview of performance in all areas of WOTE TTI's activities.

Specifically the Senior Management Team:

- 1) Makes recommendations to the board on the implementation and achievement of the Board of Governors' Strategic Framework;
- 2) Agrees to WOTE TTI's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- 3) In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- 4) Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of WOTE TTI, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- 5) Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organisation and regularly reviewing the corporate risk register;
- 6) Oversees and monitors WOTE TTI's joint work with the other stakeholders
- 7) Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Board of Governors and/or its relevant Committees.

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- 8) Leads all senior managers in motivating and developing WOTE TTI staff to deliver the highest standards of performance and customer service.

(f) Entity Headquarters

Wote Technical Training Institute
P.O Box 377 – 90300
Wote Town
Makueni County

(g) Entity Contacts

Mobile Phone Numbers:

- +254787294782
- +254728658649

E-mails: wotettimakueni@gmail.com,

Website: www.wotetti.ac.ke

(h) Entity Bankers

1. KCB Bank Kenya Limited, P. O. Box 269-90300 Wote –Branch Account No : 1105324559	2. Barclays Bank of Kenya Limited P. O. Box 424-90300 Wote –Branch Account No's - 2021583580 - 2021593047 - 2023522355 -20399048429/1
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(i) Independent Auditors





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

(j) Principal Legal Adviser




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

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II. THE COUNCIL/BOARD OF GOVERNORS

Governor	Title	Photograph	Date of Birth, Key Qualifications and Work Experience	
			Responsibility	Date of Birth & Qualifications, Experience
1. Mr.LwangaMutiso	Chairman		Overall Management of the Board Activities.	<p>Date of Birth -21/03/1970</p> <p>Key Qualifications Holds a Bachelor of Arts (Social Work)- South Eastern Kenya University and a Diploma in Banking by Kenya Institute of Bankers</p> <p>Work experience-19 years Bank Manager ,11 years ,Personal Banker ,6 years, Bank Clerical Officer ,2 years</p>
2. Joshua Munywoki Kalola	Principal /Secretary B.O.G		Overall in Charge of Institute Affairs	<p>Date of Birth 03/03/1966</p> <p>Qualifications Masters [Project & Construction Management] BSc [Civil Engineering]</p> <p>Work experience 30yrs Served as Principal in National Institutions, 6yrs, Deputy Principal 8yrs, Technical trainer 16yrs as HOD, Deputy Registrar, Exams officer.</p>
3. Mr. John Kahoro	Member		Member of The Audit and Risk Committee	<p>Date of Birth–1983</p> <p>Key Qualifications Masters of Business Administration (MBA) in Strategic Management, Africa Nazarene University, 2014 To Date</p> <p>Bachelor of Education(Arts), Second Class Honors, Upper Division, Kenyatta University , 2003 to 2007</p> <p>Work experience Dec 2015 To Date: Personal Banking Officer Family Bank Ltd Nov 2009 – Nov 2016: Equity Bank Lt. Relationship Officer- Operations Relationship Officer- credit May 2009 – Nov 2009:Creditor at Small and Micro Enterprise Programme(SMEP) Sept 2007 – April 2009:Secondary School Teacher</p>
4. Ms VasdinusV.Ngemu	Member		Member of the Audit and Risk Committee	<p>Date of Birth – 24/12/1977</p> <p>Key Qualifications Pursuing PhD in Information Technology ,Jomo Kenyatta University ,MSc(Information Systems) University of Nairobi ,BSc(Mathematics & Computer Science) Jomo Kenyatta University</p> <p>Work experience – 18 Years 2011 –Date : Assistant Lecturer ,South Eastern Kenya University 2003 -2011 Lecturer ,K.T.T.C ,2003,Lecturer ,Girls & Technical Institute</p>

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Governor	Title	Photograph	Date of Birth, Key Qualifications and Work Experience	
			Responsibility	Date of Birth & Qualifications, Experience
5. Naomi N Makau-Governor's Representative	Member		Member of the Education Research and Human Resource Committee	<p>Date of Birth –17/07/1969</p> <p>Key Qualifications PHD in Education Administration, Masters in Education Administration and Management, Bachelor of Education Science</p> <p>Work experience -16 Years 2017 to Date ,County Executive Committee member,2009 2019 ,Principal ,Mbooni AIC Girls Secondary School,2005 2008 D. Principal, Muthetheni Girls High School,</p>
6. Eng. Jacinta W.Mwangi	Member		Member of Finance and Development Committee	<p>Date of Birth – 01/01/1973</p> <p>Key Qualifications Master's in Business Administration , Kenyatta UniversityOngoing , Bsc in Civil Engineering –Jomo Kenyatta University</p> <p>Work experience 2009-2019 Regional Manager 2019 –Date - Deputy Director, Kenya Urban Roads Authority Kenya Urban Roads Authority 2003-2008 District Works Officer /District Roads Engineer ,1998-2003 Designer in the Roads Department ,Assistant Engineer ,Mombasa Road</p>
7. Ms. Rispa Andialgobwa	Member		Member of Finance and Development Committee	<p>Date of Birth. 17/01/1981</p> <p>Qualifications- Postgraduate Fellowship in Healthcare Capacity Building for Sustainable Development(Monitoring & Evaluation Option)(Ongoing) Impact Business Leader – IBL@Starthmore Social Enterprise and Impact Investing Leadership Development Program, Dec 2015 Moi University 2009 – 2010: Master of Banking & Finance (Bank Management Option) Daystar University 2003 – 2007: Bachelor of Commerce – Double Major in Accounting and Business Administration & Management</p> <p>Work experience - Jan 2017 – To Date : Freelance Content Marketing Copyright for Financial Service Providers Nairobi Dec 2012 – Sept 2016: Fusion Capital Ltd Manager – Business Development and Investor Relations , Manager – Portfolio & Environmental, Social & Governance, Internal Auditor, Risk & Compliance Manager Jan 2007 – Nov 2012: Bank Operation Officer, Enterprise Risk Officer, Internal Auditor at K _ Rep Bank Ltd-.</p>

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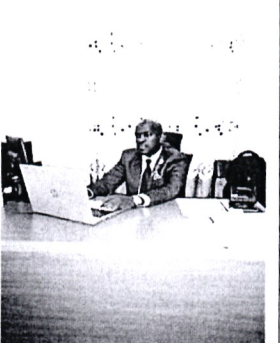
Governor	Title	Photograph	Date of Birth, Key Qualifications and Work Experience	
			Responsibility	Date of Birth & Qualifications, Experience
8. Isaac Nduvi	Member		Member of Finance and Development Committee	<p><u>Date of Birth</u> – 21/3/1970</p> <p><u>Key Qualifications -22 years</u> M.A in Economic Policy Management, University of Nairobi, B. Com(Accounting)-Hons, Kenyatta University</p> <p><u>Work experience -19 years</u> 2008-Date-Head, Risk Management & Compliance 2004-2006, Credit bank LTD, Operations Officer, Equity Bank, 2002-2004 Assistant Accountant ,Bible Society of Kenya</p>
9.Ms Lucy Lau Bigham	Member		Member of the Education Research and Human Resource Committee	<p><u>Date of Birth</u> – 14/10/1962</p> <p><u>Qualifications-</u> MA international Business Analysis – University of Northampton, UK -2001 BA in Design – University of Nairobi – 1987 Robert Smith Fellowship – Fabric Workshop and Museum, Philadelphia 2003 – 2009 Training for development(TFD) Technical Cooperation Program, USAID – USA -1994 Organization & Management of Income Generating Projects – Goldameir Institute, Israel -1992 Program Management for Women in Sub Sahara – Eastern & Southern Management Institute(ESAMI) – Tanzania – 1989</p> <p><u>Work experience -</u> Management Executive CEO/Director – Highly qualified executive manager offering more than 20 years in management of development projects with international & non-profit organizations addressing problems that impede social & economic development.</p>

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III. MANAGEMENT TEAM

Manager	Title	Photograph	Qualifications & Responsibility	
			Responsibility	Date of Birth & Qualifications
1. Joshua Munywoki Kalola	Principal /Secretary B.O.G		Overall in Charge of Institute Affairs	Date of Birth 03/03/1966 Qualifications Masters [Project & Construction Management] BSc [Civil Engineering] Work experience 30yrs Served as Principal in National Institutions, 6yrs, Deputy Principal 8yrs, Technical trainer 16yrs as HOD, Deputy Registrar, Exams officer.
2. Paul Munyoro Githaiga	Deputy Principal Planning, Administration and Finance		In Charge of planning, administration and finance	Date of Birth -1/12/1970 Qualifications MBA (Accounting) Work experience -13 years Current D/PAF , Registrar 2-year Deputy Registrar 6-year Trainer for 6 years
3. Ms Eunice M. Wambua	Registrar		In charge of admission of students and publicity of the institute	Date of Birth 05.05.1970 Qualification : masters in planning and economics of education, B. of education (arts) Work experience -PC Coordinator 1 Year, DP PC Coordinator 1 Year, Disability mainstreaming target leader 1 year, focal person national cohesion and values 1 year, trainer 27 years
4. Ms. Jessy Ngina Kitusa	Deputy Principal Academic Affairs		Academic Affairs of the Institute Member of Educational Research and Human Resource Committee	Date of Birth -03/05/1973 Qualifications Bachelor of Education (Arts) Diploma in tech education, diploma in business administration (KNEC) Work experience -17 years Currently DP/AA Deputy Registrar ,Deputy Dean 2 years Trainer 14 years Lead auditor/Auditor ISO 9001:2015, PC Coordinator 4 yrs. to date

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5. Faith M. Philip	Dean of Students		In Charge of students affairs	<p>Date of Birth -27/09/1978 Qualifications Bachelor of Education – Computer Studies and Business. Work experience Technical Trainer-6 years, Hostel Mistress-1 year, Deputy Dean -3 years, Currently Dean of Students.</p>
6. Ms Christine M. Nzyimi	ISO Management Representative		Quality Management System Member of Audit and Risk Committee	<p>Date of Birth -10 10 1978 Qualifications Master of SocialWork,BED –German and Secretarial Studies Work experience -German and Secretarial trainer 10 yrs, Export Assistant 2 yrs ,DEP.ManagementRepresentative 5Yrs ,Lead Auditor ,Internal Quality Assurance Officer</p>
7. -	Performance Contracting Coordinator	-	Performance Contracting	
8. Mr. Joseph Ngemu	HOD's Representative		Representing HOD's In the Senior Management	<p>Date of Birth - 27/01/1978 Qualifications Masters in Computational Intelligence Work experience-11 years Currently Head of Department / HOD's Representative, Trainer 11 years</p>
9. CPA John Kimiti	Finance Officer		Financial Management of the Institute	<p>Date of Birth – 16/10/1980 Qualifications B.Com (Finance) CPA - K Work experience-8 years – in Accounting, Finance & Auditing</p>

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IV. CHAIRMAN'S STATEMENT

The office of the Chairperson of the board of governors of Wote Technical Training Institute (WTTI) has been active during the year under review in managing the affairs of the Institute. We reckon the existing challenges including the issues of inadequate learning facilities, fewer trainers and training resources. Despite all this, the Institution has been able to sustain a culture that associates technical training with mundane life.

