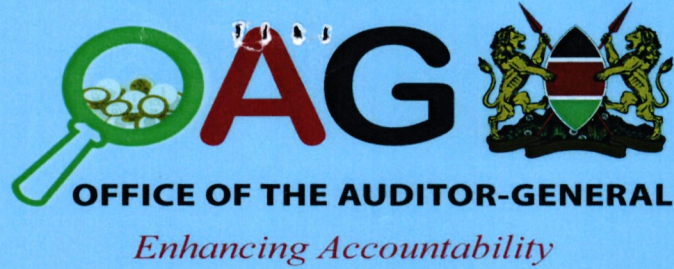


REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY PADOOTAITO	
DATE: 09 FEB 2022	DAY: Wed
TABLED OF: LOM	
CLERK-AT THE-TABLE:	S. Kalama

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**RAMOGI INSTITUTE OF
ADVANCED TECHNOLOGY**

**FOR THE YEAR ENDED
30 JUNE, 2019**

COLLECTED COPY
7/7/2020



RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2019.**

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

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

KEY ENTITY INFORMATION AND MANAGEMENT	1-4
KEY ENTITY INFORMATION AND MANAGEMENT (Continued)	1-4
THE BOARD OF GOVERNORS	5-8
MANAGEMENT TEAM	9-13.
CHAIRMAN'S STATEMENT	14.
REPORT OF THE PRINCIPAL	15.
CORPORATE GOVERNANCE STATEMENT	16.
MANAGEMENT DISCUSSION AND ANALYSIS	17.
CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	18.
REPORT OF THE BOARD OF GOVERNORS	19.
STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES	20
REPORT OF THE INDEPENDENT AUDITORS	21.
IV. STATEMENT OF FINANCIAL PERFORMANC FOR THE YEAR ENDED 30 JUNE 2019	22
V. STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE 2019	23 .
VI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2019	24
VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019	24
VIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019	25
IX. NOTES TO THE FINANCIAL STATEMENTS	33-40
APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	41
APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY	43
APPENDIX III: INTER-ENTITY TRANSFERS	43
APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES	44

KEY INFORMATION AND MANAGEMENT

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

KEY INFORMATION AND MANAGEMENT

(a) Background information

Ramogi institute of Advanced Technology (RIAT) is a public tertiary institution under the Ministry of Education. The institute was established in 1976.

In accordance with the Technical Vocational Education and Training (TVET) Act 2013, the institute is managed by a Board of Governors appointed by the Permanent secretary responsible for Technical Vocational Education and Training.

The Board of Governors sets out internal policies and development priorities for the institute and approves the budget for both the current and development expenditure. The Board is also responsible for the implementation of government policies.

The principal is the chief Executive of the institute and Secretary to the Board of Governors. The principal is responsible for the day to day management of the institute on behalf of and in consultation with the Board of Governors.

In this task the Principal is assisted by the Deputy Principal, Heads of Departments and established institutional committees.

(b) Principal Activities

The principal activity of the institute is to provide vocational and technical training for self-reliance to graduates of secondary and primary schools to enable them enter the world of work either as self or salaried employees. The institute accomplishes this mandate by providing:-

- Regular courses to students from primary and secondary schools
- Skill upgrading courses to those already in employment whether salaried or self-employed
- Short tailor-made courses to meet the special needs of individuals or groups
- Continuing education and further training through distance or part-time modules or any other appropriate mode.

(c) Key Management Structure

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

- Principal
- Deputy Principal
- Registrar
- Dean of students
- Industrial Liaison Officer
- Heads of Departments
- Finance Officer
- Procurement Officer
- Established committees-Academic committee, Disciplinary committee, Guidance and counselling committee, Time-Table committee and Boarding committee

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

(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	Duration
1.	Principals	1.Mr Jorim Guya	1 st July-20 th September 2018
		2.Mr.Kenneth Odero	21 st September 2018 -5 th March 2019
		3.Maren Omondi(Mrs)	6th March 2019 to Date
2.	Head of Finance	George Otieno Adero	
3.	Head of Procurement	Cleah Obwolo	

(e) Fiduciary Oversight Arrangements

Auditor general is responsible for the Audit of the financial statements of the in accordance to TVET act 2013.

(f) Headquarters

The headquarter of Ramogi institute of Advanced Technology (RIAT) is located at the main campus on RIAT HILL off Kisumu-Kakamega Highway
P.O.BOX 1738-40100
KISUMU, KENYA.

(g) Contacts

Telephone: (254) 0734251622/0734257622
E-mail: riatcollege2015@gmail.com
Website: ramogiinstitute.ac.ke

(h) Bankers

1. National Bank of Kenya
Kisumu Branch
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Ecobank
...
...
...

(i) Independent Auditors

Auditor General
Office of Auditor General
Anniversary Towers, Institute Way

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019




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

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

THE BOARD OF GOVERNORS

 <p style="text-align: center;">PROF. PETER A. ODHIAMBO CHAIRMAN OF THE BOARD</p>	<p>Born in 1942 MKNAS, FACC, FCS(ECSA) FRCS(Edin.), MMED(Surg.) Nbi, MBBS(CALCUTTA) THORACIC & CARDIOVASCULAR SURGEON, Professor of Thoracic and Cardiovascular surgery since 2000 at the university of Nairobi. -Associate professor from 1988 -Has won several national and international honours and awards -1984 listed in 'MEN OF ACHIEVEMENT' international Biographical Centre, Cambridge, UK -1983 outstanding contribution to medicine and distinguished service to cardiology in Africa. -2008 awarded by WHO for fight against tobacco -Exemplary contribution to surgical training by surgical society of Kenya.</p>
 <p style="text-align: center;">DR. GEORGE OMBUKI CHAIRMAN OF THE BOARD</p>	<p>-Holds PhD, MA Counselling Sociology(UON), BED(psychology) Kenyatta University -Has served in several capacities: Classroom teacher, Teacher Advisory Centre, Tutor, KIE panel members, Inspector of Schools, National Drama and Music Adjudicator, Divisional Education Officer, and Educational Officer in charge of Guidance and Counselling programme, DICECE and ECDE Lecturer</p>
 <p style="text-align: center;">IVAN KIPCHUMBA KELUNYO BOARD MEMBER</p>	<p>Born in 1974. -An Architect by profession -Holds a Bachelor of Architecture(Hons) University of Nairobi -Has served as county works officer in several counties/districts under public service commission from 2006-2016. -Currently consulting Architect(Kelunyo and partners) -From 2005-2016 he served as project Manager/Architect with the Government of Kenya with key responsibilities in all classes of projects.</p>

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019



BENTER ABONYO OWIYO
BOARD MEMBER
 Date of Birth:
 Qualification:

-Holds a Bachelor of commerce(Finance option)
 -Currently pursuing Masters of Business Administration(Finance option at Kisii University)
 -A professional accountant with over 15yrs working experience in the private sector and non-profit sectors in Kenya.



JULIA KAMAU
BOARD MEMBER
 Date of Birth:
 Qualification:

-Holds a BSC(Agribusiness management and Enterprise Development JKUAT)
 -Currently working with Greatness United(G-United) a non-governmental organisation as a volunteer
 -Has vast experience in Agribusiness, Aquaculture



KENNETH OULA
BOARD MEMBER
 Date of Birth:
 Qualification:

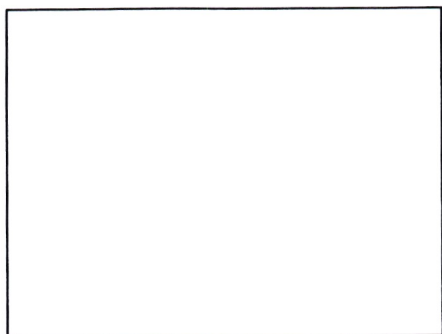
BSC Computer Studies

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019



FLORENCE AKUMU
BOARD MEMBER
Date of Birth:
Qualification

BA (social work)



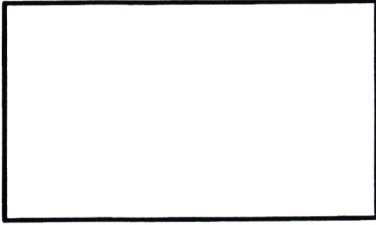
LUKAS OCHARO
COUNTY DIRECTOR TVET
Date of Birth:
Qualification

County Director TVET, Kisumu County
Representing the principal Secretary, state Department of
Vocational Technical training in the Board.

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

PRINCIPALS

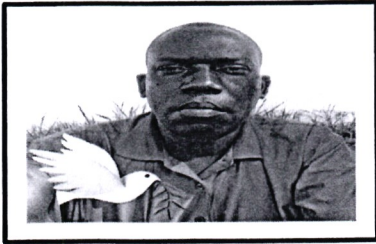
a.



From 1st July 2018 to 20th September 2018

PRINCIPAL
JORIM O. GUYA
Date of Birth: 1958
Qualification:

b.



From 21st September 2018 to 5th March 2019

PRINCIPAL
KENNETH ODERO
Date of Birth:
Qualification:

c.

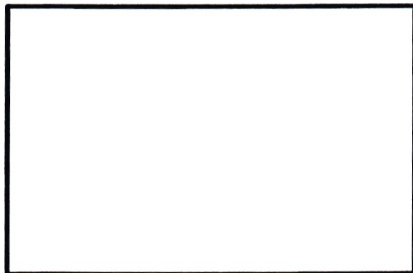


From 6th March 2019 to date

PRINCIPAL
MAREN A. OMONDI (MRS)
Date of Birth: 1962
Qualification:

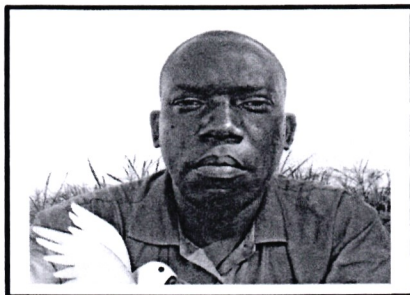
RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

MANAGEMENT TEAM



PRINCIPAL
JORIM O. GUYA
Date of Birth:1958
Qualification:

- Chief Executive
- Responsible for day to day management of the institute
- Policy implementation
- Budgeting
- Approval of expenditures
- Disciplinary issues
- Curriculum implementation and supervision
- Approval of procurement and tenders



PRINCIPAL
KENNETH ODERO
Date of Birth:
Qualification:

- Chief Executive
- Responsible for day to day management of the institute
- Policy implementation
- Budgeting
- Approval of expenditures
- Disciplinary issues
- Curriculum implementation and supervision
- Approval of procurement and tenders



PRINCIPAL
MAREN A. OMONDI (MRS)
Date of Birth:1962
Qualification:

- Chief Executive
- Responsible for day to day management of the institute
- Policy implementation
- Budgeting
- Approval of expenditures
- Disciplinary issues
- Curriculum implementation and supervision
- Approval of procurement and tenders

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019



DEPUTY PRINCIPAL ADMINISTRATION
KENNETH ODERO

Date of Birth:

Qualification:

- Principals Chief Assistant
- Students Discipline
- Approval of training budgets and requisitions
- Director of studies
- Supervises curriculum implementation
- Chair Academic Committee
- Research and innovations
- TVET Fair and Exhibitions
- Chair Graduation committee



DEPUTY PRINCIPAL ADMINISTRATION
ALICE DULO

Date of Birth:1964

Qualification:

- Principals Chief Assistant
- Students Discipline
- Approval of training budgets and requisitions
- Director of studies
- Supervises curriculum implementation
- Chair Academic Committee
- Research and innovations
- TVET Fair and Exhibitions
- Chair Graduation committee



DEPUTY PRINCIPAL ADMINISTRATION
GEORGE OLERO

Date of Birth:1963

Qualification:

- Principals Chief Assistant
- Students Discipline
- Approval of training budgets and requisitions
- Director of studies
- Supervises curriculum implementation
- Chair Academic Committee
- Research and innovations
- TVET Fair and Exhibitions
- Chair Graduation committee

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

i.



DEPUTY PRINCIPAL ACADEMICS
ALICE DULO
 Date of Birth:1964
 Qualification:

ii.



DEPUTY PRINCIPAL ACADEMICS
PENINAH OGUTU
 Date of Birth:1971
 Qualification: Masters in Education



REGISTRAR
GEORGE O. OLERO
 Date of Birth:1963
 Qualification: BED Technology Education

- Student Admissions
- Students records
- Examinations
- Time-Tabling
- Course Advertisement and Publicity
- Secretary Graduation committee

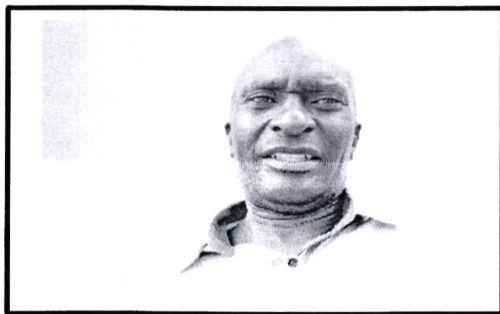
- General students welfare
- Students Accommodation
- Guidance and Counselling

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019



DEAN OF STUDENTS
GRACE TITI
 Date of Birth:1969
 Qualification:

- Co-curricular activities
- Student Mentorship
- student collection
- Club and Societies
- Students trips/Tours



INDUSTRIAL LIAISONS OFFICER
OKWIRI MOSES
 Date of Birth:1962
 Qualification:

- Fostering industrial linkages and partnerships
- Industrial attachment placement
- Industrial attachment supervision and assessment
- Internships
- student insurance
- Attachment certification



BURSAR
GEORGE ADERO
 Date of Birth:1983
 Qualification: CPA

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019



PROCUREMENT OFFICER
CLAIRE OBWOLO
Date of Birth: 1983
Qualification: Diploma in Purchasing and
Supplies management

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

CHAIRMAN'S STATEMENT



The Institute is pleased to present this Annual report and financial statement for the financial year ended 30th June 2019.

Besides being a statutory requirement, the report provides an opportunity for self-evaluation of the Institute's achievements or otherwise, and a chance to draw out fresh strategies for improved performance. It also enables the Institute to focus on its core mandate in order not to lose sight of the Institute's ultimate goal of making RIAT a centre of excellence in technical training and technological development.

RIAT as a tertiary institution is charged with the mandate of training middle-level manpower in the field of technology and business. The Institute's primary objective is to equip trainees with occupational skills that would make them both self-reliant and able to compete in the job market. The Institute endeavours to be a global leader in science, technology and innovation by providing quality and relevant technical training.

The Vision of the Institute is to grow and develop in a manner that will enhance and advance the government's present policy that emphasises technical and vocational training.

Currently there is a deliberate and more aggressive effort to expand the capacity and improve the quality of training in TVET institutions.

One of the key responsibilities of the Board is to implement government policies. It also sets out internal policies and development priorities for the Institute and approves the budget for both the recurrent and development expenditure. The Board has effectively carried out this mandate.

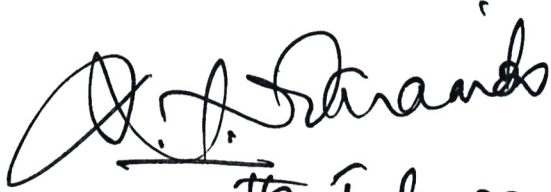
Despite limited financial resources, the Institute has been able to meet its financial obligation through prudent financial management.

Transparency and accountability on use of finances has been closely monitored by the Board.

Strict adherence to budgetary provisions and budgetary reviews where necessary has enabled the Institute to settle its bills promptly and stay clear of creditors. Through prudent financial management and effective planning, the Institute has been able to win the confidence of suppliers and stakeholders. This has greatly enhanced the image of The Institute.

Whereas, delays in fees payments by sponsors, disbursement of grants and HELB loans/Bursaries have a negative impact on our revenue, we have been able to accomplish our obligation albeit with a lot of difficulties.

We look forward to a speedier disbursement of funds by the Ministry of Education and other agencies that sponsor students to our Institution.


7th July, 2020

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

REPORT OF THE PRINCIPAL



Since its inception, Ramogi Institute of Advanced Technology (RIAT) has made a remarkable progress in terms of academic and physical development. However a lot still remains to be done. The provision of training facilities and equipment has not kept pace with changes in technology as well as rapid increase in student's population in view of the emphasis by Government on Technical Vocational and Education and training (TVET).

Shortage of lecturers/trainers continues to be a major challenge.

Recruitment of trainers by government has been slow and has not kept pace with the demand. Currently the institute has a staff shortage of about 50 trainers. More trainers need to be employed if TVET institutions are to offer quality training.

The financial year 2018/2019 had its share of successes and challenges almost in equal measure.. Delay in disbursement of capitation and development grants have generally affected service delivery and ability to meet our financial obligations.

Uncertainty about the new system of funding TVET institutions of Kshs 30,000 per student per year may also affect the revenue thus adversely affecting service delivery. Recent years have also witnessed a consistent reduction in recurrent and development grants.

The institute has, as a matter of priority allocated more resources in the budget towards the provision of learning/teaching materials in line with our core mandate.

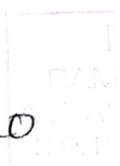
Repair and maintenance of equipment of equipment and facilities which directly affect training have been accorded due attention to ensure effective training.

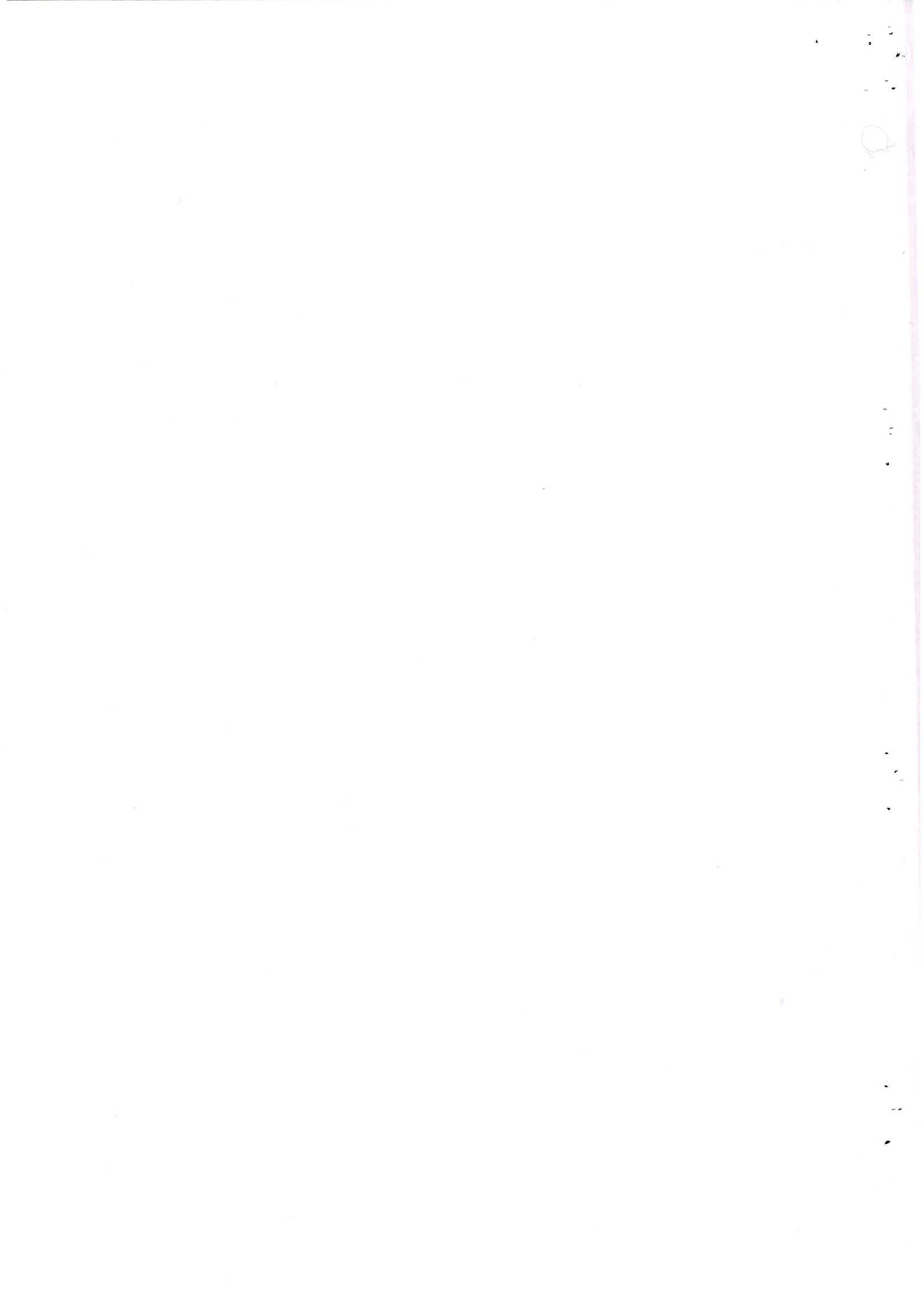
The escalating prices of food commodities, fuel and energy has also posed a major challenge in implementing the budget. It is important to note that fees may not be increased to a level that would lock out potential students as this would defeat the Government policy of increasing access to technical training. Furthermore fees have now been fixed by the MOE at Kshs 56,420 per year out of which kshs 30,000 will be from capitation. Needy students are expected to obtain the rest through HELB loans.

This explains why Government capitation should be disbursed in time. Equally the Higher Education Loans Board (HELB) should also process loan application and disburse the loans to the students promptly. Otherwise the institute may not meet her financial obligations.

Disbursement of fees to students sponsored by other government agencies has also been slow. For example students sponsored by NYS and LAPSSSET. Disbursement of HELB loans also delay thereby seriously affecting budgetary control and implementation.

[Handwritten signature]
7/07/2020





RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

CORPORATE GOVERNANCE STATEMENT

As has been mentioned elsewhere in this report Ramogi Institute of Advanced Technology (RIAT) is managed by a Board of Governors appointed by the Permanent Secretary responsible for Technical, Vocational Education and Training (TVET)

The Board is responsible for the implementation of government policies and development priorities for the institute. Approval of Budget for both recurrent and development expenditure is also a key function of the Board.

The principal is the Chief Executive officer and secretary to the Board responsible for the day to day management of the institute and in consultation with the Board. The institute core values are

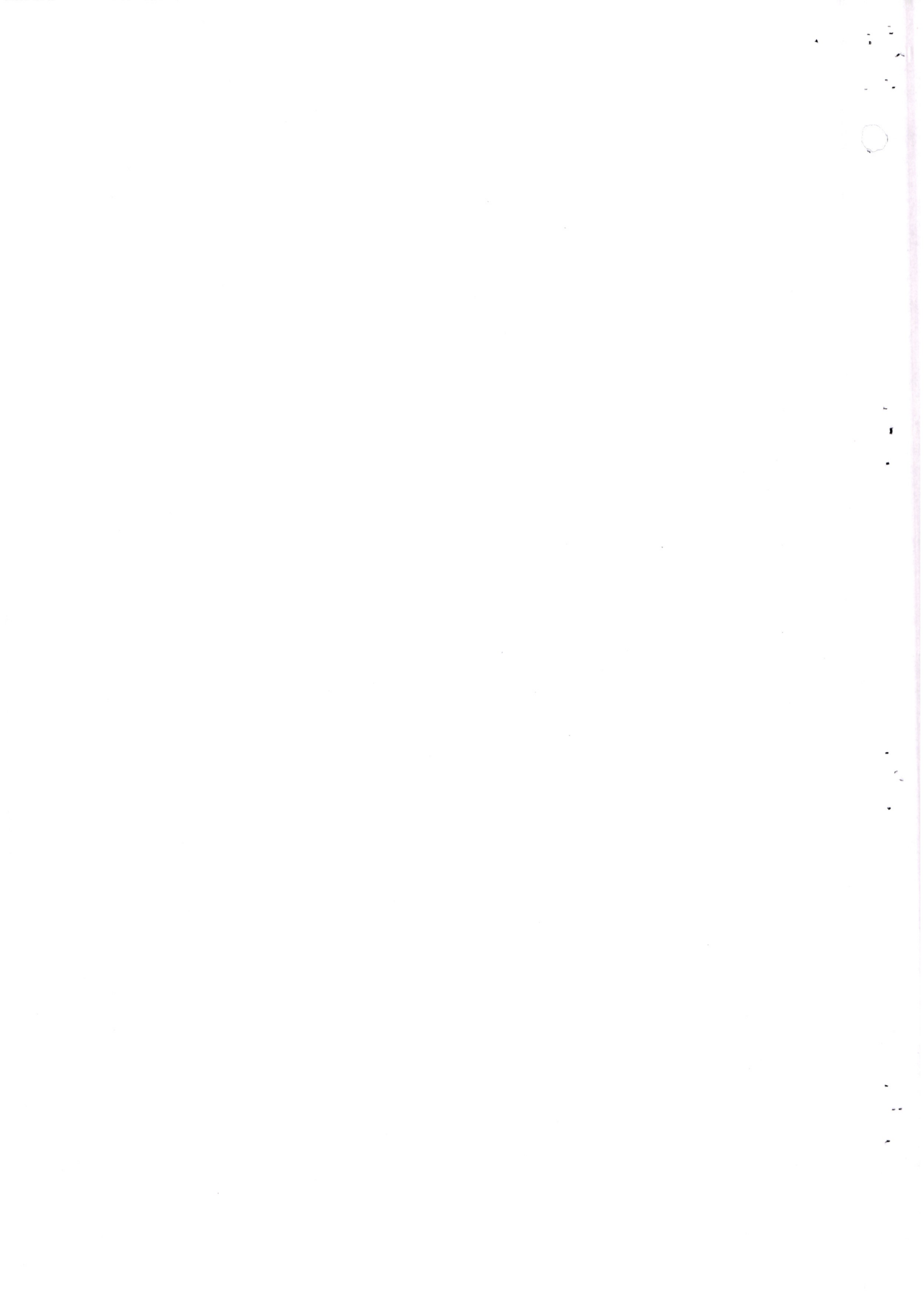
- Integrity and Honesty
- Accountability and Transparency
- Excellence and Team work
- Innovation and Creativity

The management and administration of RIAT is committed to serving with courtesy, honesty, integrity, fairness and justice. Prudent management of financial and other institutional resources and accountability for the same is our goal.

Continual improvement of facilities and infrastructure is a key consideration in order to ensure customer satisfaction. This in effect has the potential to attract more trainees thereby increasing access in line with government policy.

By embracing accountability and transparency in governance, it is envisaged that the institute will emerge a global leader in science, Technology and Innovation.

The board held six meetings during the year under review. Two day induction training for the Board was organised in August 2018 presided over by the Director TVET.



RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019
CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY
REPORTING

The core mandate of the institute is to provide trainees with employable skills. The institute also provides short tailor-made skills upgrading courses to those already in employment whether salaried or self-employed.

To reach out to the community, the institute regularly mounts short courses in identified areas relevant to their needs. The institute offers such courses at highly subsidised fees. The institute also seeks to get sponsors for such programmes.

The Board notes that such programmes promotes cordial working relations and creates a sense of ownership. Qualified students from the locality have been encouraged to pursue regular courses through a special arrangement with the parents/guardians and the constituency development fund whereby fees payment is done in mutually agreed instalments.

The institute has identified solar PV Technology, Bee-keeping, Carpentry, Aquaculture and Bread making as some of the courses to be promoted among the community. A number of youth were trained in these areas.

The memorandum understanding between the institute and Kisumu water and Sewerage Company (KIWASCO) is also intended to provide water to the institute and also the community around the college. The institute also hosted the Agricultural Society of Kenya (ASK), National Tree planting Day in May 2019 where over 6500 trees were planted.

The institute will continue to identify and explore new areas of support to the community. More community outreach programmes will thus be initiated and implemented based on the availability of funds and or support from our collaborators/partners.

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of the *institute's* affairs.

Principal activities

The principal activities are set out in page 1(one)

Results

The results of the entity for the year ended June 30 are set out on page 32-40

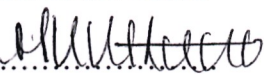
BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page 4-7

Auditors

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

By Order of the Board

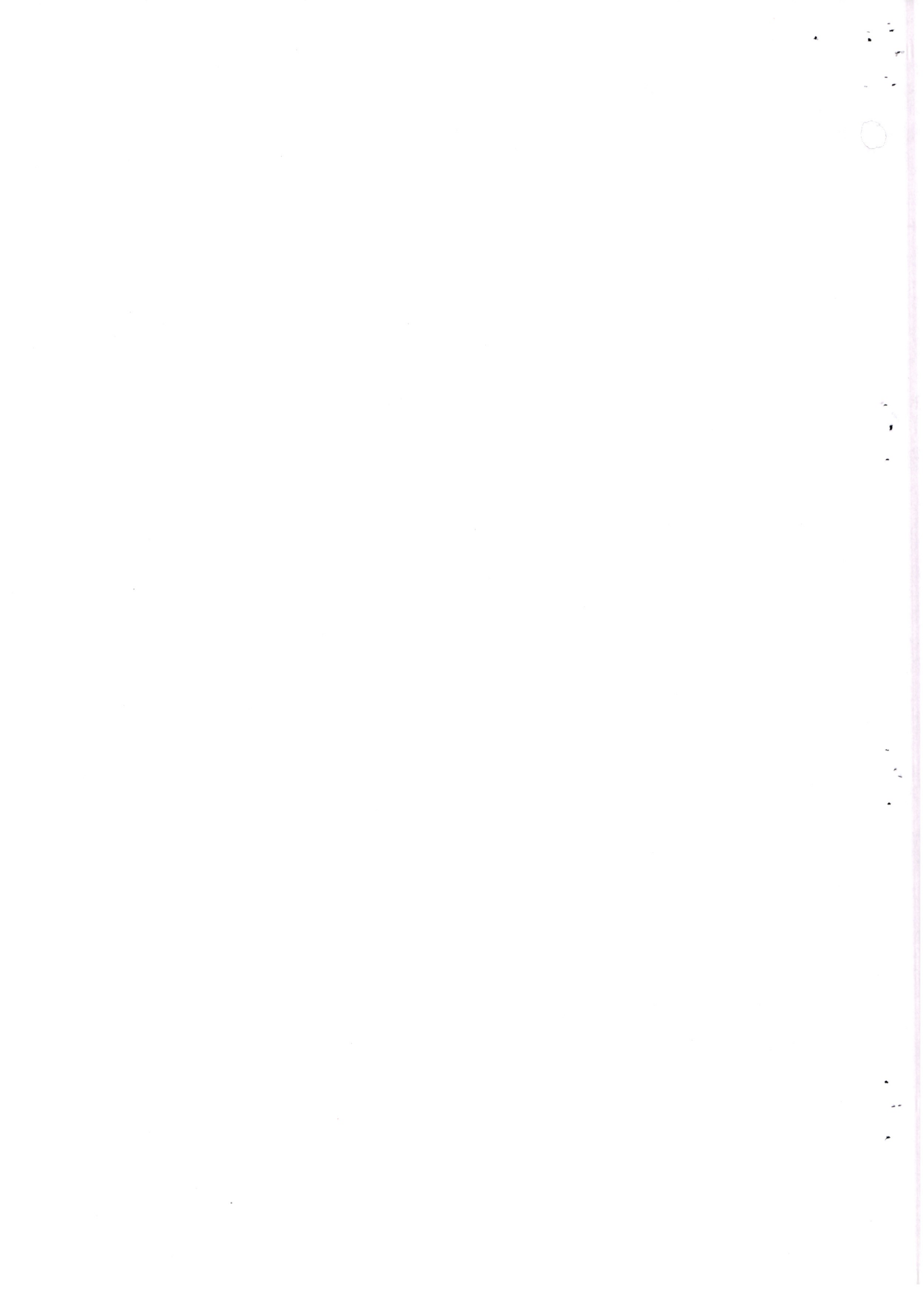
Sign: 

The Principal

Kisumu

Date: 7/07/2020





RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

STATEMENT OF BOARD OF GOVERNORS

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

The Board members are responsible for the preparation and presentation of the *institute's* financial statements, which give a true and fair view of the state of affairs of the *institute* for and as at the end of the financial year ended on June 30th, 2019. 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 Board members accept responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the TVET Act*). The Board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2019, and of the *entity's* financial position as at that date. The Board 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 Board 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


The *Institutes* financial statements were approved by the Board on 29th November 2019 and signed on its behalf by:


PROF. PETER A. ODHIAMBO

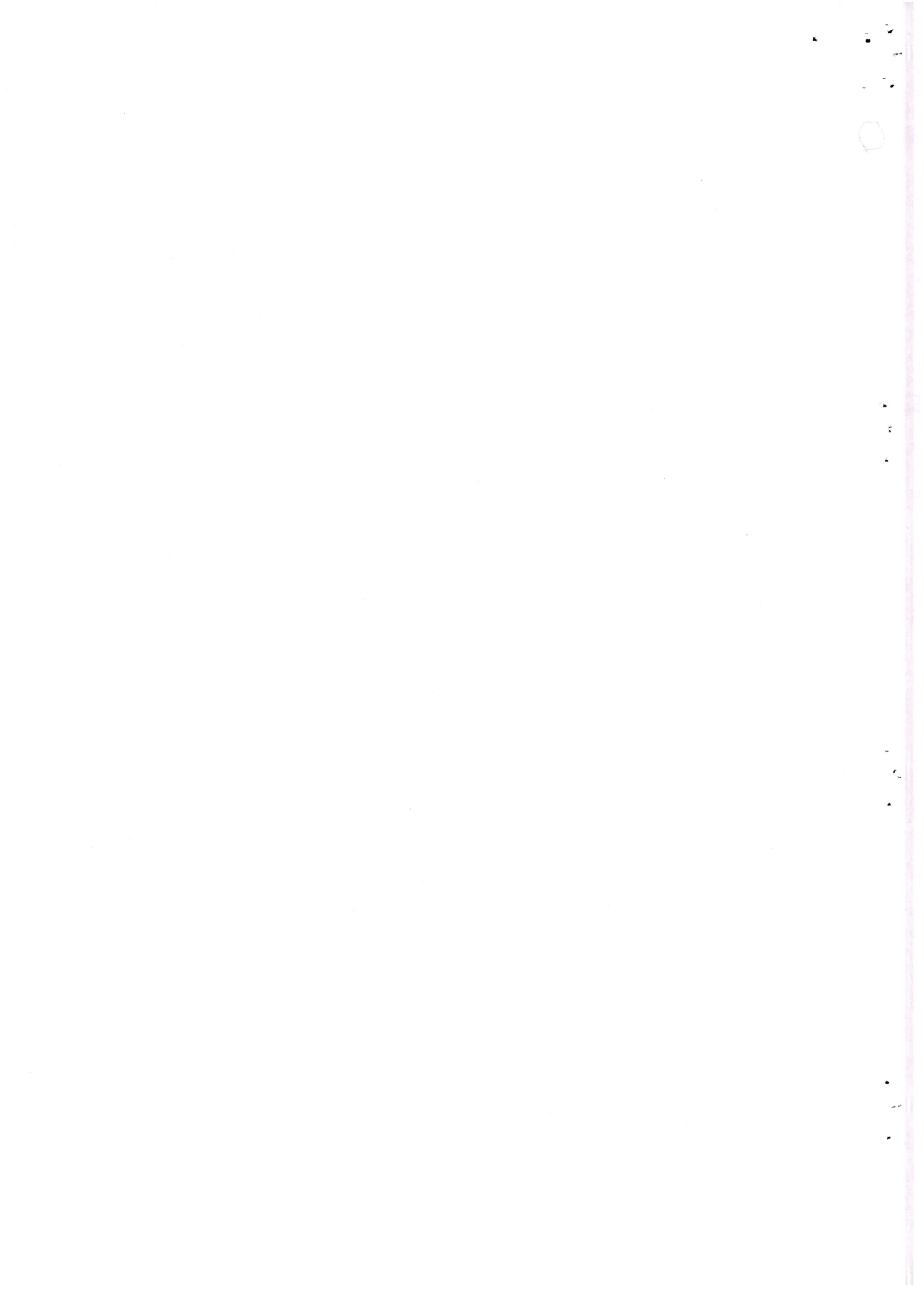
Board Chairman


MAREN OMONDI (MRS)

Principal

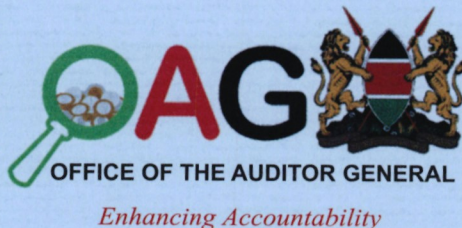

MS BENTER A. OWIYO
Independent Board member

7th July 2020



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Ramogi Institute of Advanced Technology set out on pages 22 to 45, which comprise of statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Ramogi Institute of Advanced Technology as at 30 June, 2019, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Adverse Opinion

1.0 Late Submission of Financial Statements

The Institute's 2018/2019 financial statements were submitted for audit on 10 January, 2020, which is one-hundred and two (102) days after the statutory date of 30 September, 2019. This is contrary to Section 68(2)(k) of the Public Finance Management Act, 2012 which requires an Accounting Officer to prepare and submit the financial statements to the Auditor-General within three months after the end of financial year to which the accounts relate.

Management was therefore in breach of the law.

2.0 Inaccuracies in the Financial Statements

The statement of financial performance reflects balances in respect of four items which differ from the amounts disclosed in the statement of cash flows and the statement of comparison of budget and actual amounts as follows;

Item	Statement of Financial Performance (Kshs.)	Statement of Cash Flows (Kshs.)	Statement of Comparison Budget and Actual (Kshs.)
Actual Revenue	117,692,776	104,713,589	94,169,716
Sale of Goods	6,885,242	6,221,967	6,885,242
Use of Goods & Services	44,860,119	39,953,261	44,860,119
Rental Revenue	987,478	936,927	987,478

The differences between the three statements have not been reconciled.

As a result, the accuracy and completeness of the financial statements for the year ended 30 June, 2019 could not be ascertained.

3.0 Cash and Cash Equivalents

The statement of financial position reflects a cash and cash equivalents balance of Kshs.47,192,230, which as further disclosed under Note 13 to the financial statements, includes an amount of Kshs.39,642,617 in respect of the main bank account at National Bank. However, this amount differs from the reconciled cash book balance of Kshs.45,829,617 resulting to an unexplained variance of Kshs.6,187,000. Further, the cash and cash equivalents includes cash at hand of Kshs.37,166, which was not supported by a board of cash survey report.

Consequently, the accuracy and completeness of the reported cash and cash equivalents balance of Kshs.47,192,230 could not be confirmed.

4.0 Long Outstanding Receivables from Exchange Transactions

As disclosed in Note 14 to the financial statements, the statement of financial position reflects receivables from exchange transactions balance of Kshs.51,105,197. Review of a schedule on aging analysis showed that the balance included fees arrears and rent debtors totalling Kshs.29,175,269 and Kshs.1,153,052 respectively which date back to the financial year 2014/2015 had not been recovered as of 30 June, 2019. However, the Management did not explain reasons for not collecting the debt or include a provision for bad and doubtful debts in these financial statements.

Consequently, the accuracy and recoverability of receivables from exchange transactions balance of Kshs.51,105,197 reflected in the statement of financial position as at 30 June, 2019 could not be confirmed.

5.0 Unconfirmed Ownership of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.1,679,796,448. However, the following anomalies were noted in respect to the balance;

- i. Contrary to the requirements of the Public Sector Accounting Standards Board (PSASB), depreciation charge and amortization on the assets was not charged against revenue for the year. Further, an asset movement schedule was not prepared and included in the financial statements under review.
- ii. Included under Note 17 to the financial statements is a new bus worth Kshs.11,000,000 which has been classified under work in progress instead of disclosing the asset as a motor vehicle.
- iii. Disclosed under Note 17 to the financial statements is an amount of Kshs.1,120,000,000 in respect of land. The balance includes land measuring 200 acres at Kibos valued at Kshs.120,000,000. However, records confirming ownership of the land by the Institute were not provided for audit review. Further, records presented for audit revealed that, a National Government entity had claimed ownership against a portion of the land measuring approximately 150 acres, resulting in a dispute.
- iv. Valuation report provided for audit showed that the Institute has a 200-acre parcel of land at RIAT Dago. However, the title deed issued to the Institute indicated ownership of 156 acres. Available information indicated that, the balance of 44 acres had been sub-divided and ownership given to private developers and individuals.

In the circumstances, the ownership, existence, completeness and accuracy of the property, plant and equipment balance totalling Kshs.1,679,796,448 as at 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Ramogi Institute of Advanced Technology 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 adverse opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unauthorized Over Expenditure

As reflected in the statement of comparison of budget and actual amounts for the year under review, the Institute had an expenditure budget of Kshs.17,429,099 and Kshs.18,761,500 in respect of employees' cost and general expense respectively and incurred actual expenditure on comparable basis of Kshs.20,235,140 and Kshs.23,263,345 resulting to an over expenditure of Kshs.2,806,041 and Kshs.4,501,845 in respect of the two items. However, there was no evidence to show that Management sought necessary approvals before incurring the expenditure.

Management was therefore in breach of the law.

2. Long Outstanding Employee Benefit Obligation

As disclosed in Note 24 to the financial statements, the statement of financial position reflects a balance of Kshs.5,259,782 in respect to employee benefit obligation relating to the financial years 2010/2011 to 2018/2019. However, no satisfactory explanation was provided for the failure to settle the long outstanding liability.

The delays in settling the debt, is likely to expose the Institute to unnecessary penalties and interests.

3. Failure to Charge Tax on Board of Governors' Expenses

Note 11 to the financial statements reflect Board of Governors' (BOG) costs amounting to Kshs.2,312,500. However, the Management did not charge and remit due taxes totaling Kshs.303,900 on allowances and benefits paid to the Board Members during the year under review contrary to the Income Tax Act.

Consequently, the Management was in breach of the law.

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 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. Lack of Segregation of Duties on Cash Management

A review of the Institutes accounting records in respect of cash management revealed that the duties of maintaining cashbook and preparation of bank reconciliations were being handled by one person instead of segregating among other officers. No explanation was provided for the failure to segregate duties. Further, there was no evidence that the cash book was checked and balanced regularly. This is contrary to Regulation 23(1)(c) of the Public Finance Management (National Government) Regulations, 2015 which requires an Accounting Officer to maintain effective systems of internal control and measures taken to ensure that they are effective.

In the circumstances, key processes and internal controls of the Institute may be prone to risk of abuse or errors.

2. Lack of Audit Committee

Section 73(5) of the Public Finance Management Act, 2012 provides that every National Government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations. However, the Institute did not have an Audit Committee in place to oversee governance and promote transparency in the management of public resources.

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

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

Responsibilities of Management and Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement,

whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 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 Ramogi Institute of Advanced Technology to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

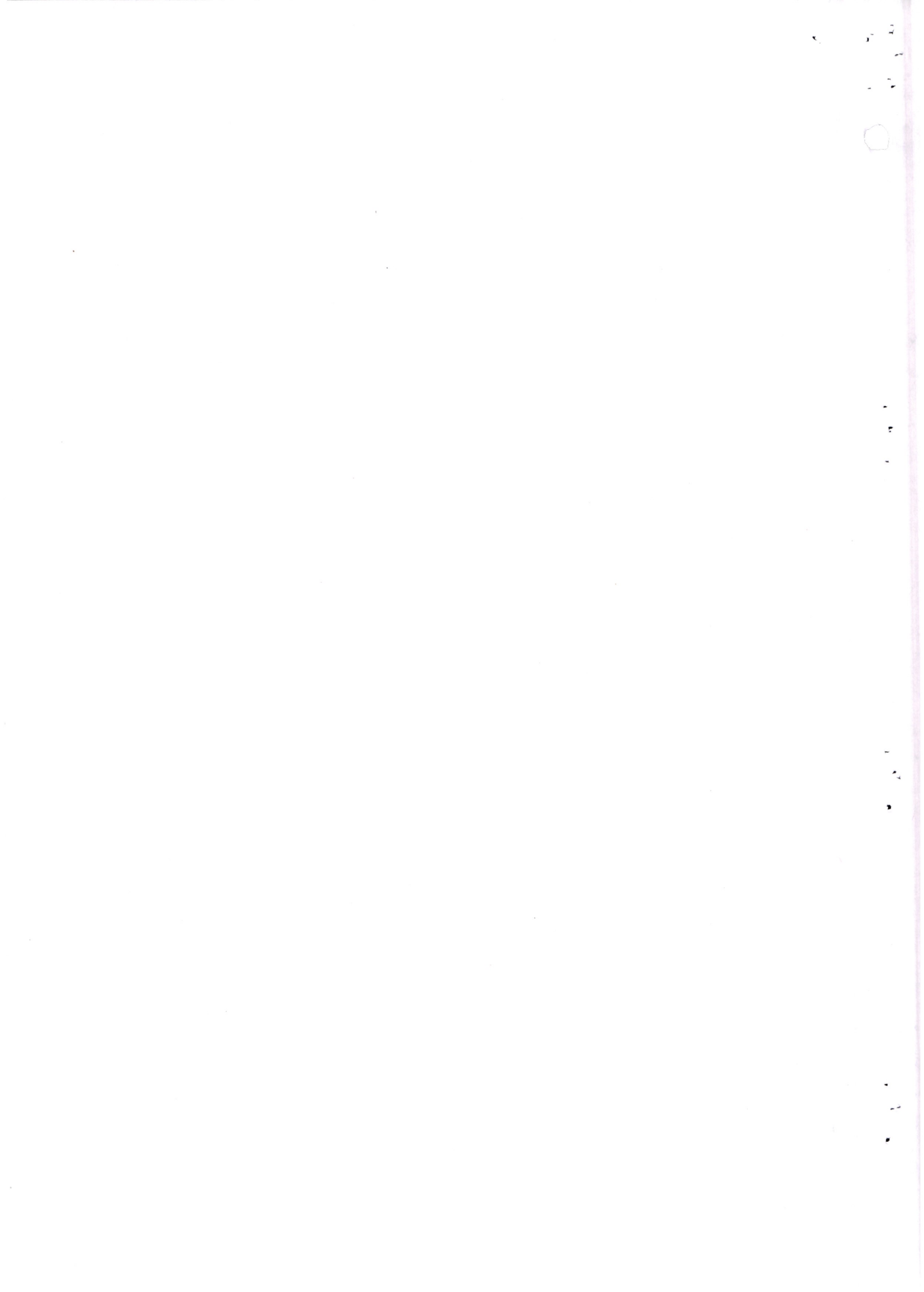
Nairobi

24 November, 2021

RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2019

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2019.

	Notes	Amount
Revenue-Non-Exchange transaction		Kshs
Transfers from State department of TVET	1	88,870,000
Revenue from Exchange transactions		
Rendering of Services-Fees from students	2	20,912,056
Sale of goods	3	6,885,242
Rental revenue	4	987,478
Other income	5	38,000
Total Revenue		<u>117,692,776</u>
Expenses		
use of goods and services	6	44,860,119
Employee costs	7	20,235,140
Board of Governors Expenses	8	2,312,550
Repairs and Maintenance	10	6,434,185
General Expenses	12	23,263,345
Total Expenses		<u>97,105,339</u>
Surplus for the year		<u>20,587,437</u>



RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2019

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2019.

Assets		As at 30th June 2019
Current Assets	Notes	Kshs
Cash and Cash equivalents	13	47,192,230
Receivables-Exchange transaction	14	51,105,197
Receivables- Non-Exchange transaction	15	41,685,000
Inventories	16	1,030,150
		141,012,577
Non-current Assets		
Property, Plant and Equipment	17	1,679,796,448
Intangible Assets	18	150,000
		1,679,946,448
Total Assets		<u>1,820,959,025</u>
Liabilities		
Current Liabilities		
Trade and other payables	20	5,047,340
Refundable deposits	21	20,417,488
Deffered Income	23	119,551,416
Employee benefit obligation	24	5,259,782
Accumulated surpluses		116,041,843
Capital fund	19	1,554,641,156
		<u>1,820,959,025</u>

The financial statements set out in pages-- were signed on behalf of the Institute Board of Governors by:

Chairman B.O.G.: *Peter A. Odhiambo*
 Name: **PROF. PETER A. ODHIAMBO**
 Date: **7th July 2020**

Principal: *Maren Omondi*
 Name: **MAREN OMONDI**
 Date: **7/07/2020**

Finance Officer: *Cherem*
 Name: **FINANCE OFFICER**
 ICRAK No: **INSTITUTE OF ADVANCED TECHNOLOGY**
 P.O. BOX 138, KISUMU
 Date: **7/7/2020**
 DATE: