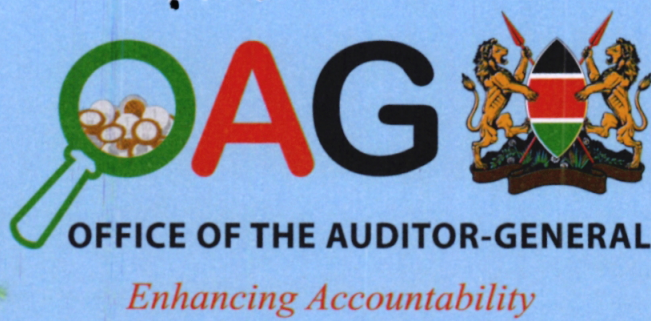


REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

OF DATE: 26 JUN 2024

DAY.

THURSDAY

TABLED
BY:

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PARLIAMENT
OF KENYA
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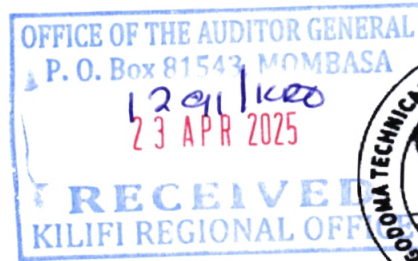
THE AUDITOR-GENERAL

ON

**GODOMA TECHNICAL
TRAINING INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2024**

KILIFI COUNTY



GODOMA TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2024

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

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

Table of Contents

1.	Acronyms and Definition of Key Terms.....	ii
2.	Key Entity Information and Management.....	iii
3.	The Council/Board of Governors.....	vi
4.	Key Management Team	viii
5.	Chairman's Statement	xii
6.	Report of the Principal	xiii
7.	Statement of Performance against Predetermined Objectives	xv
8.	Corporate Governance Statement.....	xv
9.	Management Discussion and Analysis	xvi
10.	Environmental And Sustainability Reporting Statement.....	xvii
11.	Report of the Council/Board of Governors	xviii
12.	Statement of Board of Governors/ Council's Responsibilities.....	xix
13.	Report Of The Independent Auditor On The Godoma Technical Training Institute (Office of The Auditor General).....	xx
14.	Statement of Financial Performance For The Year Ended 30 June 2024	1
15.	Statement of Financial Position As At 30th June 2024	2
16.	Statement of Changes in Net Asset For The Year Ended 30 June 2024.....	3
17.	Statement of Cash Flows For The Year Ended 30 June 2024.....	4
18.	Statement of Comparison of Budget Actual Amounts for the Year Ended 30th June 2024	5
19.	Notes to the Financial Statements	6
20.	Appendices	34

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	: Board Of Governors
TVET	: Technical And Vocational Education And Training.
GTTI	: Godoma Technical And Training Institute.
HRM	: Human Resource Management
JKUAT	: Jomo Kenyatta University Of Agriculture And Technology.
KUCCPS	: Kenya Universities And Colleges Central Placement Service.
HOD	: Head Of Department.
AFDB	: African Development Bank Group.
PSC	: Public Service Commission
NITA	: National Industrial Training Authority.
KNEC	: Kenya National Examination Council.
CBET	: Competency Based Education And Training

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Entity Information and Management

a. Background Information

Godoma Technical Training Institute is the first TVET institution in Kilifi County. The institute was established under the TVET Act, 2013 and had its first intake in 2016. The institute is a major pillar in the realization of the vision 2030 in providing skilled manpower to the growing economy of the republic. GTTI is a leading technical institute in the vast Kilifi County, located in the serene suburbs of Kilifi town bordering Arabuko Sokoke forest.

The locals take pride in the institute, enhancing peaceful coexistence. The institution has modern workshops and labs with state of the art equipment

b. Principal Activities

The principal activity of the Institute is the provision of technical, vocational, entrepreneurship training and research.

Vision

A Centre of Excellence in Technical Training, Research and Business Incubation

Mission

To produce quality technical and entrepreneurial skills and competencies to satisfy the middle level manpower needs of the local and international market through hands on training and research.

Core Values

1. Respect
2. Quality
3. Excellence
4. Integrity
5. Discipline
6. Teamwork

(c) Key Management

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

- Board of Governors
- Principal
- management

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

Key Entity Information and Management (Continued)
(c) Fiduciary Management

The following key management personnel held office during the financial year ended 30th June 2024 and had direct fiduciary responsibility:

No.	Designation	Name
1.	Principal	Hafsa Seif Mohammed
2.	Deputy Principal Academics	Musee Mutua
3.	Deputy Principal Finance	Festus Mugogo
4.	Ag. Registrar	Phedinke Mambori
5.	Ag. Dean of Students	Franco Mwangala
6.	Head of Finance	CPA Joseph Muema David
7.	Head of Procurement	Leonard Nyamawi Mwamuye

(d) Fiduciary Oversight Arrangements

- Finance Committee
- Academic Committee
- Audit and Risk Committee

(e) Entity Headquarters

Godoma Technical Training Institute
P.O. Box 1808 - 80108
Off Malindi Road along Arabuko Forest
Kilifi, Kenya

(f) Entity Contacts

Telephone :(254) 720972699
E-mail:godomatti.gtti@gmail.com
Website: www.godomatti.ac.ke

(g) Entity Bankers

Kenya Commercial Bank
Kilifi Branch
P.O. Box 528, 80108.
Kilifi, Kenya.

K Entity Information and Management (Continued)

(h) Independent Auditors



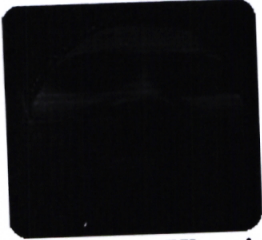


Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser



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

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024



3.The Council/Board of Governors



1.	 <p>Mr. Jillo Kasse Chairman of the Board</p>	<p>Mr. Jillo Kasse was appointed as Chairman of GTTI Board on 9th February 2022. He is currently Pursuing PHD at Jomo Kenyatta University of Agriculture & Technology. He has a Masters in HRM from Jomo Kenyatta University of Agriculture & Technology, Higher Diploma from Institute Of Human Resources Nairobi, Diploma in Business Management from College of Professional Management UK and Bachelor of Arts from Kenyatta University Nairobi. To date he has over 15 years of working experience and was born in 1964.</p>
2.	 <p>Mr. Kalandar Kamalkhan</p>	<p>Mr. Kalandar Kamalkhan joined the board for the first time on 5th October 2018. He was reappointed on 9th February 2022. He holds a master's degree in Infrastructure planning from the University of Stuttgart (Germany), post graduate diploma in housing Studies from the institute of housing studies, Rotterdam, Netherlands, and Bachelor of Architecture Degree from the University of Nairobi. To date he has 32 years of working experience and was born in 1964.</p>
3.	 <p>Mrs. Fatma Khamis Ali</p>	<p>Mrs. Fatma Khamis Ali joined the board on 9th February 2022. She is an effective team worker with administrative and supervisory experience, a diligent, creative and enthusiastic professional who is looking forward to a more challenging role. She has a MSc in Information System from Nairobi University coupled with ISO 9001:2015 QMS Lead Auditor. To date she has 15 years of working experience and was born in 1979.</p>
4.	 <p>Mrs. Rehema Athman Wampy</p>	<p>Mrs. Rehema Athman Wampy joined the board on 9th February 2022. A highly personable, competent, and team spirited professional with over 5 years of experience in Lecturing, and Administration. She holds a Master's Degree in Computer Science from American University in London, Bachelor's degree in computer Science from Islamic University - Uganda. She was born in 1979.</p>
5.	 <p>Dr. Josephine Miyonga</p>	<p>Dr. Josephine Miyonga Kilifi joined the board on 9th February 2022. She holds a PhD in Business Administration (Strategic Management) from JKUAT, Master's degree in Business Administration from JKUAT and Bachelor of Business Administration degree from Kenya Methodist University (Marketing Option). To date she has 31 years of working experience and was born in 1964</p>



GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024


6.	 Mr. Finyange Nicodemus Pole	<p>Mr. Finyange Nicodemus Pole joined the board on 9th February 2022. He is a horticulturalist who aspires to attain expertise in sustainable agriculture, product development; science and technology management, promotion of technology development and transfer, and to manage agriculture and scientific projects. He is currently a PhD Candidate at Kenyatta University, Has a MSc and BSc in Agriculture & Rural Development from Kenya Methodist University. Born in 1965 he has more than 25 years of working Experience</p>
7.	 Mr. Mwangandi Kalume Kiponda	<p>Mr. Mwangandi Kalume Kiponda joined the board on 9th February 2022. Currently MSc Candidate in Applied Statistics at Technical University of Mombasa. He has a BSc in Statistics and Programming from Kenyatta University. Born in 1988 with 7 years of working Experience in Programming, Data Management and Analysis in Stata and R; data entry, cleaning, preliminary analysis, and Presentation in R using the R-Studio Integrated Development Environment (IDE).</p>

4. Key Management Team

<p>1.</p>	 <p>Mrs. Hafsa Seif Mohammed Principal Mrs. Hafsa Seif Mohammed has served as Principal of Godoma Technical Training Institute since August 2015. She holds a bachelor's in business management from Moi University, a Diploma in technical education from Kenya Teachers College and typist certificate from Government Secretarial College. Prior to her appointment, She served as Department head and registrar at Kenya Coast National Polytechnic. She has also worked at Rift Valley Technical Training Institute and office of the President. To date he has 28 years of working experience and was born in 1966.</p>	<p>Principal's Duties & Responsibilities:</p> <ul style="list-style-type: none"> • Setting performance objectives for trainers and trainees • Implementing and monitoring school policies and safety protocols • Over viewing administrative tasks e.g. updating employee records • Oversee day-to-day school operations • Manage institute logistics and budgets • Set learning goals for trainees and trainers based on national curricula • Monitor and report on trainers performance • Present data from Institute performance to board members • Research new resources and techniques to improve training • Interview and hire institute personnel • Review and implement institute policies • Provide guidance and counselling to trainers • Handle emergencies and institute crises • Organize institute events and assemblies • Ensure a safe and clean environment for trainees (e.g. implementing hygiene rules) • Attend conferences to gain knowledge on current educational trends
<p>2.</p>	 <p>Mr. Musee Mutua Deputy Principal Academics Mr. Musee Muta has served as Deputy Principal Godoma Technical Training Institute since May 2022. He holds a bachelor's degree of Education (Bachelor of Education Arts), He served as H.O.D, Secretary Senior management committee, and Chairman resolution and complaint handling committee. To date he has 22 years of working experience and was born in 1973.</p>	<p>Deputy Principal Academics Affairs Responsibilities:</p> <ul style="list-style-type: none"> • Teaching the subject of specialization. • Ensuring that students are adequately prepared registered and presented for the National Examinations in accordance to the Kenya National Examination Council Regulations and other examining bodies. • Identifying the appropriate curriculum for the institution. • Ensuring that examinations and assessments are carried out and that proper scheduling of training programmes are implemented. • Supervision of all training programmes in the institution. • Supervising trainers and other institutional employees.

<p>3.</p>	 <p>M Festus Mugogo Deputy Principal Finance</p> <p>M Festus Mugogo has served as Ag. Deputy Planning, Administration and Finance of Godoma Technical Training Institute since January 2020. He holds a bachelor's degree of Computer Science from Pwani University; He also holds a Post Graduate Diploma in Customs Administration and Post graduate in Technical Education. Prior to his appointment, He served as Technician in Mombasa Technical Training Institute. To date he has 5 years of working experience and was born in 1992.</p>	<p>Deputy Principal Finance Duties</p> <ul style="list-style-type: none"> • Teaching the subject of specialization. • Planning, organizing and monitoring of all the administration activities • Ensure instructional materials are sourced, available and utilized by the trainers and trainees. • Coordinate staff appraisal. • Maintenance and safety of equipment • Networking with other departments on teaching and extra-curricular activities • Preparation of departmental timetable • Submission of quarterly performance reports as and when required • Validation of data for continuing KUCCPS trainees to gain capitation • Maintaining of proper records of trainers and trainees • Record-keeping of fees paid per trainee and follow up of owing balances. • Make prior arrangements for attachment when due
<p>4.</p>	 <p>M Phedinke Mambori Ag Registrar</p> <p>M Phedinke Mambori has served as Head of Department of Godoma Technical Training Institute since May 2020. Currently she is the Ag. Registrar. She holds a Bachelor of Education (Technology Education – Computer Studies) from University of Eldoret. To date she has 7 years of working experience and was born in 1991.</p>	<p>Registrar Duties & Responsibilities:</p> <ul style="list-style-type: none"> • Teaching the subject of specialization. • Maintenance of students' academic records. • Coordination of promotion of all academic programmes. • Coordination of verification of graduation data. • Coordination of certification of graduating students. • Preparation and monitoring of departmental annual budget. • Supervision and guidance of BOG staff. • Overall supervision and guidance • Secretary to the heads of departments' committee meetings. • Performing any other relevant duty assigned by the Head of the Institution