As a board, we have encouraged a change in the mindset of our people as we leveraged on the leaders to sensitize and educate our people to embrace the concept of technical and vocational training for our youth. The board has been and is committed to ensuring that the changing world around is sensitive to the needs of the future of our young men and women. We have continued to collaborate with a number of agencies both public and private sector in our endeavour to grow the institution. Particularly we have collaborated with the County Government of Makueni on various academic and economic ventures. Our desire to achieve and deliver on our mandate has seen our drive in reaching out to each and every other partner willing to work with us.

Our mandate is to grow the student population through a number of strategies including effective outreach programs geared to popularize the institution from within and around the County. During the year under review, the management has carried out an aggressive popularity campaign in Makueni County and its environs.

As a board, we endeavour to continually put in place governance systems to ensure that we not only comply with the PFM Act of 2012 but also engage in prudent leadership practices that creates value for the Institute. Wote TTI has remained a good corporate citizen that meets its obligations for its staff and students as well as the national obligations.

The Institute registered remarkable development during the period under review in the realization of its mandate with financial support of the Ministry of Education, state department of Vocational and Technical Training in form of Student Capitation. As a result, the Institute has now been able to steer its progress through market research, linkages, collaboration and partnerships. We continue to register an overall improvement in our performance due to enhanced resources, physical facilities and infrastructure.

I wish on behalf of the board of governors to thank the State Department of Vocational and Technical Training, Ministry of education, the County Government of Makueni and all other development partners for the support they continue to accord the Institute without which our achievements would not have been realized. Finally I wish to appreciate my board members and the Wote TTI management staff for their efforts in supporting the realization of the Institute mandate.

WOTE TECHNICAL TRAINING INSTITUTE
P. O. BOX 377, 00300, MAKUENI
TEL: 0728 033383 / 0731 642 07

Lwanga Mutiso
Chairman/Board of Governors

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V. REPORT OF THE PRINCIPAL

Pursuant to Section 83 of the Public Finance Management Act, 2012, I take this opportunity to present the Institute's Annual report and financial statements for the financial year 2020/2021. The report focuses on the Institute's Strategic intent as enshrined in our 2020/2021 Performance Contract which include Improvement of physical facilities and infrastructure, curriculum development, and advancement of TVET programs by promoting Research & Innovation, Partnership/ linkages and environmental management. Further to this the institute envisages to strengthen its financial base through promotion of good governance and effective management.

The above strategic issues are part of broad initiatives undertaken by the institute's planning system in order to impart relevance to current the national TVET reforms. This defines the institute's mandate aimed at enhancing quality, competitiveness, creativity and innovativeness in TVET sector. The report is premised on involvement on account of analysis of goals, strategic issues, strategic objectives and activities that the Wote TTI envisages to pursue in the 2020/2021 Financial year. The mandate of the BOG among other things is to provide apex management towards achieving the institute mandate as per the TVET Act 2013.

To develop an institution with excellence in teaching, training, entrepreneurship, research, consultancy, community service, among other educational services and products, Wote envisages investing in all forms of curriculum development with emphasis on technology. The top management has embraced change by sensitizing the local populace to embrace the concept of technical and vocational training, particularly the youth. During the year under review, we commit to continue to collaborate with a number of agencies both public and private sector in our endeavour to grow the institution. Our desire to achieve and deliver on our mandate has seen our drive in reaching out to each and every other development partner desiring to work with us.

The institute is an active player in the research and innovation initiatives and as such, there is a deepened collaboration towards enhancing staff capacity as well as incorporating best international practices. The institute expects to benefit from AfDB collaboration through acquisition of Building & Civil Engineering lab equipment and a smart classroom among other things. If realised, this will ease the financial burden experienced in acquiring state of art training equipment.

The institute is committed to ensuring that the compound is beautified and landscaping within the compound is continually improved, since image is everything.

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Challenges

For effective teaching and learning the Institute emphasizes on the need for adequate staffing across all the departments. During the year, majority of the departments did not have sufficient staff to handle the trainees effectively. Shortage of trainers is therefore one of the challenges facing the Institution. In order to alleviate the shortage the institute has been hiring part-time staff to teach the trainees. The staffs are paid by the Institute from its meagre resources. During the 2020/2021 financial year, the Institute maintained 28 trainers under the BOG contract but the number is likely to increase due to our anticipated increase trainees.

Continuous dynamism in the ICT sector is inevitable where both upgrade and updates of website are a priority. The local area network (LAN) enhancement as well as campus management systems are not one-off processes for they require continuous upgrade which has always been an expensive undertaking. The systems are important for they assist student admissions, fees processing, procurement of goods and services, finance processes, examinations, student registration and online teaching.

The new reporting template has presented its challenges as there was no proper training to the Finance Staff. It was also not conforming to the existing ERP Finance module system and therefore the short notice to migrate presented a major challenge in aligning the chart of accounts to conform to the template.

The Institute is mandate by the TVET Act 2013 is expanded to ensure that training and research are top in our agenda. In order to effectively deliver on this mandate the institute envisages enhancing capacity and deepening its training skills.

PRINCIPAL
WOTE TECHNICAL TRAINING INSTITUTE
30 JUN 2022
P. O. Box 377 - 90300, MAKUENI.



Joshua K. Munywoki
Principal/ Secretary, BOG

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VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The Institute's strategic pillars within its strategic plan for the FY 2018/2023 are as follows.

1. Upgrade physical Facilities and infrastructure
2. Acquire and use of ICT modern equipment
3. Increase linkages and student population
4. Research and Development
5. Improve marketing
6. Improve working environment
7. Financial Sustainability

The Institution achieved its performance targets set for the financial year 2018/2019 period for its eight strategic pillars as indicated in the diagram below.

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Physical facilities and infrastructure	To improve on physical activities and infrastructure	Facility in use	<ol style="list-style-type: none"> a) Quality needs b) Identify implementation stages c) Quantify financial requirements d) Identify sources of funding e) Tender f) Select contractor g) Contract refurbish h) Certify i) Commission 	<ol style="list-style-type: none"> a) Drive way completed in the FY 2018/19 b) Automotive workshop fully refurbished and working c) Assets tagging and valuation almost complete.
Pillar 2:	Workshop Equipment and ICT facilities	To acquire workshop equipment and modern ICT facilities	Equipment installed and in use	<ol style="list-style-type: none"> a) Quality needs b) Identify implementation stages c) Quantify financial requirements d) Identify sources of funding e) Tender f) Select contractor g) Refurbish h) Certify i) Commission. 	<ol style="list-style-type: none"> a) A smart classroom refurbished, fitted and fully functioning. b) Acquisition of a new internet service provider c) Invitation of bids for a new Finance ERP.
Pillar 3:	Increase student enrolment and linkages	To enhance student enrolment by improving students wellbeing and cultivating dynamic training environment that evolves with market demands	New Course launched	<ol style="list-style-type: none"> a) Carry out needs assessment b) Aggressive publicity campaign c) Enforce student guidance and counselling 	<ol style="list-style-type: none"> a) A fully functioning Students Guidance and Counselling office launched.

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Pillar 4:	Research and Development	To advance technical training by promoting research and innovation.		<ul style="list-style-type: none"> a) Operationalize the research and development policy b) Appoint R&D Committee members c) Fund R&D unit 	a) No activity has been carried out in this FY due to the Covid-19 Pandemic.
Pillar 5:	Marketing of the institute	To attract, motivate and retain motivated workforce	Carry out effective marketing programs of the institute	<ul style="list-style-type: none"> a) Lobby for increased employment by PSC b) Advertise through mass media c) Establish alumnae d) Hold open days 	<ul style="list-style-type: none"> a) More PSC trainers employed b) Improved publicity of the institute c) More networks
Pillar 6	Conducive working environment	To Improve the staff morale and student learning environment	<ul style="list-style-type: none"> a. Carry out staff needs assessment b. Perform gap analysis survey 	e) Plan for rewards scheme for good performance	a) Good and conducive working environment
Pillar 6:	Financial Sustainability	To seek alternative sources of funds Establish income generating activities	<ul style="list-style-type: none"> a) Fees reports b) Signed agreements c) No of proposals written 	<ul style="list-style-type: none"> a) Increase fee collection to 100% b) Acquire an updated ERP c) Hiring out of facilities 	a) Substantial revenue generated due to hiring out of our facilities for conference use to KIPPI and NCA parastatals.

VII. CORPORATE GOVERNANCE STATEMENT

The Institute affirms that good corporate governance is simply good business. The Institute commits to ensure that there is compliance with the statutory and all the legal requirements as well as meeting the set deadlines.

i. Appointment of BOG Members

The Cabinet Secretary, MOE appoints members of the Board following recommendations from the B.O.G nominating committee. The board consists of nine members. The Board of Governors for Wote technical training institute serves for three years. The Board may set up sub-committees and assign them responsibilities as it may deem fit.

As stipulated by the Ministry of Education through the TVET Act (January, 2013), responsibilities of the Board of Governors include recruitment of support staff, overseeing financial management, upholding of staff and student discipline, maintenance of infrastructure & other assets, and sourcing for finances.

ii. Major roles and Functions of Board of Governors

The functions of the organs set out under section 28 (1) shall include —

- a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- c) Administering and managing the property of the institution;
- d) Developing and implementing the institutions' strategic plan;
- e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act 2013 Technical and Vocational Education and Training No. 29
- h) Mobilizing resources for the institutions;
- i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- k) Approving collaboration or association with other institutions and industries in and outside Kenya
- l) Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;
- m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- n) Making regulations governing organization, conduct and discipline of the staff and students;
- o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry

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- p) Providing for the welfare of the students and staff of the institutions;
- q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- r) Discharging all other functions conferred upon it by this Act or any other written law.

iii. Board of Governors Allowances

The institute pays allowances to board members to cater for their transport and sitting allowances.

iv. Meetings

- a. Full Board Meetings - are held once every term, but if there is an urgent need, a meeting can be convened.
- b. Board Committee Meetings, or working committees are held once every term

v. Appointment of BOG Members

The Cabinet Secretary, MOE appoints members of the Board following recommendations from the B.O.G nominating committee. The board consists of nine members. The Board of Governors for Wote technical training institute serves for three years. The Board may set up sub-committees and assign them responsibilities as it may deem fit.

vi. Role and Functions of Board of Governors

The functions of the organs set out under section 28 (1) shall include —

- a. Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- b. Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- c. Administering and managing the property of the institution;
- d. Developing and implementing the institutions' strategic plan;
- e. Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- f. Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- g. Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 855 2013 Technical and Vocational Education and Training No. 29
- h. Mobilizing resources for the institutions;
- i. Developing and reviewing programmes for training and to make representations thereon to the Board;
- j. Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- k. Approving collaboration or association with other institutions and industries in and outside Kenya
- l. Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;
- m. Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;

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- n. Making regulations governing organization, conduct and discipline of the staff and students;
- o. Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- p. Providing for the welfare of the students and staff of the institutions;
- q. Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- r. Discharging all other functions conferred upon it by this Act or any other written law.

vii. Board of Governors Allowances

The institute gives cash allowances to board members to cater for their transport and sitting allowances.

viii. Meetings

- c. Full Board Meetings - are held Once Every Term
- d. Board Committee Meetings- Once Every Term
- e. Executive Board Meeting- Once Every Term

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

i. (Operational Performance;

The institute undertook the following projects

- a. Constructed phase II perimeter wall
- b. Construction of Plumbing Workshop
- c. Renovations of the main offices and the kitchen

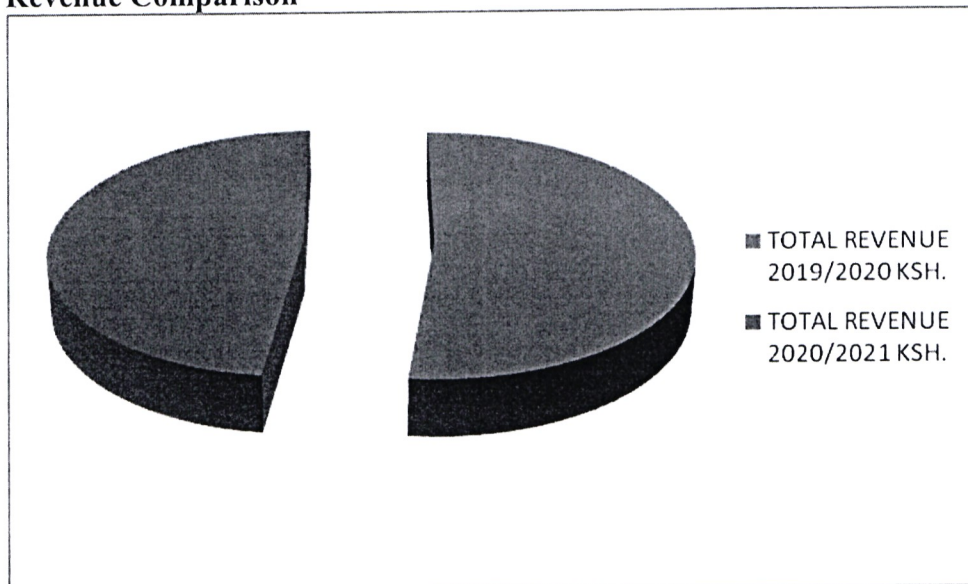
ii. Financial Performance

The entity is fairly stable financially. It operates on fees received from students, governments grant and capitation.

Total revenue during the year decreased by 7.49% compared to the previous year. This was due to effects of covid 19 that caused prolonged closure of learning institutions. In the same period, revenue from exchange transactions decreased by 5.77%. This was attributable to poor fee payment by students due to long closure by the government as a result of Covid 19 Pandemic.

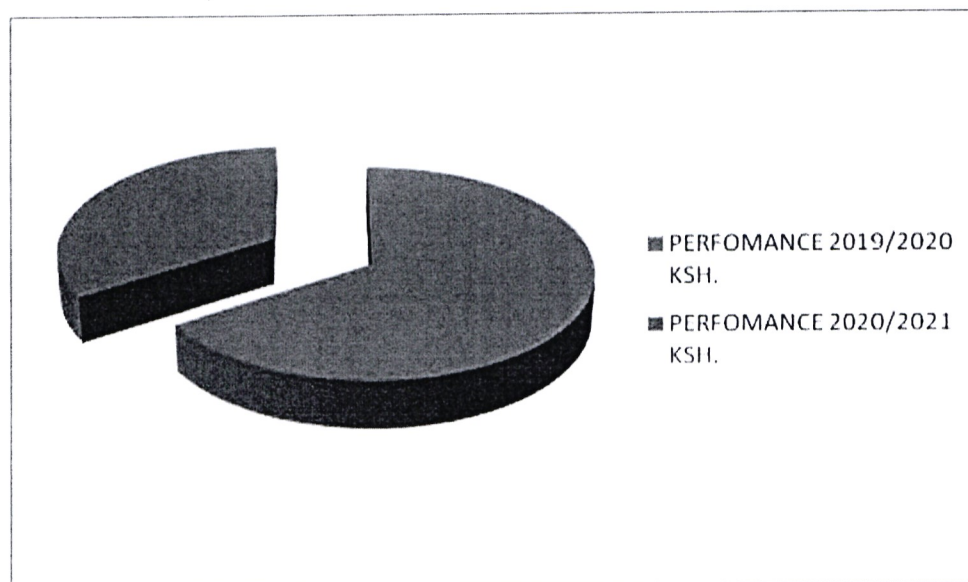
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Revenue Comparison



Overall performance during the year also decreased from ksh. 33,981,623.00 for the previous year to Ksh. 17,444,990.70 translating to 48.66% decrease. This was due to decreased revenues as a result of Covid 19 pandemic.

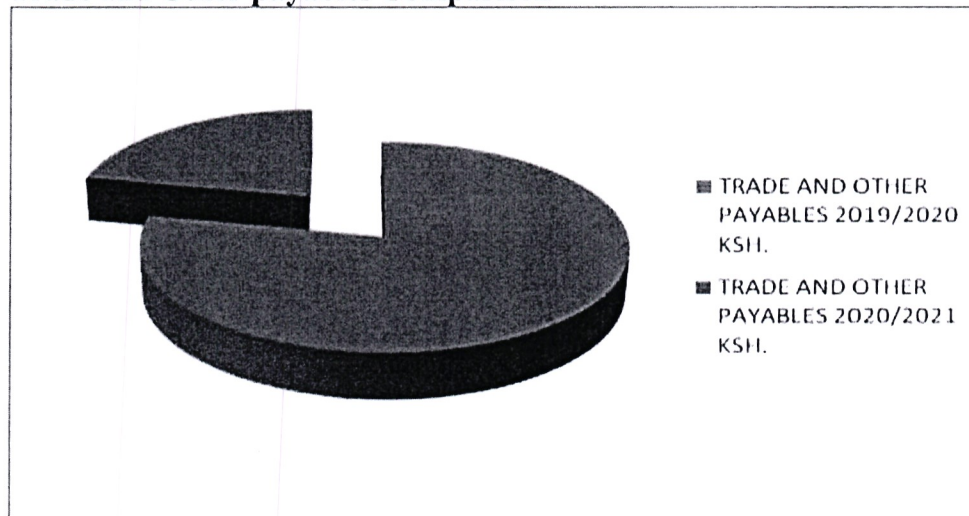
Performance Comparison



Trade and other payables from exchange transactions reduced from ksh. 191,725,897.00 to ksh.53,405,732.89 representing a 72.14% reduction. This was due to institute's management effort to honour her financial obligations as they fall due.

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Trade and Other payables Comparison



Liquidity Position

The liquidity position of the institute during the year was fairly stable as indicated by liquidity ratio. Total current assets were ksh.68,143,561.88 against total current liabilities of ksh.54,639,417.89 representing a curr ratio of 1.24:1

In the FY 2020/2021 the Institute targeted to raise A.I.A (Appropriation in Aid) of Kshs. **228,653,851.00**. By end of the financial year the Institute had collected AIA amounting to Kshs **140,028,598.45**. The Institute had trade Creditors of **ksh. 2,839,919.49** by close of the FY 2020/2021.

During the 2020/2021 Financial Year the Institute undertook the following activities:

1. Construction of a perimeter wall -200 metres in length up to 100 % completion.
2. .Construction of Plumbing Workshop
3. Mentoring the construction of the following Technical and Vocational Colleges.
 - i. Kitui East TVC
 - ii. Machakos Town TVC
4. Introduced short term Technical Courses in Manufacturing and Construction to incorporate the Big 4 initiatives and other national priorities.
5. Undertook exhibitions in TVET Fair

Institute's compliance with statutory requirements

The institute complies with various statutory requirements; e.g. deduction and remittance of P.A.Y.E, N.H.I.F, and N.S.S.F among others.

Major risks facing the entity

Student's unrest-, training materials, being occasioned by delayed disbursements of G.O.K Capitation

Material arrears in statutory /financial obligations

At end of the financial year the Trade Creditors amounted to Ksh. **2,839,919.49** as shown in the attached aged creditors schedule.

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

WOTE 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, which is founded on five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1. Sustainability strategy and profile -

Wote Technical training Institute is centrally placed within the County headquarters in Wote town and all the sub counties are growing at a fast pace hence creating employment and business opportunities. The bulk of these wage and self-employment opportunities are in the hard-core skill areas. These skills can be appropriately acquired through accredited training opportunities at Wote TTI.

The Vocational Training Sub-sector, despite being a major producer of self & formal employment opportunities, has not been able to perform as anticipated due to a number of reasons. To address the above a normally the Institute wishes to put diverse efforts in place to make sure the institution performs as mandated. One such effort is to develop a Sustainability Growth Plan (SGP). The main aim of the intervention is to map out a sustainable growth plan to increase access to diverse training opportunities and increase trainees' enrolment and retention to a realistic number of 3000 by the end of 2023.

In the year under review, the Institute commits to undertake a baseline assessment, stakeholders' Mapping, SWOT & PESTEL analysis on the training needs and develop a Business Model through a consultant.

2. Environmental performance

Land Issue

The entity has an issue of land. 5.9 Ha is not sufficient enough for any meaningful growth to cater for expansion and future development of the institute. The entity is committed to continuously pursue with the County Government allocate more land to the institute.

Water

The entity is predominantly in an arid zone. In order to solve the problem of water shortage in the institute, the entity resolved to sink a borehole within the institute. A geological survey through NEMA has been carried out to advice on environmental impact of the venture as well as to advice on support in drilling the borehole. Further to alleviate the same, the entity purchased a water bowser to boost the water uptake.

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3. Employee welfare

The entity has a Human Resource Management policy which guides the hiring process, procedures, regulations and other administrative procedures relating to hiring of human resources. Over the years, the Board of Governors (BOG) has continued to hire the services of non-teaching staff on permanent basis according to the institute's needs and ability to pay salaries. Over the years, the BOG staffs have continued to feel part of the civil service. With the realization of the high cost of living, the board has now and again reviewed the salaries for its staff. However, the Board has maintained salaries that are affordable considering the low fee payable by parents for personal emolument.

Specifically, the policy manual intents to: -

- Ensure adherence to the Constitution as the supreme reference document and other government regulations.
- Ensure a common understanding by WTTI Staff of stipulated standards and procedures in monitoring their performance for continued improvement.
- Achieve optimum utilization of staff' skills and talents, in enhancing career development.
- Create a conducive working environment, positive relations, parity treatment of all cadres of staff and work life balance

As guided by the Constitution of Kenya, the ultimate objective of recruitment for the Board is to secure the highest standard of efficiency, competence and integrity without discrimination as to race, religion, colour, ethnic origin, political affiliation, sex or sexual orientation, pregnancy, marital status, disability, health or social status.

The authority to recruit and appoint the Board staff is vested on the Board and the recruitments are carried on a national competitive basis. Without prejudice to the recruitment of new staff at all levels, priority will be given to suitable employees. The Board commits to adhere to the equal opportunity principles. The Board believes that the diversity of staff contributes to its intellectual strength and effectiveness as an organization and therefore endeavours to operate an efficient system for distributing advertisements and position announcements to women and men nationwide, and to make selection of staff without discrimination. The Board offers a working environment which is sensitive to the needs of both male and female employees and recognizes the reward and recognition policy.

The entity has a strong policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

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4. Community Engagements-

The institution undertook a stakeholder mapping and analysis, and held consultations with Key Stakeholders (Strategic Partners) in the County. From the survey in the County there was indication that most of the youths associate themselves in the following activities/occupations.

- a) Transport sector e.g. Boda boda, touts
- b) Small businesses e.g. Retail, M-pesa, saloons,
- c) Agribusiness – farming of Mangoes, oranges.
- d) Performing Arts and theatre.

From the above findings, the entity under takes to corroborate with community under the following areas of skills upgrading;

1. Skills upgrading for the CTTIs trainers as and when need arises.
2. Training the youths on varies area of need based on skills gap and a targeted out come for varying Youth groups.
 - a) Jua- kali skills in the areas of Welding and fabrication, Plumbing, Masonry, Auto-electrics. Motor vehicle mechanics.
 - b) Hair dressing and beauty therapy.
 - c) Entrepreneurial skills.
 - d) Employability and life skills.
 - e) Boda Boda rider training and repairs

The CSR activities

During the year under review, the entity sought further on the areas requiring intervention through SCR approach. The entity established and empowered the Guidance and Counselling department to seek to help the community on the following areas;

- a) Youth in drug and substance abuse – *Muguka*, alcohol and other substances
- b) Young mothers – how to focus on empowering young mothers in economic activities.
- c) Youth in HIV and AIDs.
- d) Those in need for mentorship programmes and career choice.

During the year, the entity drafted documents on sexual and gender based violence, gender mainstreaming and PLWD. We intend to engage our trainers to transmit the information to the community during our community outreach activities that were approved.

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The entity has a vibrant team of sports men and women and have brought on board a number of accolades from the sporting and athletic activities. We also take part in planting of trees during the County tree planting days.

5. Market place practices-

We build trust with all stakeholders by ensuring that ethical decision making guides responsible procurement day to day activities. The institute advertises its annual tenders every two years through newspapers, institute website, social media platform, etc and ensures that the tendering process is run openly and fairly to select the best suitable vendors. Staff is guided by the code of conduct and procurement ethics thus ensures no unwanted information lands to unintended user. Our clients are free to make enquiries and seek clarifications when need arises.

The institute conduct due diligence on the vendors we engage with to avert the high risk of transacting with blacklisted companies.

The institute has great record in managing good supplier relation. We give timely orders to avoid unnecessary rush and panic buying which brings about misunderstanding. Once deliveries are done, the payment process starts and payment is done on the stipulated times in our service charter. Our suppliers are accorded professional service to ease operations. There are regular meetings held do to supplier evaluation to ensure the best is achieved and in case of any challenges they are ironed out

- a) The Institute applies ethical marketing in relation to standard of fairness or moral rights to what is of best interest to the institute. We ensure good publicity with our clients and the community at large. The institute every New Year makes some branded calendars and distributes freely to all the neighbouring churches, schools, government institutions. There are also brochures and fliers used mostly in road shows advertising. Quality and clear photos are frequently uploaded in the institute website showing the infrastructure development, teaching and learning activities and co-curricular activities. Occasionally there are paid adverts in local dailies and radios.
- b) For product stewardship, we demand our suppliers and vendors to adhere to our QMS and to disclose detailed information about their products particularly in areas where public health or safety is an issue as with food and automobiles. This helps us make better choices.

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X. REPORT OF THE COUNCIL/BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the entity's affairs.

Principal activities

The core mandate of the Institute is providing knowledge and skills to the people of Makueni County and the nation at large. The Mandate of Wote Technical Training Institute is to train, impart skills, knowledge and institutionalize effective research and development geared towards production of competent graduates who will contribute to high and sustainable social-economic development.

Results

The results of the entity for the year ended 30th June, 2021 are set out on page 2 to 7

Board of governors

The members of the Board who served during the year are shown on pages xiii - x. During the year ended 30th June, 2021, no member retired/ resigned and none was appointed.

Auditors

The Auditor General is responsible for the statutory audit of **WOTE TECHNICAL TRAINING INSTITUTE** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board

Corporate Secretary
Nairobi
Date:

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

Section 81 of the Public Finance Management Act, 2012 and (section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - require the BOG members to prepare financial statements in respect of Wote Technical Training Institute, which give a true and fair view of the state of affairs of the institute's at the end of the financial 2020/2021 and the operating results of Wote Technical Training Institute for the period 2020/2021. The BOG members are also required to ensure that the institute keeps proper accounting records which disclose with reasonable accuracy the financial position of Wote Technical Training Institute. The BOG members are also responsible for safeguarding the assets of the institute.

The BOG members are responsible for the preparation and presentation of the Wote Technical Training Institute financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year 2020/2021 ended on June 30, 2021. 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 entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The BOG members accept responsibility for the institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act).The council members are of the opinion that the entity's financial statements give a true and fair view of the state of institute's transactions during the financial year ended June 30, 2021, and of the institute's financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Wote Technical Training Institute Amended financial statements were approved by the Board on 30th June 2022 and signed on its behalf by:

Name: Lwanga Mutiso

Signature:

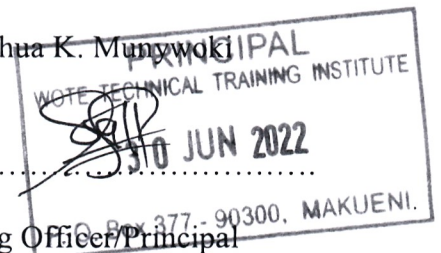


Chairperson of the Board/Council

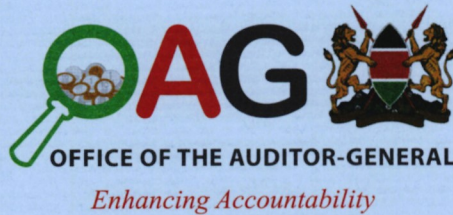
Name: Joshua K. Mung'woki

Signature.....

Accounting Officer/Principal



REPUBLIC OF KENYA



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E-mail: 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 WOTE TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Wote Technical Training Institute set out on pages 1 to 45, which comprise the statement of financial position for the year ended 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Wote Technical Training Institute as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accruals 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. Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents totalling Kshs.31,234,246 as further disclosed in Note 21 to the financial statements. However, comparison of cash book and bank reconciliation statement balances revealed variances in relation to three bank accounts as indicated below:

Bank Account Number	Actual Cashbook Balance Reported in the Financial Statements (Kshs)	Cashbook Balance as Reflected in the Bank Reconciliation Statement (Kshs)	Unreconciled Variance (Kshs)
1105324559	21,387,935	21,842,317	(454,382)
2021583580	(2,607,167)	(2,915,403)	308,236
2023422355	566,076	538,806	27,270

No reconciliation was provided for these discrepancies.

Further the statement of cash flow reflects cash and cash equivalents balance totalling Kshs.31,258,546 against Kshs.31,234,246 reflected in the statement of financial position resulting in an unexplained variance of Kshs.24,300 between the two records.

In view of these discrepancies, the accuracy and completeness of cash and cash equivalents balance totalling Kshs.31,234,246 reflected in the statement of financial position as at 30 June, 2021 could not be confirmed.

2.Total Net Assets and Liabilities

The statement of financial position reflects net assets and liabilities balance totalling Kshs.486,262,564. However, the statement of changes in net equity reflects Kshs.606,679,913 in respect to the account resulting in an unexplained variance of Kshs.120,417,349.

In view of the discrepancy, the accuracy and completeness of the net assets and liabilities balance could not be confirmed.

3. Current Portion of Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions totalling Kshs.35,001,911 as disclosed in Note 22 to the financial statements. Included in the balance is Kshs.33,567,291 relating to student debtors.

Review of the analysis of the balance provided for audit indicated student debts totalling Kshs.10,433,110 were between two (2) and seven (7) years old. Further, the debtors increased by Kshs.7,770,956 from Kshs.25,796,335 at the end of the previous year to Kshs.35,001,911 as at 30 June, 2021. Management did not disclose the measures taken to collect the outstanding debts and stop their rising trend.

In the circumstances, the extent of recoverability of the debtors totalling Kshs.35,001,911 could not be confirmed.

4. Property Plant and Equipment

The statement of financial position reflects property, plant and equipment with a net book value of Kshs.418,119,002 whereas the corresponding Note 25 to financial statements reflects assets with a net book value of Kshs.409,684,125 resulting to unreconciled difference of Kshs.8,434,877. In addition, the following anomalies were noted in respect to disclosures made on property, plant and equipment:

- (i) The property, plant and equipment balance includes land measuring 14 acres valued at Kshs.120,000,000. However, the title deed and valuation certificate for the land were not provided for audit.
- (ii) The fixed asset register of the Institute was not provided for audit to support the balance.

In the absence of the assets register and land ownership documents, the valuation, accuracy and completeness of the property, plant and equipment balance totalling Kshs.409,684,125, and ownership of the land totalling Kshs.120,000,000 included therein, could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total budgeted and actual revenue totalling Kshs.228,653,851 and Kshs.140,028,598 respectively resulting to a revenue shortfall of Kshs.88,625,253 equivalent to 39% of the approved budget. In addition, out of the revenue receipts totalling Kshs.140,028,598, the Institute spent Kshs.122,583,608 resulting to under-expenditure of Kshs.17,444,990 or 12.5% of the approved budget. No explanation was provided for the shortfall of revenue and under-expenditure.

Further, expenditure records indicated that Management reallocated Kshs1,547,002 of the budget without approval of the Board of Governors, as shown below:

Vote Head Charged	Correct Vote head	Amount (Kshs)
Tuition	Security	731,500
Tuition	Cleaning	222,600
Exam Materials	Administration expense	592,902
Totals		1,547,002

As a result of the shortfall of revenue and under-expenditure, some of the Institute's projects and programmes were not implemented. The unsatisfactory performance may have adversely impacted on service delivery to students and other stakeholders of the Institute.

2. Prior Year Issues

The audit report for the previous year highlighted several issues relating to the financial statements presented for audit, lawfulness and effectiveness in use of resources, internal control, risk management and governance. Management did not provide a report on progress made in resolving the issues. The status of the issues and as a result, their status could not have confirmed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Loss on Drilling of Dry Well

Review of expenditure on civil works (additions to buildings) indicated that expenditure totalling Kshs.4,812,875 was incurred on a hydrological study and drilling of a borehole which, however, did not yield water. No explanation was provided why the study failed to detect that the targeted drilling area point had no water.

In the circumstance, value for money was not obtained on the expenditure totalling Kshs.4,812,875 incurred on the project.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weak Internal Control System

Review of the internal control system indicated that the Audit and Risk Committee was appointed in June, 2020 but did not conduct any business until 20 February, 2021. Further the Internal Auditor was only appointed in January, 2021.

Failure by the Institute to have a robust internal audit function breached the provisions of Section 73(1) and Section (5) of the Public Finance Management Act, 2012. The Act requires every National Government entity to have appropriate internal audit arrangements in place in accordance with guidance issued by the Accounting Standards Board and to establish an Audit Committee whose composition and functions shall be as prescribed by the Regulations.

2. Lack of Risk Management Policy and Disaster Recovery Plan

Review of the risk management framework revealed that the Institute did not have a documented risk management policy. The omission contravened the provisions of Regulation 165(1) of the Public Finance Management (National Governments)

Regulations, 2015 which requires all National Government entities to develop risk management strategies and internal controls that support robust business operations. In addition, the Institute did not have a Disaster Recovery and Business Continuity Plan.

In the absence of risk management policy and plan, Management may have lacked objective means for identifying, preventing and mitigating operational and other risks faced by the Institute. Lack of a disaster recovery and business continuity plan implied that the Institute's operations could be severely disrupted on occurrence of unfavorable events.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.

- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 September, 2022

XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021 Kshs	2019-2020 Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6		2,547,250.00
		-	2,547,250.00
Revenue from exchange transactions			
Rendering of services- Fees from students	7	135,403,278.00	147,768,882.00
Sale of goods	8	405,050.00	-
Rental revenue from facilities and equipment	9	4,114,905.45	842,491.00
Finance income - external investments	10	-	-
Other income	11	105,365.00	-
Revenue from exchange transactions		140,028,598.45	148,611,373.00
Total revenue		140,028,598.45	151,158,623.00
Expenses			
Use of goods and services	12	72,069,405.44	73,826,998.00
Employee costs	13	17,933,099.96	24,782,299.00
Depreciation and amortization expense	14	17,731,796.35	12,874,061.00
Repairs and maintenance	15	11,433,931.00	3,563,532.00
Remuneration of directors	16	3,414,845.00	2,130,110.00
Finance costs	17	530.00	-
Total expenses		122,583,607.75	117,177,000.00
Other gains/(losses)			
Gain on sale of assets	18	-	-
Unrealized gain on fair value of investments	19	-	-
Impairment loss	20	-	-
Total other gains/(losses)		-	-
Net Surplus/ (Deficit) for the year		17,444,990.70	33,981,623.00
Attributable to:			
Surplus/(deficit)		-	-
Surplus attributable to owners of the controlling entity		-	-
		-	-

The notes set out on pages 22 to 45 form an integral part of the Annual Financial Statements.

XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	21	31,234,246.48	120,832,159.00
Current portion of receivables from exchange transactions	22	35,001,911.40	32,362,877.00
Receivables from non-exchange transactions	23	-	-
Inventories	24	1,907,404.00	
		68,143,561.88	153,195,036.00
Non-current assets			
Property, plant and equipment	25	418,119,001.90	355,693,589.00
Investments	26	-	-
		418,119,001.90	355,693,589.00
Total assets		486,262,563.78	508,888,625.00
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	27	53,405,732.89	137,333,876.00
Refundable deposits from customers	28	1,233,685.00	436,070.00
Current portion of borrowings		-	-
Deferred income		-	-
Employee benefit obligation		-	-
Payments received in advance		-	-
		54,639,417.89	137,769,946.00
Non-current liabilities			
Non-current employee benefit obligation		-	-
Non-current provisions		-	-
Borrowings		-	-
Service concession liability		-	-
Deferred tax liabilities		-	-
		-	-
Total liabilities		54,639,417.89	137,769,946.00
Net assets			
Accumulated surplus		390,711,488.20	531,786,622.00
Surplus for the year		17,444,990.70	33,981,623.00
Capital Fund		23,466,667.00	-
Total net assets and liabilities		486,262,563.79	703,538,191.00

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*The Capital Fund is composed of Transfers from the Ministry for Construction of Mentee Institutions

The Financial Statements set out on pages 1 to 8 were signed on behalf of the Institute Council/ Board of Governors by:

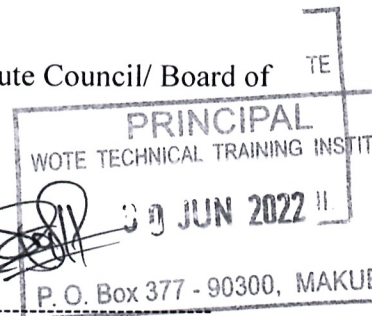
WOTE TECHNICAL TRAINING INSTITUTE
P. O. Box 377-90300, MAKUENI
TEL. 020-2624243
TEL. 0728 658 649 / 0731 642 021

Lwanga Mutiso
Chairman of Council/Board of Governors

Date: 30/06/2022



John Kimiti
Finance Officer
ICPAK No 26190
Date: 30/06/2022



Joshua K. Munywoki
Principal

Date: 30/06/2022

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XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	-	-	-	-	-
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	33,981,623.00	-	33,981,623.00
Capital/Development grants received during the year	-	-	-	531,786,622.00	531,786,622.00
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2020	-	-	33,981,623.00	531,786,622.00	565,768,245.00
At July 1, 2020	-	-	33,981,623.00	531,786,622.00	565,768,245.00
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	17,444,990.70	-	17,444,990.70
Capital/Development grants received during the year	-	-	-	23,466,677.00	23,466,677.00
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2021	-	-	51,426,613.70	555,253,299.00	606,679,912.70

Note:

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

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VI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020-2021 Kshs	2019-2020 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants			2,547,250.00
Public contributions and donations		-	-
Rendering of services- Fees from students		135,403,278.00	147,768,881.66
Sale of goods		405,050.00	-
Rental revenue from facilities and equipment		4,114,905.45	842,491.30
Finance income		-	-
Other income		105,365.00	-
Total Receipts		140,028,598.45	151,158,622.96
Payments			
Compensation of employees		17,933,099.96	24,782,299.00
Use of goods and services		72,069,405.44	73,826,587.51
Finance cost		530.00	-
Repairs and Maintenance		11,433,931.00	3,563,532.00
Remuneration of Directors/BOG Members		3,414,845.00	2,130,110.00
Taxation paid		-	-
Other payments		-	-
Grants and subsidies paid		-	-
Total Payments		104,851,811.40	104,302,528.51
Net cash flows from operating activities	29	35,176,787.05	46,856,094.45
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	6,327,493.00
85,761,700.00			
Proceeds from sale of property, plant and equipment		-	-
Proceeds from sale of Investments		-	-
Net cash flows used in investing activities		-	6,327,493.00
85,761,700.00			
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Changes in working capital			
Decrease in payables		-	-
138,320,164.00			
Increase in deposits refundable		1,233,685.00	-
Increase in receivables		-	-
2,639,034.00			

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Net effect of changes in working capital		-	
		139,725,513.00	
Net cash flows used in financing activities		-	-
		139,725,513.00	
Net increase/(decrease) in cash and cash equivalents		-	141,665,008.00
		190,310,425.95	
Cash and cash equivalents at 1 JULY 2020		120,832,159.00	22,411,834.23
Cash and cash equivalents at 30 JUNE 2021	21	31,258,546.48	120,832,159.00

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XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 202

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Variance difference	
	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	%
Revenue												
Transfers from other Govt entities Govt grants		-		-		-		-		-		-
Public contributions and donations		-		-		-		-		-		-
Rendering of services- Fees from students	224,013,851.00		-		224,013,851.00		135,403,278.00		88,610,573.00		60.44	
Sale of goods	396,000.00		-		396,000.00		405,050.00		9,050.00		102.29	
Rental revenue from facilities and Equipment	1,119,000.00				1,119,000.00		4,114,905.45		2,995,905.45		367.73	
Finance Income		-		-		-		-		-		-
Other Income	3,125,000.00		-		3,125,000.00		105,365.00		3,019,635.00		3.37	
Gains on disposal and agency fees		-		-		-		-		-		-
Total income	228,653,851.00		-		228,653,851.00		140,028,598.45		88,625,252.55		61.24	
Expenses												
Compensation of employees	22,900,780.00		-		22,900,780.00		17,933,099.96		4,967,680.04		78.31	
Use of Goods and services & Repairs and Meintance	196,233,071.00		-		196,233,071.00		72,069,405.44		124,163,665.56		36.73	
Finance costs	40,000.00		-		40,000.00		530.00		39,470.00		1.33	
Rent paid		-		-		-		-		-		-
Repairs and Maintenance	6,280,000.00		-		6,280,000.00		11,433,931.00		5,153,931.00		182.07	
Remuneration of directors	3,200,000.00		-		3,200,000.00		3,414,845.00		-		106.71	

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Grants and subsidies paid	-	-	-	-	214,845.00	-
Depreciation and amortization	-	-	17,731,796.35	-	17,731,796.35	-
Total expenditure	228,653,851.00	-	228,653,851.00	122,583,607.75	106,070,243.25	53.61
Surplus for the period	-	-	-	17,444,990.70	194,695,495.80	-

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VIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Wote Technical Training institute is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activity/mission of Wote TTI is to train highly skilled workforce that is responsive to national and global competitiveness, implementing training in TVET programs, carrying out research programs, and innovation into products and services

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

**WOTE TECHNICAL TRAINING INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.**

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p> <p><i>Impact-No impact as Wote TTI had neither operating nor finance lease by 30/06/2021</i></p>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. 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><i>Impact-No impact as Wote TTI had no financial instruments by 30/06/2021</i></p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023 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> <ul 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><i>Impact-No impact as Wote TTI had no Social benefits by 30/06/2021</i></p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying

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Standard	Effective date and impact:
	financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. <i>Impact-No impact as all the above amendments did not apply to operations of Wote TTI by 30/06/2021</i>

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021.

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

ii) Revenue from exchange transactions

Rendering of services

The 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.

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Dividends

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2020/2021 was approved by the Council or Board on **26/06/2020..** 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 in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of **0** on the FY 2020/2021 budget following the Council 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 a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section **XVII** of these financial statements.

c) Taxes

Current income tax

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

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 a period of ~~xxx~~ years.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the 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

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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

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

i) 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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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

j) 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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

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

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.

**WOTE TECHNICAL TRAINING INSTITUTE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

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

q) 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.

r) 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.

s) Comparative figures

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

t) 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, 2021.

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5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTES

6a TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021	2019-2020
	KShs	KShs
Unconditional grants		
Capitation grants	-	-
Operational grant	-	-
Other grants	-	-
	-	-
Conditional grants		
Library grant	-	-
Hostels grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Learning facilities grant	-	-
Perimeter Wall	-	2,547,250.00
Machakos Town TVC	20,000,000.00	-
Kitui East TVC	3,466,667.00	-
Total government grants and subsidies	23,466,667.00	2,547,250.00

6b TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income
	KShs	KShs
Ministry of Education	23,466,667.00	-
Total	23,466,667.00	-

7 RENDERING OF SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Accommodation fee(Boarding)	18,159,420.00	31,874,011.71
Activity Fees	3,712,867.00	2,560,210.00
Administrative Incomes.	100.00	-
Application Fees	457,100.00	226,500.00
Centre Fee	266,600.00	47,300.00
DRIVING COURSE	1,396,400.00	363,975.00
E.W.C	3,758,950.00	2,166,574.00

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Exam Material Fees	7,267,550.00	-
Industrial Attachment.	1,990,425.00	-
LT&T Fees	3,671,990.00	2,109,932.50
Medical Fees	1,793,870.00	3,451,688.01
Personnel Emoluments	12,960,306.00	9,687,806.00
Practical fees	1,394,900.00	13,590,654.59
Registration Fees	99,735.00	80,495.00
Repairs Maintenance and Improvements	2,365,210.00	1,193,114.50
STARTER UP KIT	115,000.00	31,320.00
Student Council	600.00	
Tuition Fees	58,223,025.00	56,022,883.35
STAFF SALARY ADVANCE INCOME	80,005.00	-
Students Insurance Fee	664,875.00	-
EXAMINATION FEES	17,024,350.00	-
Contigencies	-	16,400.00
Library	-	36,900.00
Development Fund	-	2,224,060.00
Vehicle Expense	-	33,600.00
Helb	-	13,453,500.00
Bursaries	-	2,638,020.00
Vehicle Insurance	-	156,087.00
KCB Tujiajiri	-	5,803,850.00
Total revenue from the rendering of services	135,403,278.00	147,768,881.66

8 SALE OF GOODS

Description	2020-2021	2019-2020
	KShs	KShs
Sale of goods		
FB PRACTICAL SALES	122,355.00	-
HAIR & BEAUTY PRACTICAL PROCEEDS	13,680.00	-
CAFETERIA SALES	269,015.00	-
Total revenue from the sale of goods	405,050.00	-

9 HIRE OF FACILITIES AND EQUIPMENT

Description	2020-2021	2019-2020
	KShs	KShs
Rent from Institute Canteen	8,000.00	14,000.00
Hire of Institute Facilities Income	4,106,905.45	665,154.85
Others		163,336.45
Total	4,114,905.45	842,491.30

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10 FINANCE INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Cash investments and fixed deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

11 OTHER INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Exam Irregularity (Re-sit Paper)	44,000.00	-
Disposal Proceeds	60,365.00	-
Income from sale of Tender	1,000.00	-
Total other income	105,365.00	-

12.

USE OF GOODS AND SERVICES		
Description	2020-2021	2019-2020
	KShs	KShs
Accommodation & Meals	11,039,685.50	4,499,542.00
Activity Expense	1,078,566.00	1,978,050.00
Administrative expense	4,398,207.00	9,906,758.51
Marketing & Publicity	1,118,913.00	1,057,168.00
Examination Booking	13,862,220.00	-
Driving School Expenses	306,849.50	800,560.00
Exam Materials Expense	2,927,246.73	-
FB Practical Expense	1,769,357.31	-
Medical Expense	525,982.00	2,097,740.00
Registration Expense	176,800.00	32,829.00
Stationeries	3,536,330.00	1,519,020.00
Tuition Expense	8,246,941.00	17,876,217.00
Vehicle Insurance Expense	245,697.00	1,549,342.00
E.W.C Expense	2,885,642.00	4,184,527.00
Catering, Conferences, and Delegations	315,560.00	-
Staff Training/Development & Capacity Building	3,540,690.00	-
COVID-19 RESPONSE EXPENSES	1,626,616.00	-
Ikutha south t.t.i	192,468.00	-

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Industrial Attachment Assessment & Linking	512,820.00	-
Institute Master Plan	490,500.00	-
Kibwezi west t.t.i	726,055.00	-
Performance Contracting, ISO & TVET Fair, and Robotics	1,080,792.00	-
Security Services	1,409,800.00	-
Cleaning Services	2,738,500.00	-
Local Travel, Transport and Accommodation	7,317,167.40	
Boarding Equipment and Stores	-	1,797,169.00
Library	-	717,895.00
Local transport and travelling	-	6,772,707.00
Bus Maintenance	-	60,000.00
Vehicle repairs and maintenance	-	199,561.00
Practical Expenses	-	1,885,731.00
Development fund expenses	-	7,774,463.00
Foodstuff	-	9,058,328.00
Tuition Equipment and stores	-	58,980.00
Total good and services	72,069,405.44	73,826,587.51

13 EMPLOYEE COSTS

	2020-2021	2019-2020
	KShs	KShs
Salaries and Wages	17,933,099.96	24,782,299.00
Employee costs	17,933,099.96	24,782,299.00

14 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	KShs	KShs
Depreciation on Buildings and Site Works	6,137,661.30	4,156,126.00
Depreciation on Motor Vehicles	2,165,192.50	3,980,385.00
Depreciation on Computers and Accesories	3,803,001.19	3,380,353.50
Depreciation on Furniture and Fittings	507,297.88	235,544.70
Depreciation on Property, Plant and Equipment	2,389,651.00	712,392.90
Depreciation on Office Equipment	620,265.63	-
Depreciation on Intangible Assets	2,108,726.85	409,258.40
Total depreciation and amortization	17,731,796.35	12,874,060.50

*The institute applied the reducing balance method to depreciate its non current assets as indicated in the schedules below:

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Detailed depreciation working for each class of assets

Class	Cost	Dep. Rate	Opening Depreciation July 1 st 2020	Net of Acc. Opening Dep	Depreciation charge during the year	NBV in the Financial statements
		%				
Land	120,000,000.00	-	-	120,000,000.00	-	120,000,000.00
Buildings & Site works	253,818,704.00	2.5	8,312,252.00	245,506,452.00	6,137,661.30	239,368,790.70
Motor Vehicles	16,621,540.00	25	7,960,770.00	8,660,770.00	2,165,192.50	6,495,577.50
Computers & Appliances	18,181,130.00	33.3	6,760,706.00	11,420,424.00	3,803,001.19	7,617,422.81
Furniture and Fittings	4,529,472.00	12.5	471,089.00	4,058,383.00	507,297.88	3,551,085.13
Plant and Equipment	13,373,010.00	20	1,424,785.00	11,948,255.00	2,389,651.00	9,558,604.00
Office Equipment	4,962,125.00	12.5	-	4,962,125.00	620,265.63	4,341,859.38
Intangible Assets	11,362,150.25	20	818,516.00	10,543,634.25	2,108,726.85	8,434,907.40
Work in Progress	18,750,785.00	-	-	18,750,785.00	-	18,750,785.00
Total	461,598,916.25		25,748,118.00	435,850,828.25	17,731,796.35	418,119,031.92

The opening balance for depreciation as at 1st July 2020 and the accumulated depreciation charge for each class as at 30th June 2021

Class	Opening Depreciation July 1 st 2020	Depreciation charge during the year	Accumulated Depreciation
Land	-	-	-
Buildings & Site works	8,312,252.00	6,137,661.30	14,449,913.30
Motor Vehicles	7,960,770.00	2,165,192.50	10,125,962.50
Computers & Appliances	6,760,706.00	3,803,001.19	10,563,707.19
Furniture and Fittings	471,089.00	507,297.88	978,386.88
Plant and Equipment	1,424,785.00	2,389,651.00	3,814,436.00
Office Equipment	-	620,265.63	620,265.63
Intangible Assets	818,516.00	2,108,726.85	2,927,242.85
Work in Progress	-	-	-
Total	25,748,118.00	17,731,796.35	43,479,914.35

15 REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	KShs	KShs
Vehicle Repairs	98,128.00	-
Property Repairs	8,086,599.00	-
Equipment and Machinery Repairs	1,614,210.00	-

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Furniture and Fittings Repairs	1,432,874.00	-
Computer and accessories Repairs	202,120.00	-
Repairs , Maintenance and Improvement	-	3,563,532.00
Total repairs and maintenance	11,433,931.00	3,563,532.00

16 REMUNERATION OF DIRECTORS

Description	2020-2021	2019-2020
	KShs	KShs
B.O.G Members Meeting Allowances	3,414,845.00	2,130,110.00
Total director emoluments	3,414,845.00	2,130,110.00

17 FINANCE COSTS

Description	2020-2021	2019-2020
	KShs	KShs
Bank Charges	530.00	-
Total finance costs	530.00	-

18 GAIN ON SALE OF ASSETS

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
Total gain on sale of assets	-	-

19 UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description	2020-2021	2019-2020
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

20 IMPAIRMENT LOSS

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-

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21 CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
Current Accounts	24,323,596.48	120,828,486.65
Undeposited Funds(Mpesa not banked)	6,886,350.00	
Petty Cash	24,300.00	3,672.00
Total	31,234,246.48	120,832,158.65

21b DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial Institution	Account number	Period ended 30 th June 2021	Audited Prior Year
		KShs	KShs
a) Current account			
KCB Main A/C	1105324559	21,387,935.69	74,068,291.15
ABSA Operational A/C	2021583580	-2,607,167.21	44,131,197.50
ABSA ESP 2 A/C	2023422355	566,076.00	-
ABSA Development A/C	2021593047	234,797.00	2,628,998.00
ABSA Machakos Town TVC A/C	2041519951	4,717,190.00	-
KCB Kitui East TVC A/C	1262969506	24,765.00	-
Sub- total		24,323,596.48	120,828,486.65
c) Others(specify)			
Petty Cash		24,300.00	3,672.00
Mobile Money account(m-pesa)		6,886,350.00	-
Sub- total		6,910,650.00	3,672.00
Grand total		31,234,246.48	120,832,158.65

22 RECEIVABLES FROM EXCHANGE TRANSACTIONS

(a) Current Receivables from Exchange Transactions

Description	2021-2020	2019-2020
	KShs	KShs
Current receivables		
Student Debtors	33,567,291.40	25,796,335.00
Sundry Debtors	397,000.00	-
Internal Debtors	1,017,620.00	-
Staff Salary Advance	20,000.00	-
Examination account	-	6,442,704.00
Examination Materials account	-	1,354,455.00
Kitui East TVC	-	59,200.00
Less: impairment allowance	-	1,289,816.38
Total current receivables	35,001,911.40	32,362,877.63

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(b) Long- term Receivables from Exchange Transactions

Description	2020-2021	2019-2021
	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	35,001,911.40	32,362,877.63

(c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Description	2020-2021	2019-2021
	KShs	KShs
At the beginning of the year	0	0
Provisions during the year	0	0
Recovered during the year	0	0
Write offs during the year	0	0
At the end of the year	0	0

23 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2021
	KShs	KShs
Current receivables		
Capitation grants*	-	-
Transfers from other govt. entities	-	-
Undisbursed donor funds	-	-
Other debtors (non-exchange transactions)	-	-
Less: impairment allowance	-	-
Total current receivables	-	-

24 INVENTORIES

Description	2020-2021	2019-2021
	KShs	KShs
Repairs and Maintenance Stores	156,045.00	-
Foodstuff Stores	267,425.00	-
Matress Stores	1,354,590.00	-
Central Stores	129,344.00	-
Total current receivables	1,907,404.00	-

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25. PROPERTY, PLANT AND EQUIPMENT

	Cost	Land and Buildings	Buildings	Motor Vehicles	Computers & Appliances	Furniture and fittings	Plant & Equip.	Office Equip.	TOTALS
At 1 July 2020	120,000,000.00	207,806,305.00	15,921,540.00	2,355,447.00	7,123,959.00	-	-	364,475,096.00	
Additions	-	46,012,399.00	700,000.00	2,174,025.00	6,249,081.00	4,962,125.00	18,750,785.00	85,761,700.00	
Disposals	-	-	-	-	-	-	-	-	
Transfers/adjustments	-	-	-	-	-	-	-	-	
At 30 th June 2021	120,000,000.00	253,818,704.00	16,621,540.00	4,529,472.00	13,373,040.00	4,962,125.00	18,750,785.00	450,236,796.00	
At 30 th June 2021									
Depreciation and impairment									
At 30 June 2020									
Acc. Depreciation	0	8,312,252.00	7,960,770.00	471,089.00	1,424,785.00	-	-	24,929,602.00	
Disposals	-	-	-	-	-	-	-	-	
Impairment	-	-	-	-	-	-	-	-	
Transfer/adjustment	-	-	-	-	-	-	-	-	
At 30 th June 2021	120,000,000.00	245,506,452.00	8,660,770.00	4,058,383.00	11,948,255.00	4,962,125.00	18,750,785.00	425,307,194.00	
At 30 th June 2021									
Depreciation and impairment									
At 30 June 2021									
Depreciation	0	6,137,661.30	2,165,192.50	507,297.88	2,389,651.00	620,265.63	-	15,623,069.49	
Disposals	-	-	-	-	-	-	-	-	
Impairment	-	-	-	-	-	-	-	-	
Transfer/adjustment	-	-	-	-	-	-	-	-	
At 30 th June 2021	120,000,000.00	239,368,790.70	6,495,577.50	3,551,085.13	9,558,604.00	4,341,859.38	18,750,785.00	409,684,124.51	
Net book values									
At 30 th June 2021	120,000,000.00	239,368,790.70	6,495,577.50	3,551,085.13	9,558,604.00	4,341,859.38	18,750,785.00	409,684,124.51	
At 30 th June 2020	120,000,000.00	207,806,305.00	15,921,540.00	2,355,447.00	7,123,959.00	-	-	364,475,096.00	
<i>[Include brief description of WIP as a</i>									

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[*footer*]

Valuation

Land and buildings were valued by (NOT YET VALUED) independent valuer on N/A on N/A basis of valuation. These amounts were adopted on N/A.

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:

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(b) Property, Plant and Equipment at Cost

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	120,000,000.00	-	120,000,000.00
Buildings and Site Works	253,818,704.00	14,449,913.30	239,368,790.70
Motor Vehicles	16,621,540.00	10,125,962.50	6,495,577.50
Computers and Appliances	18,181,130.00	10,563,707.19	7,617,422.81
FURNITURE AND FITTINGS	4,529,472.00	978,386.88	3,551,085.12
Property, Plant and Equipment	13,373,010.00	3,814,436.00	9,558,574.00
Office Equipment	4,962,125.00	620,265.63	4,341,859.37
INTANGIBLE ASSETS	11,362,150.25	2,927,242.85	8,434,907.40
Work in Progress(WIP)	18,750,785.00	0.00	18,750,785.00
Total	461,598,916.25	43,479,914.35	418,119,001.90

INTAGIBLE ASSETS - SOFTWARE

Description	2020-2021	2019-2020
	KShs	KShs
Cost		
At beginning of the year	4,092,584.00	3,203,640.00
Additions	7,269,566.25	1,654,162.40
At end of the year	11,362,150.25	4,857,802.40
Additions - internal development	-	-
At end of the year	11,362,150.25	4,857,802.40
<u>Amortization and Impairment</u>		
At beginning of the year	818,516.00	
Amortization		
At end of the year	2,108,726.85	765,218.40
Impairment loss		
At end of the year	-	-
NBV	8,434,907.40	4,092,984.00

26 INVESTMENT PROPERTY

Description	2020-2021	2019-2020
	KShs	KShs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
At end of the year	-	-

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27 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Bursaries	885,836.00	6,664,596.00
H.E.L.B	448,800.00	10,578.00
KUCCPS	702,000.00	-
Recurrent Creditors	2,839,919.49	350,260.00
NYS	14,899,450.00	169,297,951.00
Fees Prepayments	33,629,727.40	15,106,870.00
Salary advance		33,000.00
Direct Bank Deposit		262,642.00
Total trade and other payables	53,405,732.89	191,725,897.00

28 REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2020-2021	2019-2020
	KShs	KShs
Student Council.	556,985.00	-
PROVISIONAL DRIVING LICENCE(PDL)	500.00	-
Caution Money	676,200.00	-
Total deposits	1,233,685.00	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30.EMPLOYEE BENEFIT OBLIGATIONS

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The institute's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 1,080.00 per employee per month

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31. FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	140,028,598.45	140,028,598.45	0	0
Receivables from non exchange transactions	-	-	0	0
Bank balances	31,258,546.48	31,258,546.48	0	0
Total	171,287,144.00	171,287,144.00	0	0
At 30 June 2020				
Receivables from exchange transactions	2,547,250.00	2,547,250.00	0	0
Receivables from non exchange transactions	148,611,373.00	148,611,373.00	0	0
Bank balances	120,832,159.00	120,832,159.00	0	0
Total	271,990,782.00	271,990,782.00	0	0

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

32. FINANCIAL RISK MANAGEMENT (Continued)

(i) Credit risk (continued)

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

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The entity has no significant concentration of credit risk.

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

(ii) Liquidity risk management

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

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

	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
At 30 June 2021				
Trade payables	2,648,739.49	191,180.00	0	2,839,919.49
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	2,648,739.49	191,180.00	0	2,839,919.49
At 30 June 2020				
Trade payables	0	77,476,647.00	0	77,476,647.00
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	77,476,647.00	0	77,476,647.00

33. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2021			
Financial assets(investments, cash, debtors)	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

34. FINANCIAL RISK MANAGEMENT (Continued)

- (iii) Market risk (Continued)
a) Foreign currency risk (Continued)

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2021			
Financial assets(investments, cash ,debtors)	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2021			
Euro	10%	0	0
USD	10%	0	0
2020			
Euro	10%	0	0
USD	10%	0	0

- b) Interest rate risk

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

Management of interest rate risk

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

b) Interest rate risk(continued)

Sensitivity analysis

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

iv)Capital Risk Management

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

	2020-2021	2020-2020
	Kshs	Kshs
Revaluation reserve	0	0
Retained earnings	17,444,990.70	116,242,698.05
Reserves	390,711,488.20	459,378,626.67
Total funds	408,156,478.00	575,621,324.72
Total borrowings	0	0
Less: cash and bank balances	31,258,546.48	123,804,553.65
Net debt/(excess cash and cash equivalents)	31,258,546.48	123,804,553.65
Gearing	0%	0%

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

36. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) The National Treasury
- iv) The TVET Authority
- v) The office of the Auditor General
- vi) Key management;
- vii) Board of directors;

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

	2020-2021	2019-2020
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to Govt agencies	0	0
Rent Income from govt. agencies	0	0
Water sales to Govt. agencies	0	0
Others (Specify)	0	0
Total	0	0
b) Purchases from related parties		
Purchases of electricity from KPLC	0	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. agencies	0	0
Others (specify)	0	0
Total	0	0
b) Grants /Transfers from the Government		
Grants from National Govt	0	0
Grants from County Government	0	0
Donations in kind	0	0
Total	0	0
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	0	0
Payments for goods and services for xxx	0	0
Total		
d) Key management compensation		
Directors' emoluments	0	0

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	2020-2021	2019-2020
	Kshs	Kshs
Compensation to key management	0	0
Total	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. SEGMENT INFORMATION

This is not applicable for Wote Technical Training Institute

7. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets

	20xx-20xx	20xx-20xx
	Kshs	Kshs
Contingent assets		
Insurance reimbursements	0	0
Assets arising from determination of court cases	0	0
Reimbursable indemnities and guarantees	0	0
Others (Specify)	0	0
Total	0	0

Contingent Liabilities

	2020-2021	2019-2020
	Kshs	Kshs
Contingent liabilities	0	0
Court case xxx against the entity	0	0
Bank guarantees in favour of subsidiary	0	0
Contingent liabilities arising from contracts including PPPs	0	0
Others (Specify)	0	0
Total	0	0

(Give details)

8. CAPITAL COMMITMENTS

Capital commitments	2020-2021	2019-2020
	Kshs	Kshs
Authorised for	160,779,500	67,000,000
Authorised and contracted for	48,000,500	35,390,000
Total	208,780,000	102,390,000

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

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9. DEFERRED TAX LIABILITY

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

	2020-2021	2019-2020
	Kshs	Kshs
Accelerated capital allowances	0	0
Unrealised exchange gains/(losses)	0	0
Revaluation surplus	0	0
Tax losses carried forward	0	0
Provisions for liabilities and charges	0	0
	0	0
Net deferred tax liability/(asset)	0	0
	0	0
The movement on the deferred tax account is as follows:	0	0
	0	0
Balance at beginning of the year	0	0
Credit to revaluation reserve	0	0
Under provision in prior year	0	0
Income statement charge/(credit)	0	0
	0	0
Balance at end of the year	0	0

10. EVENTS AFTER THE REPORTING PERIOD

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

11. ULTIMATE AND HOLDING ENTITY

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

12. CURRENCY

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

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APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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)
FINAL REPORT NOT DISCUSSED YET BY BOG				

Guidance Notes:

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

Accounting Officer

Name: Joshua Munywoki

Principal/BOG Secretary

Signature



Date.



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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

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

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Kitui TVC	59,490,877	33,441,904	78%	59,490,877	✓	GoK + CDF
2	Machakos TVC	59,941,226	29,988,120	65%	59,941,226	✓	GoK + CDF
3	Cabros and Pavement	11,169,000	11,169,000	100%	14,000,000	✓	Institute
4	Classrooms & Workshop	24,000,000	22,000,000	95%	20,000,000	✓	Institute
5	WTTI Dispensary	839,165	839,165	100%	1,000,000	✓	Institute
6	Perimeter wall Phase II	2,520,180	2,520,180	100%	2,520,180	✓	GoK
7	Borehole Drilling	4,550,895	4,550,895	100%	5,000,000	✓	Institute
8	CCTV Camera Installation	2,500,000	2,500,000	100%	2,500,000	✓	Institute
9	Perimeter wall phase (75M)	1,427,706	1,427,706	100%	1,427,706	✓	Institute
10	ERP Modules	7,219,819	7,219,800	100%	7,500,000	✓	Institute
11	Furniture	8,600,000	5,142,341	60%	8,600,000	✓	Institute
12	Tractor/ Bowser/ Trailer	4,105,000	4,105,000	100%	5,000,000	✓	Institute
13	Computers	4,900,000	1,470,000	30%	4,900,000	✓	Institute

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APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME				
Break down of Transfers from the State Department of Technical Education				
FY 2020/2021				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	N/A
		17.09.2020	20,000,000.00	2020/2021
		18.11.2020	3,466,667.00	2020/2021
		Total	23,466,667.00	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	N/A
		Total	0	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	N/A
		Total	0	

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

Finance Manager
Wote Technical Training institute

Head of Accounting Unit
Ministry of Education

Sign -----

Sign-----

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the M/D/Donor Transferring the funds	Date received as per bank statement	Nature Requirement/De velopment/Other	Total Amount KES	Statement of Financial Performance	Where Recorded/recognized		Others must be specific	Total Transfers during the Year
					Capital Fund	Deferre d Income		
Ministry of Education	17.09.2020	Development	20,000,000		20,000,000	0	0	20,000,000
Ministry of Education	18.11.2020	Development	3,466,667.00		3,466,667			3,466,667.00
Total			23,466,667.00		23,466,667	0	0	23,466,667.00