<p>5.</p>	 <p>Mr. Franco Mwangala Ag. Dean of Students Mr. Franco Mwangala has served as Ag. Dean of students of Godoma Technical Training Institute since January 2020. He holds a bachelor's degree of Computer Science from Kenyatta University. Prior to his appointment, He served as branch Manager Mombasa Quality Inspectors Ltd. To date he has 7 years of working experience and was born in 1984.</p>	<p>Dean Duties & Responsibilities:</p> <ul style="list-style-type: none"> • Teaching the subject of specialization. • General guidance and counselling of students • Formulation and review of policies and guidelines directly related to students e.g. Students governing council. • Overseeing the welfare of students. • Students discipline monitoring. • Issuance of students ID cards to bonfide students. • Budgeting for activities that involve students. • Registration and monitoring clubs and societies. • Election and running of students Government. • Application and scrutiny of HELB loans and bursaries. • Addressing public grievances (ombudsman). • Resolution of students conflicts, grievances and complaints. • Advising Principal on decisions and social clubs and societies.
<p>6</p>	 <p>CPA Joseph Muema Finance Officer Mr. CPA Joseph Muema David joined the Institute in October 2020. He holds a Certified Public Accountancy Part I, II and III, (CPA-K) from Vision Institute of Professional and Star Institute of Professional Studies respectively. Currently, he is perusing a Bachelor's degree of Commerce (B.Com) at Mount Kenya University. He worked as an assistant accountant at Bandari Sacco and Yalfa Enterprise Limited. To date he has 7 years of working experience and was born in 1990.</p>	<p>Finance Officer Duties & Responsibilities:</p> <ul style="list-style-type: none"> • Prepare final accounts that reflect true and fair view of the financial position of the institution to ensure compliance with the statutory requirements. • Ensure proper interpretation and implementation of financial regulations and procedures, government circulars, letters and instructional to comply with statutory requirement. • Review funds disbursement requests from department heads, and approve as appropriate. • Advise the institution management on all financial matters. • Oversee preparation and submission of statutory reports. • Develop the institution budget. • Maintain inventory of all bank accounts to monitor the liquidity status of the institution. • Ensure availability of funds for day to day activities for efficient and effective running of the institution. • Sign cheques and vouchers within the

		required/set threshold for prudent and timely execution to enhance smooth running of the institution's operations
7	 <p>Mr. Leonard Nyamawi Procurement Officer</p> <p>Mr. Leonard Nyamawi holds a B.com in Procurement Supply Chain management from the University of Nairobi, Currently pursuing MSc. in Procurement & Logistics from Jomo Kenyatta University of Agriculture and Technology and a certificate in accounting packages. He previously worked at Barclays Bank of Kenya, Kenya Ferry services and County Government of Mombasa in the Procurement and Supplies departments.</p> <p>Mr. Nyamawi has 7 years of working experience and was employed in 1984.</p>	<p>Procurement Officer Duties and Responsibilities:</p> <ul style="list-style-type: none"> • Develop and implement the institution procurement strategy to ensure timely procurement of goods and services • Present procurement reports to the management to ensure proper recommendations on the gaps identified • Coordinate and monitor the implementation of the board procurement recommendations to ensure the implementation meets the set timelines and is compliant with Public Procurement Act and Regulations • Coordinate the preparation of the procurement work plan to ensure the timely delivery of goods and services • Coordinate timely preparation of the institution procurement budget to ensure sufficient resources are allocated for the implementation of the procurement plan. • Ensure proper maintenance of records and documents for easy retrieval of information when required.

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

5. Chairman's Statement

Introduction

Godoma Technical Training Institute was initiated by the Government of Kenya as an AfDB project through the Ministry of Education in Ganze Sub-county of Kilifi County. The institute vision is to be "A Centre of Excellence in Technical Training, Research and Business Incubation".

The institute Phase I (built as a department of Electrical) has seven modern classrooms and two Electrical Engineering workshops with state of the art electrical equipment. Phase II was built as a department of Building and Civil Engineering having four workshops, four labs and four classrooms with state of the art equipment.

A new Board was appointed and has formed the committees named below, chaired as follows:

- i. Finance and Human Resource Committee – Dr. Kalandar Kamalkhan
- ii. Academic Committee – Dr. Josephine Kilifi
- iii. Audit and Risk Committee – Mwagandi Kiponda

The Board commits to produce competent market-oriented trainees and to nurture talents exhibited by the trainees.

Construction of Phase II as a department of Building and Civil Engineering with state-of-the art equipment .The enrolment is upto 1,500 trainees. The Institute offers courses in both technical and business areas at different levels. CBET and NITA courses have been rolled out to impact skills to trainees to give the required manpower for delivery of the Big Four Agenda as stipulated by the Government of Kenya.

The Institute receives capitation from the Ministry of Education, collects fees from sponsors (such as the National Youth Service, GIZ, KCBF) and self-sponsored students and HELB is awarded to trainees who apply and fulfils the requirements. A total of 26 Public Service Commission trainers and almost 30 trainers are employed on contract and part-time (as need arise). This results in heavy financial pressure in paying of huge salaries to the BOG employees.

Challenges facing the Institute

Godoma Technical Training Institute is experiencing the following challenges:

- i) Transport for students and staff – the Institute does not have a bus to ferry students or staff especially during activities such as drama and music, sports and games. If assisted to acquire a bus, it would also serve as a marketing tool to help us boost our enrolment. A 62-passenger capacity bus will also enhance in income generation.
- ii) Lack of accommodation facilities.
- iii) Insufficient PSC Trainers
- iv) Constrained funds to pay salaries of BOG staff and other expenses such as the pending bill of audit fee.

We look forward to producing quality and competent technical trainees equipped with entrepreneurial skills to satisfy manpower needs of the local and international market through training and research.

Thank you.


.....
JILLO KASSE
CHAIRMAN BOARD OF GOVERNORS

Date..... 14/4/2028

6. Report of the Principal

Key activities during the year

The Godoma Technical Training institute officially enrolled trainees in the year 2016. The institution was registered by the TVET Authority to offer a variety of courses in various departments. The key activities during the 2021/2022 Financial Year were as follows:

1 Appointment of Board of Governors

The institute has had third Board who were appointed on 9th February 2022 comprising of (Nine) 7 members, having the BoG secretary (Principal) and the Regional Coordinator.

2 Training Activities

- NEC, NITA Examinations
- Industrial Attachment/Placement and supervision of trainees.
- Educational tours for trainees in various departments such as Electrical, ICT and Hospitality which includes both Food & Beverage and Tourism sections.
- Participation in TVET fairs both regional and national levels
- Participation in extracurricular activities i.e. sports and games, music and drama.

3 Staffing and staff development

The Institute has 17 teaching staff deployed by PSC trainers and 19 BOG trainers. There are 27 non-teaching staff and 10 support staff. Cleaning and security services are outsourced.

We managed to send eight (8) staff for training during the year to improve in their performance.

4 Success Consolidated

Extra curricular activities

Examinations for both internal and external students were successfully administered.

Training of students.

The Institute has the following academic departments:

- Electrical and Electronics Engineering,
- ICT
- Business Studies.
- Building & Civil Engineering
- Hospitality and Tourism

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

REPORT OF THE PRINCIPAL (CONTINUED)

5 Challenges

The management has faced a number of challenges.
Some of which are explained as follows: -

- Shortage of trainers in Building and Civil Engineering.
- Shortage of trainers in electrical department.
- The Business Department has been handled fully by trainers hired by the(BOG)
- Insecurity due to lack of CCTV
- Lack of Hostel facilities
- The Institute lacks an Institute bus
- Constrained Finances due to huge wage and salary bills

Future outlook of the organization

- The Public Service Commission intends to hire technical trainers. We are optimistic that Godoma TTI will get more PSC trainers hence minimize the huge wage bills in the next Financial Year.
- The institute has intentions of installing CCTV cameras to beef security at the institute.
- The institute has embarked on an intensive market campaign at the same time seeking for more sponsorship for needy students.
- Expanded on Linkages with industries for attachment placement and exposure of our trainees.

Thank you.

MR. LIDIGU SABASTIAN
CHIEF PRINCIPAL



Sign.....*[Signature]*..... Date.....*14/4/25*.....

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

7. Statement of Performance against Predetermined Objectives

The Institution recorded a surplus of ksh. 18.8million being an increase of ksh.17.6million from 1.2 million reported in 2023. Refer to the statement of financial performance for the year ended June 2024.

8. Corporate Governance Statement

Godoma Technical Training Institute is committed to the values and principles of good corporate governance as an integral part of corporate culture and guides the manner in which the Board, management, staff and trainees conduct the business of the organization. As a public-sector organization dedicated to providing quality service to its stake holders, the Institution decisions are guided by the core tenets prescribed in the public Officers Ethics Act, The leadership and Integrity Act, The Authorities Code of Conduct, corporate Governance guidelines Board and Board Committee Charters. The Institution endeavors to develop, strengthen and sustain the trust that the Government, employees, trainees and public has placed in it. The board is committed to regularly evaluate the national and international emerging standards in responsible, transparent, and efficient management with a view of enhancing corporate governance at the Institution and consistently deliver on its statutory mandate.

Role of the Board of Governors

The primary function of the Board of Governors (The Board) is to provide effective strategic leadership and direction to enhance the long-term achievement of Godoma Technical Training Institute strategic plan. The strategic plan overall objective is to enhance the achievement of the institution's objectives on priority basis and in line with the policies of the Ministry of Education, the Vision 2030 and the big 4 agenda of the government.

The Board Size, Composition, and Independence

The Board consists of 8 members excluding the Regional Director and Principal. The Board composition draws a good mix of skills, experience, and proficiencies in various fields, their biographies as shown on pages 5 to 7.

Board Remunerations

The non-executive Board members are paid sitting allowances for every meeting attended. Director's fees are paid to non-executive Board members who are not representing any Government institution.

The Board has three committees that are constituted as follows:

Name of the Committee	Members
Finance and HR Committee	Dr. Kalandar Kamalkhan Mr. Peter Mwangi Mrs. Rehema Wampy
Academics Committee	Dr. Josephine Kilifi Mr. Finyange Pole Mrs. Fatma Khamis
Audit and Risk Committee	Mr. Mwangadi Kiponda Mr. Finyange Pole Mrs. Fatma Khamis

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

9. Management Discussion and Analysis

Section I: Operation and Financial

Performance

Godoma Technical Training Institute is a public institution which relies on government funding through capitation and fees paid by students. This makes it a non-profit making organization. Due to reduced GoK grants the organization has not been able to accomplish its projected activities in its budget hence having projects and other activities notable be finished in the stipulated time in the contracts.

Section II: Compliance with the statutory Requirements

Godoma Technical Training Institute complies with the statutory obligations and remittance of the statutory deduction; NHIF, NSSF, HOUSING LEVY, NITA and PAYE as required by the law

Section III: Projects undertaken

The key projects that Godoma TTI undertook are listed below and their source of funding

- i) Magarini TTI funded by the Ministry of Education
- ii) Rabai TTI which was under the equalization fund core funded by the MoE and the NG-CDF of the Rabai constituency
- iii) Phase (iii) funded by the Ministry Of Education

Section IV: Financial and Management Risks

Major risks that are facing the institution include.

- Inadequate funding by the Ministry of education on capitation/operation and development grant
- Delayed funding
- Poor fees payment
- Delays in paying suppliers due to late funding
- Shortage of staff

Due to the above factors the institute is facing serious challenges in meeting its operations obligation fully resulting to pressure from creditors.

10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

Godoma Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer and Citizen first, delivering relevant goods and services, and improving operational excellence.

Below is a highlight of strategies and activities that promote the organization's strategic objectives.

- Installation of gutters to collect rain water to supplement the fresh piped water from KIMAWASCO which is charged highly in order to cut the operation cost. The organisation had projected in its budget to construct a water treatment plant to recycle the waste water to supplement the fresh piped water in order to reduce the operation cost as well as provide an alternative source of water for other activities in the institute.
- Planting of trees to prevent erosion as our land topology is sloppy which in turn gives us a better look as the cover of the trees serves as beautification as well as to curb global warming
- We use solar panels in our phase II as a source of power which reduces cost of operation as well as utilization of available resources
- Increase enrolment.

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

11. 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, 2024 which show the state of the Institute affairs.

Principal activity

The principal activity of the institute is the provision of technical, vocational, entrepreneurship training and research

Results

The results of the institute for the year ended June 30, 2024 are set out on page 1.

Members of the institute board

The Members of the Institute board who served during the year are shown on page v to vi.

Auditors

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

By Order of the Board

Mrs. LIDIGU SABASTIAN
Secretary, Board of Governors



Date: 14/4/2025

12. Statement of Board of Governors/ Council’s Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - require the council members to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of the entity for that year/period. The council members are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the institute. The council members are also responsible for safeguarding the assets of the entity.

The council members are responsible for the preparation and presentation of the entity’s financial statements, which give a true and fair view of the state of affairs of the entity for the end of the financial year (period) ended on June 30, 2024. 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 Institute; (v) selecting and applying appropriate accounting policies and (vi) making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for the Institutes’ 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 State Corporations Act, and the TVET Act. The council members are of the opinion that the institute financial statements give a true and fair view of the state of Institute transactions during the financial year ended June 30, 2024, and of the Institute’s financial position at that date. The council members further confirm the completeness of the accounting records maintained for the Institute, 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 Institute 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 Institute’s financial statements were approved by the board _____ and signed on its behalf by:

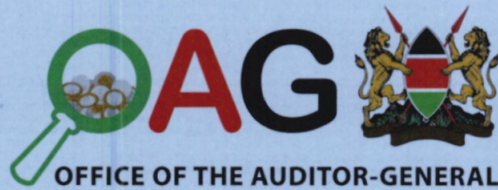
Signature

Jillo K... - Chairman of the Board

Signature _____ and

Lidigu Sabastian – chief Principal

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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REPORT OF THE AUDITOR-GENERAL ON GODOMA TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2024 – KILIFI COUNTY

PREAMBLE

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

- A. Report on 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Godoma Technical Training Institute set out on pages 1 to 33, which comprise the statement of financial position as

Report of the Auditor-General on Godoma Technical Training Institute for the year ended 30 June, 2024 – Kilifi County

at 30 June, 2024 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 Godoma Technical Training Institute as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Unsupported Revenue from Other Incomes

The statement of financial performance reflects other incomes amount of Ksh.5,002,940 as disclosed in Note 8 to the financial statements. However, the approved fees and charges that forms the basis of revenue billing from other incomes was not provided.

In the circumstances, the accuracy and completeness of revenue from other incomes amount of Kshs.5,002,940 could not be confirmed.

2. Accounts Receivables

2.1 Unsupported Receivables from Exchange Transactions

The statement of financial position reflects a balance of Kshs.55,734,113 in respect of current portion of receivables from exchange transactions as disclosed in Note 16(a) to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

2.2 Long Outstanding Receivables

The statement of financial position reflects a balance of Kshs.55,734,113 in respect of current portion of receivables from exchange transactions as disclosed in Note 16(a) to the financial statements. The balance includes long outstanding receivables of Kshs.41,800,584 out of which Kshs.3,933,528 have remained unpaid for over three (3) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.55,734,113 could not be confirmed.

3. Unsupported Expenditure

The statement of financial performance reflects expenditure which was not supported as per the following observations:

3.1 Use of Goods and Services

The statement of financial performance reflects use of goods and services expenditure amount of Kshs.34,393,530 as disclosed in Note 9 to the financial statements. The amount includes Kshs.15,658,130 incurred on boarding and accommodation expenses out of which Kshs.2,536,700 was not supported with a lease agreement/contract and Kshs.3,120,048 was not supported by user requisitions, local purchase orders, delivery notes, inspection reports, goods received notes and certificate of payments.

3.2 Repairs and Maintenance

The statement of financial performance reflects repair and maintenance expenditure of Kshs.12,35,435 as disclosed in Note 13 to the financial statements out of which payment vouchers in support of Kshs.4,070,647 were not provided for audit.

In the circumstances, the regularity, accuracy and completeness of the use of goods and services expenditure of Kshs.15,658,130 and repairs and maintenance expenditure of Kshs.12,35,435 could not be confirmed.

4. Unsupported Balances

4.1 Inventory Balance

The statement of financial position reflects inventories balance of Kshs.3,348,777 as disclosed in Note 18 to the financial statements. However, the balance was not supported with inventory listing and stock taking reports.

4.2 Intangible Assets Balance

The statement of financial position reflects intangible assets balance of Kshs.763,290 as disclosed in Note 20 to the financial statements in respect of Enterprise Resource Planning (ERP) system. The balance includes additions for the year of Kshs.227,170 whose procurement file and contract agreement were not provided for audit.

In the circumstances, the accuracy and completeness of the inventory balance of Kshs.3,348,777 and intangible assets balance of Kshs.763,290 could not be confirmed.

5. Inaccuracies in the Financial Statements

Review of the annual report and financial statements revealed the following:

- i. Some components in the financial statements reflects comparative amounts which differed with the prior year audited financial statements amounts as tabulated below:

Component	Note	Financial Statement Opening Balance (Kshs)	Prior year Audited Balance (Kshs)	Variance (Kshs)
(a) Statement of Financial Position				
Property, plant and equipment	19	401,441,095	400,016,845	1,424,250
Total net assets and liabilities		437,799,713	436,375,453	1,424,260
(b) Statement of Changes in Net Assets				
Capital Grants at June 30, 2023		339,547,197	339,574,187	26,990
(c) Statement of Cashflows				
Cash and cash equivalents at 1 July		7,935,145	11,763,298	3,828,153

- ii. The statement of financial performance and the statement of financial position reflects amounts which vary with corresponding ledger amounts as detailed below:

Component	Source Note	Financial Statement Amount	Ledger Amount	Variance
		Kshs	Kshs	Kshs
Accommodation	7	17,011,951	19,851,451	2,839,500
TVETA Fees	7	84,500	83,500	1,000
Boarding and accommodation	9	15,658,130	15,730,730	72,600
Learning materials	14	1,759,720	1,937,437	177,717
Electrical and electronic department	14	2,248,700	2,250,500	1,800
Trade creditors	22	3,014,053	3,052,225	38,172

- iii. The statement of financial performance reflects rendering of services -fees from students revenue amount of Kshs.79,167,257 that differs with recomputed Note 7 to the financial statements amount of Kshs.76,327,757 resulting in unreconciled variance of Kshs.2,839,500.
- iv. The statement of financial position reflects property, plant and equipment balance of Kshs.399,566,624 which differed with recomputed Note 19 to the financial statements balance of Kshs.460,610,851 resulting in a variance of Kshs.61,044,227 attributed to the recalculated cost or valuation balance of Kshs.476,711,150 as at 30 June, 2024 which has instead been wrongly reflected as Kshs.537,755,377.
- v. The statement of cash flows reflects total payments of Kshs.114,243,617 which differ with the recomputed amount of Kshs.100,928,738 resulting in unreconciled variance of Kshs.13,314,879.

vi. The statement of cash flows reflects purchase of property, plant and equipment and intangible assets of Kshs.17,541,208 which differs with Note 19 and 20 to the financial statements additions of Kshs.17,380,475 and Kshs.3,783,570 all totalling Kshs.21,164,045 resulting in unreconciled variance of Kshs.3,783,570.

vii. The statement of comparison of budget and actual amount reflects remuneration of board of governors' performance difference of Kshs.2,273,900 which differ with the recomputed amount Kshs.1,273,900 resulting in unreconciled variance of Kshs.1,000,000. The statement also reflects total expenditure performance difference amount of Kshs.13,781,285 which differed with the recomputed amount of Kshs.16,620,858 resulting in unreconciled variance of Kshs.2,839,573.

The statement of changes in net assets reflects total net assets opening and closing balance of Kshs.436,402,463 and Kshs.455,975,018 respectively that differ with recomputed balance of Kshs.437,826,713 and Kshs.457,408,268 resulting in unreconciled variances of Kshs.1,424,250 and Kshs.1,433,250 respectively. Further, the statements reflect total surplus/deficit for the year of Kshs.19,572,555 that differ with the actual amount of Kshs.19,581,555 resulting in unreconciled variance of Kshs.9,000.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section. There were no audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management had not resolved the issues as at 30 June, 2024 or given any explanations. In addition, the Appendix for Progress on Follow-up of Auditor's Recommendations is omitted from these financial statements, contrary the Public Sector Accounting Standards Board reporting template.

Other Information

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

In connection with my audit on the Institute's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that other information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

1. Irregular Expenditure on Fuel

The statement of financial performance reflects general expenses amount of Kshs.35,387,956 and Note 14 to the financial statement. Included in this amount is Kshs.2,614,943 which relates to cash purchase of fuel contrary to Section 107 of the Public Procurement and Assets Disposal Act, 2015 which states that a procuring entity may use a low-value procurement procedure if the entity is procuring low value items which are not procured on a regular or frequent basis and are not covered in framework agreement and that the estimated value of the goods, works or non-consultancy services being procured are less than or equal to the maximum value per financial year for that low-value procurement procedure whose maximum level of expenditure under this method is Kshs.50,000 per item per financial year.

In the circumstances, the value for money could not be confirmed and Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Irregular Composition of Board of Governors

Review of the annual report and the financial statements revealed that the College had constituted the Board of Governors composed of seven (7) members. However, none of these members had the necessary qualifications and expertise in financial management. In addition, the Board did not include persons with disabilities as a member contrary to the requirements of the Second schedule of the Technical and Vocational Education and Training Act, 2013 on membership and governance procedures for Boards of Governors for training institutions.

In the circumstances, the effectiveness of the Governance practices within the Institute could not be confirmed.

2. Lack of Internal Audit Function and Audit Committee

During the year under review, the College had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which require the internal audit unit of a National Government entity to assess effectiveness of the College through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the College did not benefit from the oversight role and advice from the audit committee and the internal audit function.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 June 2025

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

14. Statement of Financial Performance For The Year Ended 30 June 2024

Revenue from Non-Exchange transactions				
Transfers from other National Government entities	6	9,338,500	11,306,000.00	
Unconditional Grants(development)		40,316,475		
		49,654,975	11,306,000.00	
Revenue from Exchange transactions				
Rendering of services- fees from students	7	79,167,257	54,312,932	
Other income	8	5,002,940	1,065,618	
		84,170,197	55,378,550	
Total Revenue		133,825,172	66,684,550	
Expenses				
Use of goods and services	9	34,393,530	20,463,175	
Employee costs	10	15,387,917	10,733,011	
Board /Council Expenses	11	2,773,900	2,454,333	
Depreciation and amortization expense	12	13,314,879	13,108,013	
Repairs and maintenance	13	12,985,435	7,443,659	
General expenses	14	35,387,956	13,498,509	
Total Expenses		114,243,617	67,700,700	
Net surplus (deficit) for the year		19,581,555	(1,016,150)	

The notes set out on pages 6 to 34 form an integral part of the Annual Financial Statements.

The Financial Statements set out on pages 1 to 34 were signed on behalf of the Institute Board of Governors by:

.....
Chairman of Council/Board

.....
Principal

.....
Finance officer
ICPAK No 33,319

Date 14/4/2025

Date 14/4/2025

Date 14/4/2025

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Financial Position As At 30th June 2024

Statement of Financial Position As At 30th June 2024			
Assets			
Current Assets			
Cash and cash equivalents	15	4,821,704	3,550,369
Current portion of receivables from exchange transactions	16(a)	55,734,113	41,555,534
Receivables from non-exchange transactions	17	0	
Inventories	18	3,348,777	3,062,060
Total Current Assets		63,904,594	48,167,963
Non-Current Assets			
Long term receivables from exchange transactions	16(b)	0	10,533,105
Property, plant, and equipment	19	399,566,624	401,441,095
Intangible assets	20	763,290	1,247,400
Total Non-Current Assets		400,329,914	413,221,600
Total Assets		464,234,508	461,389,563
Liabilities			
Current Liabilities			
Payables from non-exchange transactions	21	4,775,507	5,631,814
Trade and other payables from exchange transactions	22	3,147,983	13,166,046
Refundable deposits from customers	23	354,000	292,000
Restricted funds		0	4,500,000
Total Current Liabilities		8,277,490	23,589,860
Net Assets		455,957,018	437,799,703
Prior adjustment	24	0	1,424,250
Capital Fund		339,547,197	339,547,197
Accumulated surplus		116,409,821	96,828,266
Total Net Assets and Liabilities		455,957,018	437,799,713

The Financial Statements set out on pages 1 to 30 were signed on behalf of the Institute Board of Governors.

.....
Chairman of Council/Board

Date: 14/4/2025

.....
PRINCIPAL

Date: 14/4/2025

.....
FINANCE OFFICER
ICPAK NO 33,319
Date: 14/4/2025

16. Statement of Changes in Net Asset For The Year Ended 30 June 2024

At July 1, 2022	0	97,844,417	339,574,197	437,418,614
Revaluation gain	0	0	0	0
Surplus/(deficit) for the year	0	-1,016,151		-1,016,151
Prior adjustment				1,424,250
Capital grants received during the year	0	0	0	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	0	0	0	0
At June 30, 2023	0	96,828,266	339,547,197	436,402,463
At July 1, 2023	0	96,828,266	339,547,197	436,402,463
Revaluation gain	0	0	0	0
Surplus/(deficit) for the year	0	19,581,555		19,572,555
Capital grants received during the year	0	0	0	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	0	0	0	-
At June 30, 2024	0	116,409,821	339,547,197	455,975,018

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

17. Statement of Cash Flows For The Year Ended 30 June 2024

Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		9,338,500	11,306,000.00
Grants from donors and development partners		40,316,475	0
Transfers from other levels of government		0	
Public contributions and donations		0	
Rendering of services- fees from students		79,167,257	54,312,932
Sale of goods		5,002,940	1,065,618
Rental revenue from facilities and equipment		0	
Finance income		0	
Miscellaneous income		0	
Total Receipts		133,825,172	66,684,550
Payments			
Use of goods and services		34,393,530	20,463,175
Employee costs		15,387,917	10,733,011
Board /Council Expenses		2,773,900	2,454,333
Repairs and maintenance		12,985,435	7,443,659
General expenses		35,387,956	13,498,509
Grants and subsidies		0	0
Total Payments		114,243,617	67,700,700
Net Cash Flows from operating activities		19,581,555	- 1,016,150
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(17,541,208)	(3,368,626)
Proceeds from sale of property, plant and equipment		0	0
Net cash flows used in investing activities		(17,541,208)	(3,368,626)
Cash flows from financing activities			
Proceeds From Borrowing		0	0
Repayment Of Borrowings		0	0
Net cash flows used in financing activities		0	0
Net Increase/(Decrease) in Cash and Cash equivalents		1,271,335	-4,384,776
Cash and Cash equivalents at 1 JULY		3,550,369	7,935,145
Cash and Cash equivalents at 30 JUNE		4,821,704	3,550,369

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

18. Statement of Comparison of Budget Actual Amounts for the Year Ended 30th June 2024

Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Rendering of services - fees from students	77,608,060		77,608,060	79,167,257	-1,559,197	2%
Government grants and subsidies	15,000,000		15,000,000	9,338,500	5,661,500	38%
Development(conditional grants)	17,320,889		17,320,889	40,316,475	-22,995,586	132%
Other income	5,771,000		5,771,000	5,002,940	768,060	13.3%
Total income	115,699,949		115,699,949	133,825,172	-18,125,223	4.1%
Expenses						
Compensation of employees	(13,200,000)		(13,200,000)	(15,797,915)	(2,597,915)	20%
General expenses	(31,760,700)		(31,760,700)	(35,600,273)	3,839,573	12%
Remuneration of board of governors	(1,500,000)		(1,500,000)	(2,773,900)	(2,273,900)	152%
Depreciation and amortization expense			0	(13,314,879)	(13,314,879)	
Use of goods and services	(25,400,000)		(25,400,000)	(34,466,130)	(9,066,130)	36%
Repairs and maintenance	(7,500,000)		(7,500,000)	(12,987,235)	(5,487,235)	73%
Development expenses	(36,339,249)		(36,339,249)	(17,380,475)	18,958,774	
Total expenditure	115,699,949		115,699,949	(132,320,807)	(13,781,285)	12%
Surplus for the period				1,504,3650		
Notes:						
a) There was an increment of student enrolment during the year.						
b) There was a short fall in capitation received from the government.						
c) The difference between budget and actual expenditure is attributed low level of activities during the year						
d).						

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

19. Notes to the Financial Statements

1. GENERAL INFORMATION

Godoma Technical Training Institute is established by and derives its authority and accountability from The Technical and Vocational Education and Training Act, 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is the provision of technical, vocational, entrepreneurship training and research.

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 judgment in the process of applying the entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

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

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.

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.**
- ii. There are no new standards in the year ended 30th June 2024**
- iii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.**

<p>IPSAS 43: Leases</p>		<p>Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Assets and</p>	<p>Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45: Property, Plant and Equipment</p>	<p>Property and Equipment</p>	<p>Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>		<p>Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026 This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p>Applicable 1st January 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iv. Early adoption of standards

The entity did not early-adopted any new or amended standards in year 2024

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

Dividend payments

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

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on 2 APRIL 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of xxx on the FY 2023/2024 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page xx under section xxx of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule of the financial statements..

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

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 at the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as an expense 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.

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial Assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

k) Provisions

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

Contingent assets

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

l) Social benefits

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

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

m) Nature and purpose of reserves

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

n) 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.

o) 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.

p) 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.

q) 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.

r) 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 Principal and senior managers.

s) 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.

t) 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.

u) Comparative figures

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

v) 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, 2024.

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

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

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

Provisions

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

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

GODOLU TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

6. Transfers from other National Government entities

Unconditional Grants			
Operational Grant	9,338,500		11,306,000
Conditional Development grants	40,316,475		
Total Conditional Grants			
Total Government Grants	49,654,975		11,306,000

7. Rendering of Services

Tuition fees	31,601,794	17,623,147
Activities fees	1,279,643	851,040
Examination Fees	8,264,702	4,989,661
Registration Fees	421,800	397,300
Caution fee	108,000	167,000
Student ID Card	84,600	0
Student Council Fee	266,300	259,604
Development Fee	881,663	1,259,180
Personal Emoluments	3,340,531	2,647,737
Industrial Attachment and Medical cover	315,5000	557,220
EW&C	1,042,750	702,540
Insurance	803,800	762,300
LT&T	1,135,600	858,900
RMI	850,600	394,814
Facilities and Materials	8,797,523	7,861,423
Equipment Income		4,000
Accommodation	17,011,951	14,934,190
Hospitality		3,996
Arrears	(10,000)	6,180
Kuccps	46,500	32,500
Meals c		200
Tveta F	84,500	
Total rendering of services - fees from students	79,167,257	54,312,932
		1

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

8.SALE OF GOODS/OTHER INCOMES.

Centre Fees	12,000	20,220
Lab Coats, T-Shirts, Hire facility	607,480	77,800
Coast region athletics/TVET FAIR	2,367,500	443,100
Production Unit Income	2,015,960	404,910
Bank debit reversals		119,588
Total other income	5,002,940	1,065,618

9.USE OF GOODS AND SERVICES

Electricity, water and conservancy	2,559,329	1,943,885
Examinations expenses	6,989,565	2,606,800
Teaching Equipment & Stores	9,186,506	4,014,778
Boarding and accommodation expenses	15,658,130	11,897,712
Total use of goods and services	34,393,530	20,463,175

GODOM TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

10. Employee Costs

Salaries and wages	13,136,317	7,677,313
Social contributions	105,600	1,037,622
Staff Capacity Building- KATTI	2,146,000	2,018,076
Total employee costs	15,387,917	10,733,011

11. BOARD/COUNCIL EXPENSES

Member emoluments	2,773,900	2,454,333
Total remuneration of board of governors	2,773,900	2,454,333

12. DEPRECIATION AND AMORTIZATION EXPENSE

Property plant and equipment	12,603,599	12,396,733
Intangible assets	711,280	711,280
Total depreciation and amortization expense	13,314,879	13,108,013

13. REPAIRS AND MAINTENANCE

Repairs, maintenance, and improvements	12,985,435	7,443,659
Total repairs and maintenance	12,985,435	7,443,659

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

14.GENERAL EXPENSES

General expenses	2023-2024	2022-2023
	Kshs	Kshs
Activity expense	2,758,637	1,652,636
Computer Expenses	750,500	309,119
Contingency Expense	1,033,455	815,398
Insurance expense	1,552,322	853,834
Internet Expense	1,436,522	961,308
Learning Materials	1,759,720	31,200
Marketing - Advertisement Expense	1,776,708	234,024
Planning & Policy Development	815,377	100,300
Security	2,422,000	1,916,000
Show exhibitions	999,560	0
International Conference & Travel	384,687	222,850
Local Transport & Travelling Expense	5,158,215	1,982,854
Subscriptions	1,147,401	994,781
Covid-19 Intervention	0	0
Administration	2,299,341	412,717
Coast regional athletics/TVET Fair	1,848,928	874,565
Benchmarking	858,000	0
Electrical and electronic department	2,248,700	0
Building and civil engineering department	2,350,500	0
Cleaning and landscaping	2,726,800	1,283,649
Audit fees	0	500,000
Bank charges	158,249	47,273
Performance Contracting	902,334	306,000
Total general expenses	35,387,956	13,498,508

GODOMU TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

15. CASH AND CASH EQUIVALENTS

Current accounts			
Kenya Commercial Bank current a/c	1172676828	1,993,616	3,337,779
Kenya Commercial Bank development a/c	1175175617	2,828,088	212,590
Other			
Cash in hand			
Total cash and bank balances		4,821,704	3,550,369

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

16. RECEIVABLES FROM EXCHANGE TRANSACTIONS

16 (a) Current Receivables from Exchange transactions

Student debtors	55,734,113	41,555,534
Sundry debtors		
Total receivables from exchange transactions	55,734,113	41,555,534

16 (b) Long- term Receivables from Exchange transactions

Refundable deposits	0	0
Total non – current receivables	0	0
Total receivables	0	0

16(c) Ageing Analysis of Receivables from Exchange transactions

		% of total		% of the total
Less than 1 year	13,933,528	25%	10,388,883	25%
Between 1- 2 years	17,933,528	32%	12,388,883	30%
Between 2-3 years	19,933,528	36%	13,388,883	32%
Over 3 years	3,933,528	7%	5,388,883	13%
Total (a+b)		100%		100%

GODOM TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

17. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Rabia Technical vocational college	0	0
Magar Technical vocational college	0	0
Development grants	0	0
Total receivables from non-exchange transactions	0	0

18. INVENTORIES

Consumable stores	369,600	367,800
Maintenance stores	469,600	467,800
Library books	1,500,777	1,323,060
Electrical stores	269,600.	267,800
Cleaning Materials stores	200,600	167,800
Catering stores	538,600	467,800
TOTAL INVENTORIES	3,348,777	3,062,060

**GODOMA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**

30TH JUNE 2024

19. PROPERTY, PLANT AND EQUIPMENT

Cost or valuation								
At July 1, 2022	1,100,000	394,674,238	4,800,000	25,610,702	7,657,100	140,000	30,575,932	464,557,972
Additions				541,500	882,750			1,424,250
At June 30, 2023	1,100,000	394,674,238	4,800,000	26,152,202	8,539,850	140,000	30,575,932	465,982,222
At July 1, 2023	1,100,000	394,674,238	4,800,000	26,152,202	8,539,850	140,000	30,575,932	465,982,222
Additions	-						2,988,605	23,924,385
Transfer from WIP	-	23,924,385					- 23,924,385	23,924,385
Adjustments	-						7,740,323	23,924,385
At June 30, 2024	1,100,000	418,598,623	4,800,000	26,152,202	8,539,850	140,000	17,380,475	537,755,377
Depreciation								
At July 1, 2022	-	31,862,678	1,200,000	13,775,599	5,271,117	35,000	-	52,144,394
Charge for the year	-	7,893,485	600,000	2,561,070	1,324,678	17,500		12,396,733
At June 30, 2023	-	39,756,163	1,800,000	16,336,669	6,595,795	52,500	-	64,541,127
At July 1, 2023	-	39,756,163	1,800,000	16,336,669	6,595,795	52,500	-	64,541,127
Charge for the year	0	7,893,485.00	600,000.00	2,615,220.00	1,477,394.00	17,300.00	0	12,603,399.00
At June 30, 2024	-	47,649,648	2,400,000	18,951,889	8,073,189	69,800	-	77,144,526
Net book value								
At June 30, 2024	1,100,000	370,948,975	2,400,000	7,200,313	466,661	70,200	17,380,475	399,566,624
At June 30, 2023	1,100,000	354,918,075	3,000,000	9,815,533	1,944,055	87,500	30,575,932	401,441,095

GODAIA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2024

2023 INTANGIBLE ASSETS

Intangible assets			
Cost of acquisition			
At July 2023		3,556,400	3,556,400
Additions		227,170	
At June 30		3,783,570	3,556,400
Amortisation			
At July 2023		2,309,000	1,597,720
Charge for the year		711,280	711,280
At June 30		3,020,280	2,309,000
Net book value			
At June 30		763,290	1,247,400

PAYABLES FROM NON-EXCHANGE TRANSACTIONS

payables from non exchange transactions	2023-2024 Kshs	2022-2023 Kshs
Retention Money	4,129,748	5,474,876.00
With-Holding TAX	645,759	156.938
Total payables from non exchange transactions	4,775,507	5,631,814.00

**GODOMA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2024**

22. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS.

Trade creditors		313,422
Prepayments	3,014,053	12,718,694
Unaccredited Receipts A/c	133,930	133,930
Total Trade and other payables from exchange transactions	3,147,983	13,166,046

23. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Caution money	354,000	292,000
Total refundable deposits from customers	354,000	292,000

**24 PRIOR ADJUSTMENT FOR THE PROPERTY PLANT AND EQUIPMENT FOR THE
FY2022-2023**

Property plant and equipment		1,424,250
401,441,095-400,016,845(prior adjustments)		1,424,250

GODOLIA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2024

Notes to the Financial Statements (Continued)

2 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.

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

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 allowance 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:

At 30 June 2024				
Receivables from exchange transactions		55,734,113		55,734,113
Receivables from non- exchange transactions		40,316,475		40,316,475
Bank Balances		4,821,704		4,821,704
Total		100,872,292		100,872,292
At 30 June 2023				
Receivables from exchange transactions		70,948,970		70,948,970
Receivables from non- exchange transactions		4,500,000		4,500,000
Bank Balances		3,550,369		3,550,369
Total		78,999,339		78,999,339

**GODOMA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2024**

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.

The entity has significant concentration of credit risk on amounts due from xxxx

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.

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.

At 30 June 2024				
Trade and other payables from exchange transactions	3,147,983			3,147,983
Payables from non-exchange transactions	4,775,507			4,775,507
Refundable deposits from customers	354,000			354,000
Total	8,277,490			8,277,490
At 30 June 2023				
Trade and other payables from exchange transactions	13,166,046			13,166,046
Payables from non-exchange transactions	5,631,814			5,631,814
Refundable deposits from customers	292,000			292,000
Total	19,089,860			19,089,860

GODA MA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2024
Notes to the Financial Statements (Continued)
Financial risk management (continued)

(i) 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.

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.

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:

Accumulated surplus	116,409,821	96,828,266
Capital Fund	339,547,197	339,547,197
Total Funds	455,975,018	436,402,463
Less: Cash and Bank balances	(4,821,704.)	(3,550,369.00)
Net debt (less cash and cash equivalent)	(4,821,704.)	(3,550,369.00)
Gearing	Nil	Nil

23. 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

**GODOMA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2024**

Government of Kenya

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity'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) Key management;
- iv) Board of directors.

The transactions and balances with related parties during the year are as at 30 June 2024:

i) Board members emoluments	2,773,900.	2,454,333.
ii) <i>Grants from the Government</i>		
<i>Operational Grants from National Govt</i>	9,338,500.	11,306,000.
iii) <i>Due from Related Parties</i>		
iv) <i>Receivables from mentored TTI's</i>	40,316,475.	4,500,000.
v) <i>Due to Related Parties</i>		
<i>Payables to mentored TTI's</i>		-

**GODC A TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2024**

CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingencies during the year.

EVENTS AFTER THE REPORTING PERIOD

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

2 ULTIMATE AND HOLDING ENTITY

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

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2 CURRENCY

The financial statements are presented in Kenya Shillings (Kshs)

GODOMA TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

20. Appendices

APPENDIX III: INTER-ENTITY TRANSFERS

	ENTITY NAME:	GODOMA TECHNICAL TRAINING INSTITUTE		
	Breakdown of Transfers from the State Department of Technical and Vocational Education and Training			
	FY 2023/2024			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KSh)</u>	<u>Indicate the FY to which the amounts relate</u>
		02 Oct 2023	2,978,500	FY 2023/2024
		19 Jan 2024	2,968,000	FY 2023/2024
		06 Feb 2024	3,392,000	FY 2023/2024
		Total	9,338,500	

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

Finance Manager
Godoma Technical Training Institute

Head of Accounting Unit
Ministry of Education

Sign:

Sign:

