

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY

DATE: 26 JUL 2023 DAY: WED

TABLED BY: Hon Kipani Ichungwa, MP
OF THE leader, majority party
CLERK AT THE TABLE: Mwanamoko

THE AUDITOR-GENERAL

ON

**EKERUBO GIETAI TECHNICAL
TRAINING INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2022**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 2022

Ekerubo Gietai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2022

Ekerubo Gietai Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2022

Ekerubo Gietai Technical Training Institute
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I. KEY INSTITUTE'S INFORMATION AND MANAGEMENT

A

a) Background Information

Ekerubo Gietai Technical Training Institute (EGTTI) is one of the thirteen new TVET institutions in Kenya established during the term of the 10th parliament. The construction of the Institute was funded by the Government of Kenya with the support of the African Development Bank (AfDB). Work began in June 2012 under the mentorship of Keroka Technical Training Institute (KTTI) and was completed in 2014. The pioneer Principal was posted to the Institute on 20th January 2015 and the first patch of students reported as from 23rd February 2015. The Institute's first Board of Governors (BOG) was inaugurated on 27th April 2015.

EGTTI was officially opened in a ceremony presided over by the 4th President of the Republic of Kenya, His Excellency Hon. Uhuru Kenyatta C.G.H. on 27th April 2016. The Institute is registered by the TVET Authority as a Technical and Vocational College (TVC) and licensed to offer training up to diploma level. Its registration number is (TVETA/PUBLIC/TVC/0011/2016R).

EGTTI boasts of a serene training environment, modern equipment, and skilled faculty in the programmes it offers. It is a centre of excellence in Building Sciences and Land Survey.

b) Principal Activities

The mandate of the Institute includes to:

Offer teaching/training in science and technology.

Offer innovative discovery, transmission and preservation of knowledge.

Carry research and entrepreneurial activities.

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

Foster the general welfare of staff, students and the community

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

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

bi) Vision

To become a competitive world class Institute in advancement of excellent technical skills knowledge and innovations

bii) Mission

To provide holistic training that will enhance the trainees' competence, responsibility and creativity to meet the challenges of a dynamic society through efficient use of available resources

biii) Motto

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

KEY INSTITUTE’S INFORMATION AND MANAGEMENT (Continued)

biv) Core Values

Our operations are governed by a set of core values which constitute the desired organizational culture. The guiding core values that EGTTI and the stakeholders and partners shall hold in common and endeavour to put into practice while performing their functional obligations include the following:

Integrity – Transparency, accountability and cost effectiveness

Professionalism - scientific excellence, ethics and flexibility.

Teamwork – Partnership for collaboration, advantage and synergies.

Efficiency – Impact, performance and science orientation

Continual improvement- effective knowledge and innovation management

Courtesy- Respect for staff and diversity.

Confidentiality- embraces the principle of confidentiality in service delivery.

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

Respect for individual differences- Committed to providing education to all learners including those with disabilities/special needs.

c) Key Management

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

The Board of Governors

The Principal (Accounting officer)

The Central Administration Team

The Heads of Department

d) Fiduciary Management

The key management personnel who were in office during the financial year 2021/2022 and who had direct fiduciary responsibility were:

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

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e) Fiduciary Oversight Arrangements

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

Board Committees

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

f) Institute's Headquarters

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

g) Institute's Contacts

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

h) Institute's Bankers

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

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i) Independent Auditors

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

j) Principal Legal Adviser

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

II. THE BOARD OF GOVERNORS

No.	Member	Details
	 <p data-bbox="331 1039 526 1070">Mr, Bob Ndubi</p>	<p data-bbox="884 495 1142 524">Date of Birth: 1974</p> <p data-bbox="884 528 1398 954">Mr. Ndubi was appointed Chairman of the Board in February 2021. He holds a first degree in Education, MBA – Finance and is a doctoral student in the same area. He is currently MD Silver House Capital and has previously served as Business Development Manager (Kenya Railways), Managing Partner (Kilele Consulting), Lead Consultant (Kilele Consulting) and Research Executive (Research International East Africa Ltd.).</p> <p data-bbox="884 994 1398 1238">Mr. Ndubi has extensive Board experience having served as a trustee (Kenya Railways), Board member, Kenya Red Cross Nairobi Branch; Chairman of the Board, Westlands Cooperatives Alliance and Chairman of the Board, Chache Tumaini SACCO.</p>
	 <p data-bbox="331 1771 590 1803">Mr. Tom Macakiage</p>	<p data-bbox="884 1279 1126 1308">Date of Birth: 1970</p> <p data-bbox="884 1312 1398 1635">Mr. Macakiage joined the Board in February 2021 as an independent member and was subsequently appointed Chairman of the Board Committee on Finance, Resource Mobilization & Project Management (FIRMPROM). He holds a first degree in Engineering and two post-graduate degrees: MBA and the other in Technology Entrepreneurship.</p> <p data-bbox="884 1675 1398 1948">Additionally, Mr. Macakiage is qualified as a Certified Information Systems Manager (CISM) and a Certified Information Systems Auditor (CISA). He is also a Certified Novell Administrator, Certified Ethical Hacker, and a Project Management Professional (PMP). He has skills and expertise in</p>

	 <p data-bbox="331 1335 549 1368">Dr. Elisha Ogada</p>	<p data-bbox="890 304 1401 405">Information Technology and Systems; Organizational Strategy and Managing Work Teams.</p> <p data-bbox="890 450 1401 835">He serves as Country Director, Servetech Systems Ltd. and has previously worked as Head of IT, CFC Stanbic Bank; IT Manager, Unilever East & South Africa (ESA); IT Service Delivery Manager, Unilever ESA; IT Infrastructure & Operations Manager, Unilever Kenya Ltd. MIS Manager & Business Model Analyst, Firestone E. A. (1969) Ltd. and Computer Instructor & Programmer, KCITI & Data Center Ltd</p> <p data-bbox="890 842 1142 875">Date of Birth: 1977</p> <p data-bbox="890 882 1401 1480">Dr. Ogada, Elisha Achieng is a mathematics lecturer at Egerton University. He holds a PhD in Applied Mathematics from Harbin Institute of Technology (HIT) in China, in the specific area of Mathematical Image processing. Dr. Ogada has previously served in the Faculty of Science, Africa Nazarene University (ANU). He has also served as lecturer and advisor to engineering students at Multimedia University of Kenya (MMU) and Technical University of Kenya (TUK). He has supervised and examined postgraduate students in Applied Mathematics, where he is widely published in peer reviewed Journals.</p> <p data-bbox="890 1487 1401 1765">Dr. Ogada served in management of Egerton University's Nairobi Campus as Coordinator of Mathematics and as member of the committee on Outreach and Strategic Marketing. He has previously served as a BOM member of Masogo Mixed Secondary School in Homa Bay County.</p> <p data-bbox="890 1771 1401 1937">He was appointed member of the Board of Governors, Ekerubo Gietai Technical Training Institute in February 2021 where he also serves in the Audit and Risk Management Committee and in the</p>
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		<p>Administration, Research & Training Committee.</p> <p>Dr. Ogada serves in the management of Emperica Consult, a consultancy, as one of the Monitoring, Evaluation and Learning experts. He is also a Data Collection, Analysis and Reporting Consultant on that board. In addition, he serves as a consultant editor for several organizations including Zizi Afrique Foundation. He is also a motivational speaker and an advisor on career and life-skill matters.</p> <p>Dr. Ogada, is passionate about youth empowerment and gender mainstreaming.</p>
	 <p>Mr. Samuel Menyenya Makori</p>	<p>Date of Birth 1974</p> <p>He joined the college on 02/05/2018 as a member of the Board of Governors when the second BOG was inaugurated. In the year 2021 he was reappointed as a member of the Board of Governors serving a second term. He holds a Bachelor of Agriculture degree from JKUAT. He has 21 years of experience working as a Manager with Eastern Produce Company. He currently works as a manager at KTDA Company Ltd in Bomet County.</p>

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	 <p>Ms Lucy Wahito Wachira</p>	<p>Date of birth 1978 She joined the college on 05/02/2018 as a member of the Board of Governors when the second BOG was inaugurated. In the year 2021 he was reappointed as a member of the Board of Governors serving a second term.. She holds a Masters degree in Business Administration (Strategic Management) from Kisii University. She has worked as an assistant business Loans Manager at Mwalimu National SACCO and acted as a FOSSA Branch Manager in the same SACCO. Currently she works at the Kisii Water and Sanitation Company.</p>
	 <p>Eng. Kennedy Orangi Buko</p>	<p>Date of birth 1963 Joined the college on 05/02/2018 as a member of the Board of Governors, when the second BOG was inaugurated. In the year 2021 he was reappointed as a member of the Board of Governors serving a second term. He holds a Higher National Diploma in Electrical and Electronic Engineering from Kenya Polytechnic. He is a member of Association of Medical Engineers of Kenya (AMEK) Reg. No. 0064 and the Engineers Registration Board of Kenya (ERB) Certificate No. C1037.He has over 26 years of experience working as an engineer. He has worked as a senior Engineer with TECHNOMED LTD Nairobi and is currently working with KEMRI WELCOME TRUST RESEARCH PROGRAMME in Kilifi County as a Building Services Engineer.</p>

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Mrs. Phoebe Makungu


Date of birth 1971
She joined the college on 05/02/2018 as a member of the Board of Governors. when the second BOG was inaugurated. In the year 2021 he was reappointed as a member of the Board of Governors serving a second term. She holds Bachelor of Education degree from Kenyatta University and Diploma in HRM (post graduate) from Kenya Institute of Management. She has over 21 years of experience in the public sector with various assignments. She has worked as assistant director HRM in the office of the president police department among others. Currently she is working as deputy director- HRM Policy, Recruitment, Training and oversight at the Ministry of Energy and Petroleum. She has good inter-personal skills, training techniques and communication skills.




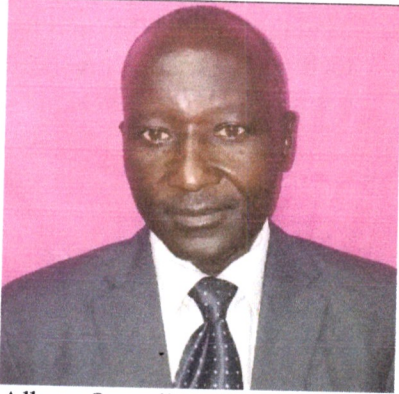
Mr. Tom Olango

Date of birth 1970
Mr. Tom Olango is the County Director TVET (Kisii and Nyamira). He represents the Principal Secretary, State Department for Vocational and Technical Training in the Institute's Board of Governors.




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	 <p>Mr. Geoffrey Andama</p>	<p>Date of birth 1970</p> <p>He joined the Institute on 14/03/2019 as Principal. He holds a Bachelor of Education degree from Egerton University, a diploma in Education Management (KEMI) as well as SMC and SLDP from the Kenya School of Government. He has 25 years of experience in TVET. He has previously worked as Registrar, Mawego T. T. I., Deputy Principal, Kisumu National Polytechnic, and Principal, Siaya Institute of Technology. He is the Institute's Accounting Officer and Secretary to the Board of Governors.</p>
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III. MANAGEMENT TEAM

No.	Member	Details
	 <p data-bbox="359 884 790 929">Mr. Geoffrey Nyamweya Andama</p>	<p data-bbox="869 459 1117 492">Date of birth 1970</p> <p data-bbox="861 526 1388 1019">He joined the Institute on 14/03/2019 as Principal. He holds a Bachelor of Education degree from Egerton University, a diploma in Education Management (KEMI) as well as SMC and SLDP from the Kenya School of Government. He has 28 years of experience in TVET. He has previously worked as Registrar, Mawego T. T. I., Deputy Principal, Kisumu National Polytechnic, and Principal, Siaya Institute of Technology. He is the Institute's Accounting Officer and Secretary to the Board of Governors.</p>
	 <p data-bbox="303 1400 558 1444">Mr. Albert Omariba</p>	<p data-bbox="861 1030 1101 1064">Date of birth 1969</p> <p data-bbox="853 1075 1380 1568">He holds a Bachelor of Commerce degree from Rajasthan Vidyapeeth Udaipur University and a Post Graduate Diploma in Education from Egerton University as well as SMC from Kenya School of Government (KSG). He has experience of 26 years in TVET. He has previously worked as HOD at Keroka Technical Training Institute and as Deputy Principal (Administration) at EGTTI till March 2022 when he was transferred and deployed as Principal Gitwebe T. T. I. He was in charge of the Administration function at EGTTI.</p>

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	 <p>Mrs Joyce Omweri</p>	<p>Date of birth 1965</p> <p>She holds a Bachelor of Education degree from Kenyatta University, Diploma in Technical Education (KTTC) as well as SMC from the Kenya School of Government. She has previously worked at Kisii National Polytechnic as a Trainer/HOD since 1993. Currently she is the Deputy Principal (Academics) of the Institute. She is in charge of curriculum implementation.</p>
	 <p>Ms. Mary Osindi</p>	<p>Date of birth 1969</p> <p>Mary Osindi holds Masters degree in Business Administration from Egerton University; she also has a diploma in HRM from Kenya Institute of Management (KIM) and has worked as a lecturer in Kisii University for 5 years. Currently she is the Dean of Students.</p>
	 <p>Mr. Devis Mokoro Nyangeri</p>	<p>Date of birth 1985</p> <p>Devis Mokoro Nyangeri holds a degree in Education Bed Science (Chemistry and Biology) from Kenyatta University. He has worked as a secondary school teacher from 2008 to 2014 before transferring to TVET Institution in 2016. He has a teaching experience of 15 years and currently serves as the Registrar of the institution. He is in charge of admissions and outreach programmes of the institution.</p>

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Name: CPA Mouti Rebecca Kerubo

Date of birth 1986

Rebecca is a CPAK holder registered with The Institute of Certified Public Accountants of Kenya (ICPAK) Membership number **28086** currently undertaking BCOM at KCA University. She has 14 years of experience in the Finance field; she has worked as a Secondary School Bursar for 7 years at Matongo Boys High School. Currently she is the Institute's Finance Officer since May 2017. She is in charge of Finance function.

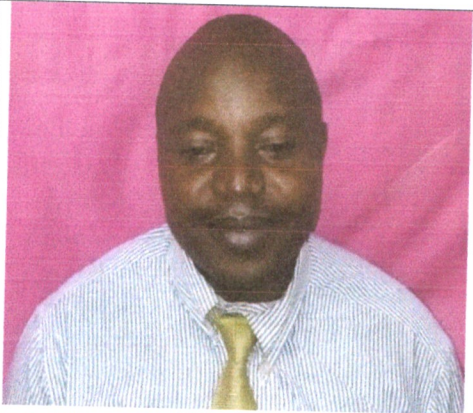



Mr Alfred Obungu Akora

Date of birth 1978

Alfred holds a BCOM from JKUAT. He is also a CPA finalist. He has experience of 19 years working as a school Bursar at Secondary School level, Finance Officer at the Institute, and now as the Internal Auditor. He is in charge of the Internal Audit Function, to ensure that Internal Control Systems are working as required.

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		<p>Date of birth 1978</p> <p>He holds Bachelor of Science degree from Moi University. He is also holds a Higher National Diploma in HRM from Eldoret Polytechnic. He has experience of four years in the HRM function. Currently he is the Human Resource Officer of the Institute in charge of employees.</p>
<p>Mr. Evans Moriasi Ngasora</p>		<p>Date of birth 1991</p> <p>She holds a Diploma in Procurement from Kenya Institute of Management (KIM), and 7 years' experience of in Procurement Department. Currently she is in charge of the Institute's Procurement Function.</p>

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IV. CHAIRMAN'S STATEMENT

On behalf of the Board of Governors (BOG), Ekerubo Gietai Technical Training Institute, I am greatly honoured to make this statement regarding governance and performance of the Institute. The Board which I chair was appointed in February 2021 and inaugurated on 23rd March 2021. Induction of the Board was done from 23rd to 25th June 2021 at Kamel Park Resort in Kisii town.

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

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

The Institute faces some challenges which militate against effective and efficient performance in the delivery of training services. First on the list is the slow progress in completion of the library project. The library is a critical learning resource whose absence remains a glaring gap with adverse effects on the delivery of training programs. I wish to urge the Government, through the Ministry of Education to review the funding model for faster completion of the project.

The establishment of the college was realized courtesy of the implementation of phase one (1) of the project which constituted the Building and Civil Engineering department. It is now time for the Government to implement phase two (2) of the project which was envisaged to be the Electrical Engineering department. This would provide training facilities and infrastructure for students taking electrical, electronics and solar technology programs who currently learn under inadequate conditions. The road network leading to the Institute also needs upgrading to improve accessibility.

I would however hasten to appreciate the Government, through the Ministry of Education, staff, students, and other stakeholders for the immense support accorded to the Institute. Sincere thanks go to the Higher Education Loans Board (HELB) and Kenya Universities and Colleges Central Placement Services (KUCCPS) for the critical roles they play in ensuring trainees access training programs at the Institute.

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



Mr. Bob Ndubi
Chairman BOG

V. REPORT OF THE PRINCIPAL

I am pleased to present the annual report and financial statements for the year ended 30th June 2022 whose contents are outlined in this document. The year under review was challenging due to the residual effects of the covid-19 pandemic including disruption of the usual academic calendar – the actual trainer-trainee contact hours were significantly affected. The decision by the Kenya National Examinations Council (KNEC) to extend the examination period has ended up reducing the academic term by 2 weeks. Perhaps the examinations council needs to consider pushing the 2 weeks into the holiday season (April, August & December) instead of eating into the academic term.

Ekerubo Gietai Technical Training Institute (EGTTI) started the year with cash and cash equivalents of Kshs.17,956,716 and received Kshs.27,120,000 from the Government of Kenya as capitation income, grants of Kshs.2,447,811 from donors and development partners. The Institute also collected tuition fees and other charges amounting to Kshs.35,217,514. In total, therefore, the Institute had Kshs.82,741,951 at its disposal for operations.

EGTTTI spent Kshs.63,635,725 during the year, which included employee costs of Kshs.14,481,975 representing 17.5% of the total income. About 48% of the personal emoluments expense went to compensation of additional trainers contracted to reduce the staffing deficit the Institute has continued to experience over time. The Institute spent Kshs.35,395,565 on goods and services, Kshs.6,266,247 on general expenses, Kshs.2,449,531 for STIVES project, Kshs.146,560 on repairs and maintenance, Ksh. 2,874,847 for PPE and Kshs.2,021,000 on the BOG expenses. In addition, there was depreciation expense of Kshs.29,935,073.

The Institute targeted to raise income of Kshs.96,161,845 during the financial year 2021/2022. However, this target was not met mainly because of the adverse operational environment occasioned by the Covid-19 Pandemic. In addition, the Institute did not receive the 4th quarter capitation and development grants.

The Institute's enrolment has risen steadily reaching 1500 during the year under review. The increase in population has exerted pressure on the limited training facilities including lecture rooms, workshops, and laboratories. The government funded library project coming up at a cost of Kshs.48,819,382 remains incomplete with Kshs.19,810,083 yet to be received. In the year under review, the Institute did not receive any monies for the project which is funded through quarterly development grants. My earnest appeal is for more support from the government to enable the Institute to develop more training facilities and in particular for the completion of the library project.

The Institute participated in several co-curricular activities including ballgames hosted by Siaya Institute of Technology and athletics hosted by Kisii National Polytechnic. EGTTI also participated in the Regional TVET Fair hosted by Matili T. T. I. The Institute participated in the Africa National Tree Planting Week during which exercise over 2000 trees (including fruit trees) were planted as an intervention towards environmental and ecological enhancement.

Finally, I wish to express sincere gratitude to the Government of Kenya, the Board of Governors, staff, students, and all stakeholders for supporting the Institute.

Thank you.



Mr. Geoffrey Andama

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Principal / BOG Secretary

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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

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

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

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

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

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

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Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar / theme / issue 8	Strengthen Accounting Systems	To establish and strengthen financial and accounting systems	Professionally acceptable reports	Procurement of ERP	Procured and operationalized ERP

The Board of the Institute signed a performance contract with the Ministry of Education for the year 2021 / 2022 as has been the practice featuring targets derived from the strategic objectives as outlined in this report. Though the aftermath of the covid-19 pandemic affected effective implementation of some targets, the Institute has demonstrated commendable resilience which should reassure stakeholders of its capability to remain sustainable going forward.

VII. CORPORATE GOVERNANCE STATEMENT

i) Introduction

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

ii) Board charter

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

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

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

iii) Appointment, Inauguration and Induction

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

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

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

iv) Board Size, Composition and Diversity

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

v) Board Diversity (Independent Members)

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

vi) The Role and Responsibilities of the Board

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

vii) Board Committees

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

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

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

viii) Board Meetings and attendance for 2021/2022

NAME	DESIGNATION	MEETING DATES				
		2/7/2021	4/8/2021	29/9/2021	13/1/2022	6/5/2022
Bob Ndubi	Chairman Board)	✓	✓	✓	✓	✓
Tom Macakiage	Member (Board)	✓	✓	✓	✓	✓
Elisha Ogada	Member Board)	✓	✓	✓	✓	✓
Kennedy Buko	Member (Reappointed)	✓	✓	✓	✓	✓
Lucy Wachira	Member (Reappointed)	✓	✓	✓	✓	✓
Phoebe Makungu	Member (Reappointed)	✓	✓	✓	✓	✓
Samuel Makori	Member (Reappointed)	✓	✓	✓	✓	✓
Tom Olango	P.S. Representative	✓	✓	✓	✓	✓
Andama Geoffrey	Secretary	✓	✓	✓	✓	✓

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

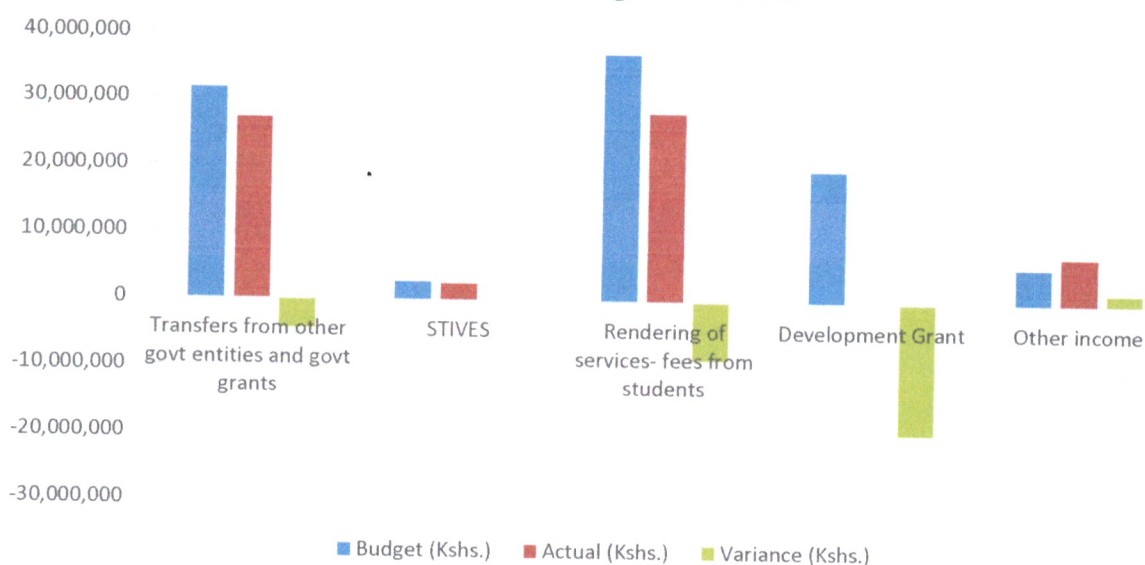
i) Operational and Financial Performance of The Institute

During the year, the Institute's student enrolment has continued to rise steadily reaching 1500 during the year under review. The increase in population has exerted immense pressure on the limited training facilities including lecture rooms, workshops, and laboratories. The government funded library project coming up at a cost of Kshs.48,819,382 remains incomplete with Kshs.19,810,083 yet to be received. In the year under review, the Institute did not receive any monies for the project which is funded through quarterly development grants

During the year, the Institute had a revenue budget of Kshs.96,161,845 and actual receipts of Kshs.64,785,325, resulting in a revenue shortfall of Kshs.31,376,520 as depicted in the table and chart below:

Revenue Source	Budget (Kshs.)	Actual (Kshs.)	Variance (Kshs.)
Transfers from other govt entities and govt grants	31,500,000	27,120,000	-4,380,000
STIVES	2,663,763	2,447,811	-215,952
Rendering of services- fees from students	36,988,000	28,217,278	-8,770,722
Development Grant	19,710,082	0	-19,710,082
Other income	5,300,000	7,000,236	1,700,236
Total Income	96,161,845	64,785,325	-31,376,520

Revenue Budget Vs Actual

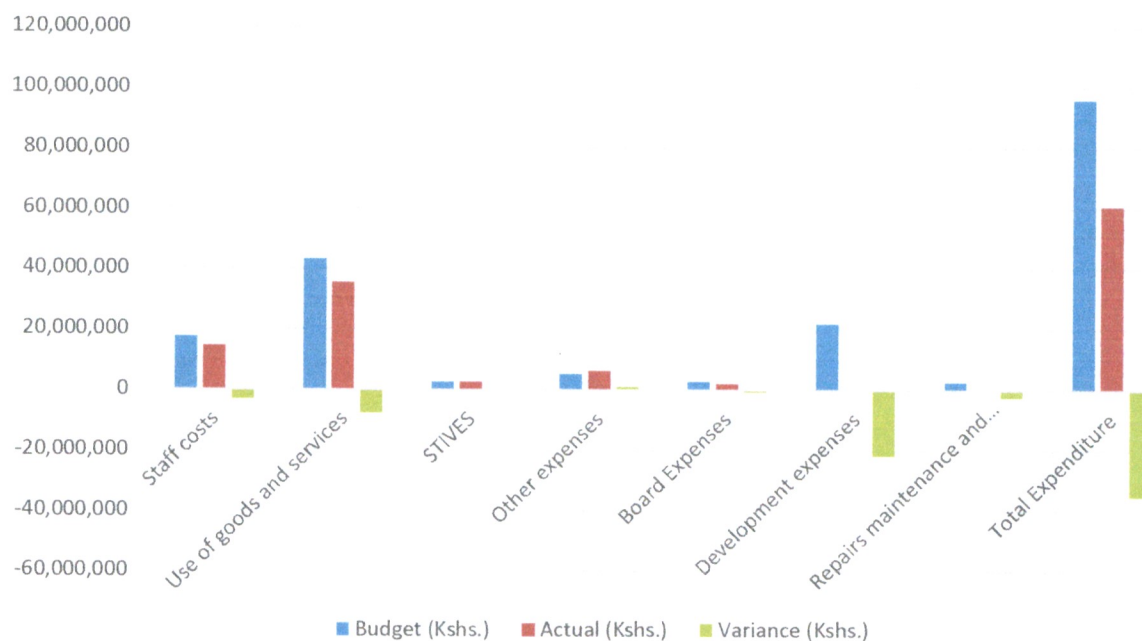


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Similarly, the Institute had payments budget of Kshs.96,161,845 and actual payments of Kshs.60,760,878, resulting in under expenditure of Kshs.35,400,967 as depicted in the table and chart below:

Expenditure Item	Budget (Kshs.)	Actual (Kshs.)	Variance (Kshs.)
Staff costs	17,579,040	14,481,975	-3,097,065
Use of goods and services	43,167,347	35,395,565	-7,771,782
STIVES	2,663,763	2,449,531	-214,232
Other expenses	5,300,000	6,266,247	966,247
Remuneration of Governors	2,810,000	2,021,000	-789,000
Development expenses	22,041,695	0	-22,041,695
Repairs maintenance and improvement	2,600,000	146,560	-2,453,440
Total Expenditure	96,161,845	60,760,878	-35,400,967

Expenditure Budget Vs Actual



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Additionally, the Institute realized a deficit of Kshs.27,819,412 as compared to a surplus of Kshs.18,087,558. The decrease was as a result of charging depreciation expense of Kshs.29,935,073 in the year under review, while in the previous year no depreciation was charged.

Furthermore, the Institute's total net assets and liabilities decreased from Kshs.589,789,335 in 2020/2021 FY to Kshs.541,020,847 in the year under review. This was due to the effect of revaluation of property, plant and equipment and intangible assets as well as depreciation.

ii) Institute's Key Projects

Institute library

iii) Institute's Compliance with Statutory Requirements

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

iv) Major Risks Facing the Institute

No.	Risk	Risk Cause	Risk Level	Control/Action required
1	Delay in delivery of goods	Late requisitions	Moderate Risk	Requisitions be prepared on time
2	Low quality materials/items	Inadequate and imprecise specifications	Moderate Risk	Proper specifications to be identified
3	Fees arrears	Failure to collect fees	Moderate Risk	Fees paid system to be developed, recovery procedures to be implemented
4	Loss of data	Fire	High Risk	Fire drills carried out, procure fireproof cabinets, regular servicing of fire extinguishers, Insurance cover
5	Terror attack	Unauthorized access	High Risk	Have designated entry and exit gates, CCTC Severance, adequate guards
6	Inadequate reference materials	Few titles purchased	High Risk	To purchase more titles, provision of online learning materials

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No.	Risk	Risk Cause	Risk Level	Control/Action required
7	Low enrolment of students	Inadequate marketing Negative attitude to the course	Moderate Risk	Extensive marketing Provision of variety of market tailored courses
8	Accidents	Poor workshop management skills by staff and students	High Risk	Training both staff and students Induction of new students and staff Formulation of workshop/laboratories rules and regulations
9	Underutilized machines	Lack of skilled personnel	High Risk	Recruit skilled personnel Upskill personnel
10	Ineffective teaching	Lack of teaching materials	High Risk	Improve teaching/ learning resources
11	Hardware failure	Computers not properly maintained	High	Maintain computers
12	Data loss	viruses	High	Install anti-viruses; offsite data back-up

v) Material Arrears in Statutory and other Financial Obligations

The Institute had no pending bills as at 30th June, 2022.

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT

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

i) Sustainability Strategy and Profile

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

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

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

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

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

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

ii) Environmental performance

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

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

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

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

The images below depict the Institutes participation in tree planting:



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



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



Pic iii)



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



Pic v) Community members and other stakeholders planting trees



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



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

iii) **Employee Welfare**

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

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

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

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

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iv) Market Place Practices

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

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

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

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

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

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

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

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

v) Corporate Social Responsibility / Community Engagements

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

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

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

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

v(i) Provision of water

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



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

v(ii) Provision of Football Field

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



Pic ii) Teams utilizing the EGTTI playground



Pic iii)

X. REPORT OF THE BOARD OF GOVERNORS

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

Principal activities

The principal activities of the Institute include the following.

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

Results

The results of the Institute for the year ended June 30, 2022 are included in the financial statements set out on pages 1 to 38.

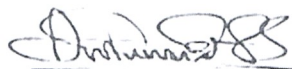
Board of Governors

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

Auditors

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

By Order of the Board



Secretary to the Board

Date:28/09/2022

XI. STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

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


The Board Members of Ekerubo Gietai Training Institute were responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial period ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The Board members accept responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013. The Board members are of the opinion that the Institute's financial statements give a true and fair view of the state of the Institute's transactions during the financial year ended June 30, 2022, and of the Institute's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

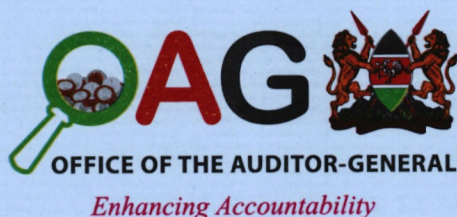
The Institute's financial statements were approved by the Board on and signed on its behalf by:


.....
Name: Bob Ndubi
Chairman Board of Governors
Date: 28/09/2022


.....
Name: Geoffrey Andama
Principal
Date: 28/09/2022

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ekerubo Gietai Technical Training Institute set out on pages 1 to 36, which comprise of the statement of financial

position as at 30 June, 2022, 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 Ekerubo Gietai Technical Training Institute as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variance in Other Income Amount

The statement of financial performance reflects other income amount of Kshs.7,000,236 as disclosed in Note 9 to the financial statements while the supporting ledger schedules show balances totalling to Kshs.6,669,589 resulting in a variance of Kshs.330,647 which Management has attributed to an unexplained opening balance.

In the circumstances, the accuracy of the other income amount of Kshs.7,000,236 could not be confirmed.

2. Unsupported Rendering of Services

The statement of financial performance reflects rendering of services-fees from students amount of Kshs.47,428,000 as disclosed in Note 8 to the financial statements. However, the supporting ledger schedules were no provided for audit review.

In the circumstance, the accuracy and completeness of Kshs.47,428,000 could not be confirmed.

3. Use of Goods and Services

The statement of financial performance reflects use of goods and services amount of Kshs.35,395,565 as disclosed in Note 10 to the financial statements. However, audit of this expenditure revealed the following unsatisfactory matters:

3.1 Unsupported Research and Development

The amount of Kshs.35,395,565 includes research and development amount of Kshs.1,027,740 which, according to payment vouchers examined, mainly related to travelling allowance which had nothing to do with research and development. Further, the latter amount includes honoraria of Kshs.257,800 which was not backed by any law.

In the circumstances, the propriety of the research and development expenditure of Kshs.1,027,740 could not be confirmed.

3.2 Unsupported Administrative Costs

The amount of Kshs.35,395,565 also includes administrative costs amount of Kshs.7,035,547 whose supporting documents, such as receipts, bus tickets and fuel register were not provided for audit review.

In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.7,035,547 could not be confirmed.

4. Anomalies in Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.507,743,085 as disclosed in Note 20 to the financial statements. Included in the balance is Kshs.91,400,000 in respect of land whose title deed was registered in the name of a different technical training institute, whose existence could not be confirmed. Management has however indicated that the process of transferring ownership to the Institute is on-going. Further, the balance excludes undetermined value of the Institute's biological assets which include sixteen (16) adult cattle, two (2) heifers, fish held in two (2) fish ponds with the capacity of 1000 fish and poultry.

In the circumstances, the ownership, accuracy, completeness of property, plant and equipment balance of Kshs.507,743,085 as at 30 June, 2022 could not be confirmed.

5. Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.28,873,918 which, as disclosed in Note 18 to the financial statements relates to student debtors. However, this balance includes debts amounting to Kshs.9,200,778 which had been outstanding for more than one (1) year and for which, no evidence was provided to show Management's effort to recover the debts. Further, no provision was made for any likely loss of revenue from non-collectable debts.

In the circumstances, the recoverability of the long outstanding receivables from exchange transactions balance of Kshs.9,200,778 is doubtful and the accuracy of the receivables from exchange transactions balance of Kshs.28,873,9180 as at 30 June, 2022 could not be confirmed.

6. Unexplained Variances in the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects total actual revenue of Kshs.64,785,325, while reconciliation at Note (g) to the statement indicates that the actual revenue for the year was Kshs.63,741,838, resulting in an unexplained variance of Kshs.1,043,487. Similarly, the statement reflects total expenditure amount of Kshs.60,760,878 which differs with a corresponding amount of Kshs.59,717,338 shown

in the explanatory Note (g) to the statement, resulting to an unexplained variance of Kshs.1,043,540.

In the circumstances, the accuracy of the statement of comparison of budget and actual amounts could not be confirmed.

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

Key Audit Matters

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

Other Matters

1. Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management had not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total budgeted and actual revenue of Kshs.96,161,845 and Kshs.64,785,325 respectively, resulting in a shortfall of Kshs.31,376,520 (or 33%). Similarly, the Institute spent Kshs.60,760,878 against an approved budget of Kshs.96,161,845, resulting in an under-expenditure of Kshs.35,400,967 (or 36%).

The revenue shortfall and the under-expenditure affected planned activities and may have negatively impacted on services delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

and Effectiveness in Use of Public Resources sections 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. Delay in Construction of a Library Block

The statement of financial position reflects property, plant and equipment balance of Kshs.507,743,085 which, as disclosed in Note 20 to the financial statements, includes capital work in progress amount of Kshs.26,304,356 relating to the construction of a library block. As previously reported, a local company was awarded a tender for construction of the library block at a contract sum of Kshs.48,919,380 for a duration of (36) weeks which was expected to end on 14 April, 2016. Physical inspection of the project in March, 2023 revealed that the project was incomplete and works had stalled as the contractor had abandoned the site, despite the contract completion date having been revised several times to permit completion of the project.

In the circumstances, the public may not obtain value for money from the Kshs.26,304,356 already spent on the project.

2. Non-Compliance with the Law on Staff Ethnic Composition

Review of personnel records revealed that as at 30 June, 2022, the Institute had seventy-one (71) employees out of which, sixty-three (63) or 89% were members of one ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008, which provides that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

In the circumstances, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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. Lack of Approved Staff Establishment and Human Resource Plan

The Institute lacked an approved staff establishment to guide Management in staffing for effective and optimal operations of the Institute.

In the circumstances, the Institute may not be operating at optimal staffing levels.

2. Failure to Carry Out Staff Performance Appraisal

Review of the personal files provided for audit revealed that the Institute did not evaluate performance of its employees through performance appraisals and the basis upon which contract renewals or otherwise were done was not disclosed.

In the circumstances, the performance and productivity of the Institutes employees could not be confirmed.

3. Lack of Risk Management Policy

The Institute had not put in place a risk management policy, to assist in identification and mitigation of risks, and a documented disaster recovery plan to ensure continued operations in case of disruption of services or disaster.

In the circumstances, the Institute may not be able to respond effectively in the event of a disaster or disruption of its services.

4. Lack of ICT Policy

Review of IT environment and its controls revealed that, the Institute did not have Information and Communication Technology (ICT) policy in place to govern IT environment. This means that the Institute did not have:

- i. IT Security policy to ensure data confidentiality, integrity and availability and to ensure there is patch management process on all systems software's.
- ii. IT Program change management - formally documented and approved processes to manage upgrades made to all information systems.
- iii. Physical access controls to sensitive areas like server rooms, storage rooms and network rooms are properly controlled.
- iv. Environmental control - policies and procedures to cover environmental controls like fire suppression system, ups and air conditioning systems especially in server rooms.
- v. Logical access control - user management standards and procedures in the organization like user access rights in line with responsibilities.

Lack of ICT policy may lead to breaches of information confidentiality, data integrity and loss of business continuity.

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

Responsibilities of Management and Board of Governors

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

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

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

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

The Board of Governors is 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubts on the Institute's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 July, 2023

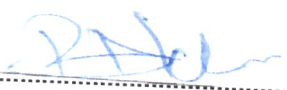
Ekerubo Gietai Technical Training Institute
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XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022


Description	Notes	2021-2022 Kshs	2020-2021 Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	27,120,000	28,042,500
Grants from donors and development partners	7	1,404,321	1,026,900
Revenue from Non-Exchange Transaction		28,524,321	29,069,400
Revenue from Exchange transactions			
Rendering of services- fees from students	8	47,428,000	29,062,000
Other Income	9	7,000,236	2,187,601
Finance income		-	-
Revenue from Exchange transactions		54,428,236	31,249,601
Total Revenue		82,952,557	60,319,001
Expenses			
Use of goods and services	10	35,395,565	23,673,572
Employee costs	11	14,521,928	11,867,667
Board expenses	12	2,021,000	1,788,500
Depreciation and amortization expense	13	30,515,873	-
Repairs and maintenance	14	146,560	291,947
STIVES Expenses	15	1,406,041	1,026,900
General Expenses	16	6,266,247	3,582,857
Finance costs		-	-
Total Expenses		90,273,214	42,231,443
Net surplus/deficit for the year		(7,320,657)	18,087,558
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		(7,320,657)	18,087,558
		(7,320,657)	18,087,558

(The notes set out on pages 8 to 27 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 34 were signed by:


Name: Bob Ndubi
Chairman Board of Governors
Date: 28/09/2022


Name: Rebecca Mouti
Finance Officer
ICPAK No.28086
Date: 28/09/2022



Name: Geoffrey Andama
Principal
Date: 28/09/2022


Ekerubo Gietai Technical Training Institute
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XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	17	19,106,316	17,956,716
Current portion of receivables from exchange transactions	18	28,873,918	20,035,994
Receivables from non-exchange transactions		-	-
Inventories	19	1,289,003	1,001,859
Total current assets		49,269,237	38,994,569
Non-Current Assets			
Long term receivables from exchange transactions		-	-
Property, plant, and equipment	20	507,743,085	548,858,766
Intangible assets	21	4,988,640	1,936,000
Total non-current assets		512,731,725	550,794,766
Total Assets		562,100,131	589,789,335
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	22	39,953	6,435,624
STIVES account		-	16,590
Total current liabilities		39,953	6,452,214
Non-Current Liabilities			
Total Liabilities		39,953	6,452,214
Net Assets			
Revaluation reserves		(14,055,455)	-
Accumulated surplus		52,389,950	59,710,607
Capital fund		523,626,514	523,626,514
Total Net Assets		561,961,009	583,337,121
Total Net Assets and Liabilities		562,100,962	589,789,335

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


 Name: Bob Ndubi
 Chairman Board of Governors
 Date: 28/09/2022


 Name: Rebecca Mouti
 Finance Officer
 ICPAK No.28086
 Date: 28/09/2022


 Name: Geoffrey Andama
 Principal
 Date: 28/09/2022

XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022


Description	Revaluation reserve	Fair value adjustment reserve	Accumulated surplus	Capital/Development Grant	Total
At July 1, 2020	Kshs	Kshs	Kshs	Kshs	Kshs
Revaluation gain/loss	-	-	41,623,049	534,480,814	576,103,863
Fair value adjustment on quoted investments	-	-	-	-	-
Net surplus/(deficit) for the year	-	-	18,087,558	-	18,087,558
Capital/development grants received in previous years	-	-	-	-10,854,300	-10,854,300
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
At June 30, 2021	-	-	59,710,607	523,626,514	583,337,121
At July 1, 2021	-	-	59,710,607	523,626,514	583,337,121
Revaluation gain/loss	(14,055,455)	-	-	-	(14,055,455)
Fair value adjustment on quoted investments	-	-	-	-	-
Net surplus/(deficit) for the year	-	-	(7,320,657)	-	(7,320,657)
Capital/development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
At June 30, 2022	(14,055,455)	-	52,389,950	523,626,514	561,961,009


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XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	27,120,000	35,640,000
STIVES	7	1,404,321	1,043,490
Rendering of services- fees from students	8	28,217,278	9,026,006
Other income	9	7,000,236	2,187,601
Total Receipts		63,741,835	47,897,097
Payments			
Use of goods and services	10	35,395,565	23,673,572
Employee costs	11(a)	14,481,975	11,867,667
Board expenses	12	2,021,000	1,788,500
Repairs and maintenance	14	146,560	291,947
STIVES	15	1,406,041	1,026,900
General expenses	16	6,266,247	3,582,857
Total Payments		59,717,388	42,231,443
Net Cash Flows from operating activities		4,024,447	5,665,654
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	20	(2,874,847)	(1,949,280)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(2,874,847)	(1,949,280)
Cash flows from financing activities			
Net cash flows used in financing activities			-
Net Increase/(Decrease) in Cash and Cash equivalents		1,149,600	3,716,374
Cash and Cash equivalents at 1 JULY 2021	17	17,956,716	14,240,342
Cash and Cash equivalents at 30 JUNE 2022	17	19,106,316	17,956,716

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


 Name: Bob Ndubi
 Chairman Board of Governors
 Date: 28/09/2022


 Name: Rebecca Mouti
 Finance Officer
 ICPAK No.28086
 Date: 28/09/2022


 Name: Geoffrey Andama
 Principal
 Date: 28/09/2022

Ekerubo Gietai Technical Training Institute

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XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

Description	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Utilization Difference	
	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	%
Revenue												
Transfers from other govt entities and govt grants												
STIVES		42,000,000		(10,500,000)		31,500,000		27,120,000		(4,380,000)		-14%
		2,663,763		-		2,663,763		2,447,811		(215,952)		-8%
Rendering of services- fees from students		36,988,000		-		36,988,000		28,217,278		(8,770,722)		-24%
Development Grant		19,710,082		-		19,710,082		-		(19,710,082)		-100%
Other income		4,800,000		500,000		5,300,000		7,000,236		1,700,236		32%
Total Income		106,161,845		(10,000,000)		96,161,845		64,785,325		(31,376,520)		-33%
Expenses												
Employee costs		17,579,040		-		17,579,040		14,481,975		(3,097,065)		-18%
Use of goods and services		53,667,347		(10,500,000)		43,167,347		35,395,565		(7,771,782)		-18%
STIVES		2,663,763		-		2,663,763		2,449,531		(214,232)		-8%
General expenses		4,800,000		500,000		5,300,000		6,266,247		966,247		18%
Board expenses		2,810,000		-		2,810,000		2,021,000		(789,000)		-28%
Development expenses		22,041,695		-		22,041,695		-		(22,041,695)		-100%
Repairs and maintenance		2,600,000		-		2,600,000		146,560		(2,453,440)		-94%
Total Expenditure		106,161,845		(10,000,000)		96,161,845		60,760,878		(35,400,967)		-37%
Surplus for the Period		-		-		-		4,024,447		4,024,447		

Budget notes

(a) Underutilization in Development Grants – 100%

The Government of Kenya did not release any funds towards the project for the financial year 2021/2022. Management continues to make follow-ups.

(b) Underutilization in Capitation – 14%

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

(c) Underutilization in Rendering of services – 24%

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

(d) Overutilization in Other Incomes – 32%

Many students registered for KNEC examination hence exam fees were over-collected against the budgeted figure of Ksh 3.6M

Underutilization in Employee Costs– 18%

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

(e) Underutilization in Use of Goods and Services – 18%, RMI – 94%, General Expenses – 18%

Capitation Grants for Quarter 3 were received at the closing of the financial year, which delayed procurement of the above goods and services.

(f) Underutilization in Board Expenses – 28%

During the financial year, there were fewer Board activities than anticipated.

Ekerubo Gietai Technical Training Institute

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(g) Reconciliation of total actual reported in this statement and total actual reflected in the statement of financial performance is as follows:

	Amount (Kshs)
REVENUE	
Total actual revenue as per statement of comparison of budget and actual amounts	63,741,835
<i>Add: Receivables from exchange transactions</i>	19,210,722
Total actual revenue as per statement of financial performance	82,952,557
EXPENSES	
Total actual expenses as per statement of comparison of budget and actual amounts	59,717,338
<i>Add: Payables from exchange transactions -PAYE</i>	39,953
<i>Add: Depreciation and amortization</i>	30,515,873
Total actual expenses as per statement of financial performance	90,273,214

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1) General Information

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

2) Statement of Compliance and Basis of Preparation

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

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

The 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.

Notes to the Financial Statements (Continued)

3) Adoption of New and Revised Standards

i) **Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.**

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii) **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.**

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

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Annual Report and Financial Statements for the year ended 30th June 2022

Standard	Effective date and impact:
IPSAS 41, Financial Instruments	Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. (State the impact of the standard to the Entity if relevant)
Other improvements to IPSAS	Applicable 1st January 2023 IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). IPSAS 39: Employee Benefits Now deletes the term composite social security benefits as it is no longer defined in IPSAS. IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1 st January 2023. State the impact of the standard to the Entity if relevant
IPSAS 43	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. State the impact of the standard to the Entity if relevant
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	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. State the impact of the standard to the Entity if relevant

iii) Early adoption of standards

Ekerubo Gietai Technical Training Institute did not early-adopt any new or amended standards in year 2022.

4) Summary of Significant Accounting Policies

Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Dividends

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Revenue recognition (Continued)

Revenue from exchange transactions (continued)

Rental income

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

a) Budget information

The original budget for FY 2021/2022 was approved by the Board on 4th August 2021. Subsequent revisions were made to the approved budget in accordance with specific approvals from the appropriate authorities. The adjustments are reduced from the original budget by the Institute upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Institute recorded reductions of **Kshs 10,500,000** on the FY 2021/2022 budget following the Board's approval on 6th May 2022.

The Institute's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 7 (g) of these financial statements.

b) Taxes

Current income tax

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

Value Added Tax

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

When the VAT tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

a) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of **xxx** years.

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

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

b) Property, plant and equipment

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

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

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

c) 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

d) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The debtors or an entity of debtors are experiencing significant financial difficulty

Default or delinquency in interest or principal payments

The probability that debtors will enter bankruptcy or other financial reorganization

Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

e) 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

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

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

f) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

g) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. (Entity to state the reserves maintained and appropriate policies adopted).

h) 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.

i) 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

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.

j) 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.

k) Comparative figures

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

l) 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, 2022.

1) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

i) 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

ii) 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

iii) 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 .
 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. (Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

6. Transfers from other National Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	27,120,000	28,042,500
Total Government Grants and Subsidies	27,120,000	28,042,500

7. Grants from Donors and Development Partners

Description	2021-2022	2020-2021
	Kshs	Kshs
SITIVES	1,404,321	1,043,490
Total Grants from Development Partners	1,404,321	1,043,490

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Rendering of Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition fees	7,548,106	3,314,208
Repairs Maintenance and Improvement	1,663,330	366,450
Personal Emoluments	5,533,192	1,926,480
Local Transport and Transport	2,422,648	834,648
Electrical Water and Conservancy	2,139,152	617,118
Activity	2,300,000	861,740
Medical	998,550	260,400
Industrial Attachment	1,998,000	844,962
Administration Fees	3,614,300	0
Rendering of services revenues received in cash	28,217,278	9,026,006
Fees arrears	19,210,722	20,035,994
Total revenue from the rendering of services	47,428,000	29,062,000

9. Other Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Student Council	482,400	180,9000
Admission Fees	552,000	197,750
Sale of Tender Documents	1,000	27,000
Exam Registration	5,002,901	971,661
Sale of Water	90,985	17,500
Sale of containers	2,900	2,920
Sale of Milk	12,320	5,820
Computer Packages	121,800	61,700
Board Induction	-	594,000
Sale of Fish	8,950	4,850
Smart Cards	552,000	123,500
Sale of Chicken	57,700	-
Sale of Eggs	115,280	-
Total other income	7,000,236	2,187,601

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10. Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Electricity	883,621	-
Bank charges	53,328	30,240
Local Transport and Traveling	10,480,072	4,237,700
Activity / Sports	3,449,857	8,460
Medical Services	5,200	00
Industrial Attachment	705,094	650,494
Marketing	1,551,250	541,494
Catering	1,818,989	1,550,355
Administration Costs	7,035,547	7,143,615
Farm	732,370	1,920,548
House Keeping	64,993	143,700
Text Books	348,204	00
Research and Development	1,027,740	00
Withholding Tax	83,080	317,317
Hairdressing and Beauty Therapy	742,728	240,018
Computer Studies	163,290	108,408
Building and civil Engineering	1,209,190	1,520,130
Institutional Management	513,255	862,255
Roborts and automation	3,614,280	3,175,903
Electrical and Electronic Engineering	913,477	923,309
Total good and services	35,395,565	23,673,572

11. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	11,854,341	9,552,374
NSSF	1,647,516	1,303,700
NHIF	484,800	357,900
PAYE	273,671	181,593
Welfare Contribution	165,600	342,100
HELB Recoveries	96,000	130,000
Employee costs	14,521,928	11,867,667

11(a) Employee Costs Paid in Cash

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	11,854,341	9,552,374
NSSF	1,647,516	1,303,700
NHIF	484,800	357,900
PAYE	233,718	181,593
Welfare Contribution	165,600	342,100
HELB Recoveries	96,000	130,000
Employee costs	14,481,975	11,867,667

12. Board Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
New Board Inauguration	-	170,000
Allowances to BOG	1,916,000	1,618,000
Chairman Honoraria	105,000	-
Total BOG Emoluments	2,021,000	1,788,000

13. Depreciation and Amortization Expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	29,935,073	-
Intangible Asset	580,800	-
Total depreciation and amortization	30,515,873	-

14. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Furniture and fittings	146,560	291,947
Total Repairs and Maintenance	146,560	291,947

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. STIVES

Description	2019-2021	2019-2020
	Kshs	Kshs
STIVES Project	1,406,041	1,026,900
Total STIVES Project.	1,406,041	1,026,900

16. General Expenses

Description	2020-2021	2019-2020
	Kshs	Kshs
Exams Registration	5,066,100	1,389,720
Smart Card Exp	160,200	-
Fees Refund	4,550	-
Student Council	333,220	270,280
Computer Packages	98,000	43,000
Accommodation Expenses	-	-
Admission Fees Expenses	292,400	66,500
Covid 19	-	1,653,970
Electricity	-	159,387
STIVES expenses - supplement	311,777	-
Total general expenses	6,266,247	3,582,857

17. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Student fund A/c	9,263,868	3,516,347
Recurrent A/c	7,511,124	12,092,166
Development A/c	2,330,170	2,331,613
STIVES A/C	1,154	16,590
Total Cash and Cash Equivalents	19,106,316	17,956,716

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

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
Recurrent account			
Kenya Commercial bank	1167884329	7,470,624	12,017,019
Cash		40,500	21,147
Sub- total		7,511,124	12,092,166
Fees A/c			
Kenya Commercial bank	1167884027	9,263,868	3,516,347
Sub- total		9,263,868	3,516,347
Development A/c			
Kenya Commercial bank	1169941478	2,330,170	2,331,613
Sub- total		2,330,170	2,331,613
STIVES A/c			
Kenya Commercial bank	1280063564	1,154	16,590

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Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
Sub- total		1,154	16,590
Grand total		19,106,316	17,956,716

18. Current Portion of Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Student Debtors	28,873,918	20,035,994
Total Current Receivables	28,873,918	20,035,994

19. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Office Stationery	288,069	250,000
Institution Management Department	150,503	130,000
Building and Civil Engineering	83,728	113,683
Electrical and Electronics	268,237	200,500
Hair Dressing and Beauty Therapy	257,128	221,000
Catering Stores	241,338	86126
Total inventories at the lower of cost and net realizable value	1,289,003	1,001,309

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. Property Plant and Equipment

	Land	Buildings	Furniture and fittings and office equipment	Computers	Plant, machinery and equipment	Biological Assets	Capital work in progress	Total
Depreciation Rate	-	2.5%	12.5%	33.3%	12.5%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2020	64,000,000	282,000,000	11,520,230	2,994,200	160,090,700			
Additions	-	-	-	927,780	1,021,500		26,304,356	546,909,486
Disposals	-	-	-	-	-		-	1,949,280
Transfers/adjustments	-	-	-	-	-		-	-
At 30 June 2021	64,000,000	282,000,000	11,520,230	3,921,980	161,112,200		26,304,356	548,858,766
Additions	-	358,090	1,293,600	1,223,157	-		-	2,874,847
Disposals	-	-	-	-	-		-	-
Transfer/adjustments*	27,400,000	61,024,904	(8,160,551)	296,902	(94,746,710)	130,000	-	(14,055,455)
At 30 June 2022	91,400,000	343,382,994	4,653,279	5,442,039	66,365,490	130,000	26,304,356	537,678,158
Depreciation and Impairment								
At 1 July 2020	-	-	-	-	-			
Depreciation	-	-	-	-	-			
Impairment	-	-	-	-	-			
At 30 June 2021	-	-	-	-	-			
Depreciation	-	7,050,000	1,440,029	-	20,139,025			29,935,073
Disposals	-	-	-	-	-			-
Impairment	-	-	-	-	-			-
Transfer/Adjustment	-	-	-	-	-			-
At 30 June 2022	-	7,050,000	1,440,029	1,306,019	20,139,025			29,935,073
Net Book Values								
At 30 June 2021	64,000,000	282,000,000	11,520,230	3,921,980	161,112,200	-	26,304,356	548,858,766
At 30 June 2022	91,400,000	336,332,994	3,213,250	4,136,020	46,226,465	130,000	26,304,356	507,743,085

*The figure of -Kshs.14,055,455 represents net loss on revaluation of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Valuation

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

20 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	91,400,000	-	91,400,000
Buildings	343,382,994		343,382,994
Furniture and fittings and office equipment	4,653,279		4,653,279
Computers	5,442,039		5,442,039
Plant, machinery and equipment	66,365,490		66,365,490
Capital work in progress	26,304,356		26,304,356
Total	537,548,158		537,548,158

21. Intangible Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At beginning of the year	1,936,000	-
Additions	3,534,000	1,936,000
At end of the year	5,470,000	1,936,000
Amortization and Revaluation		
At beginning of the year	-	-
Amortization	(580,800)	-
At end of the year	(580,800)	-
Revaluation gain	99,440	-
At end of the year	(481,360)	-
Net book value	4,988,640	1,936,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. Trade and Other Payables from Exchange Transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Other Payables PE - PAYE	39,953	6,435,624
Total Trade and Other Payables	39,953	6,435,624

23. Events After the Reporting Period

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

24. Ultimate and Holding Entity

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

25. Currency

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

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XIX. APPENDICES

APPENDIX 1: IMPLEMENTATION STATUS OF AUDITOR-GENERAL RECOMMENDATIONS

The following is the summary of issues raised by the Auditor General in the year 2020/2021, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
REPORT ON THE FINANCIAL STATEMENTS				
Basis for Qualified Opinion				
1.	Anomalies in Property, Plant and Equipment The statement of financial position reflects property, plant and equipment balance of Kshs.548,858,766 as disclosed in Note 19 to the financial statements. Included in the balance is Kshs.64,000,000 in respect of land whose title deed was registered in the name of St. Stephen Egitai Technical Training Institute, a non-existent entity. Management has however indicated that the process of transferring ownership to the Institute is on-going. Further, the balance excludes undetermined value of the Institute's biological assets which include sixteen (16) adult cattle, two (2) heifers, fish held in two (2) fish ponds with the capacity of 1000	The title deed The process of changing the name from St stephene Egitai Technical Training Institute to Ekerubo Gietai Technical Training Institute is underway and the documents were presented during the auditing exercise. Provision for Depreciation Asset valuation process is underway once complete we shall provide for depreciation and amortization in accord with IPSAS 17	Resolved	By 30 th Jun 22

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>fish and poultry. In addition no provision for depreciation on the assets were made in the year.</p> <p>In the circumstances, the ownership, accuracy, completeness of the property, plant and equipment balance of Kshs.548,858,766 could not be confirmed.</p>	<p>Biological Assets</p> <p>The biological assets will be valued as well and included in the Property Plant and Equipment in the subsequent financial statements which will be presented in the month of September 2022</p>		
2.	<p>Long Outstanding Receivables from Exchange Transactions</p> <p>The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.20,035,994 which, as disclosed in Note 17 to the financial statements relates to student fee debtors. However, this balance includes debts amounting to Kshs.6,387,988 which had been outstanding for more than one (1) year and for which, no evidence was provided to show Management's effort to recover the debts. Further, no provision was made for any likely loss of revenue from non-collectable debts.</p> <p>In the circumstances, recoverability of the long outstanding receivables from exchange transactions balance of Kshs.6,387,988 is doubtful and the fair statement of the total</p>	<p>The college had initiated the process of developing the Debt Management Policy which is now complete and approved.</p> <p>This Policy will help in controlling and managing receivables from exchange transaction.</p>	Resolved	By 30-Jun-22

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	receivables from exchange transactions balance of Kshs.20,035,994 could not be confirmed.			
Other Matter				
1.	Failure to Include Environment and Sustainability Reporting			
	The other information accompanying the financial statements for the year ended 30 June, 2021 did include Environment and Sustainability Reporting as prescribed and published by the Public Sector Accounting Standards Board. No explanation was provided for this omission	It was an omission which was noted, the management promises to do reporting on this section as required by PSASB in the subsequent FY 2021/2022	Resolved	30-Jun-22
2.	Budgetary Control and Performance			
	The statement of comparison of budget and actual amounts for the year ended 30 June, 2021 reflects total budgeted revenue of Kshs.84,715,572 and actual revenue of Kshs.40,299,597, resulting in a budget shortfall of Kshs.44,415,975 or 52% of the budget. Similarly, the Institute spent Kshs.42,231,443 against an approved budget of Kshs.84,715,572, resulting in an under-expenditure of Kshs.42,484,129 or 50% of the budget.	The year under review was a Covid 19 era whereby the entire country experienced a lot of challenges hence the college was not able to collect all the income as budgeted for, leading to a shortfall of the said amount as well as under-expenditure	Not resolved	30-Jun-23

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	The revenue shortfall and the under-expenditure affected planned activities and may have negatively impacted on services delivery to the public.			
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
Basis for Conclusion				
1.	Delay in Construction of a Library Block			
	The statement of financial position reflects property, plant and equipment balance of Kshs.548,858,766 which, as disclosed in Note 19 to the financial statements, includes capital work in progress amount of Kshs.26,304,356 relating to the construction of a library block. As previously reported, a company was awarded tender for construction of the library block at a contract sum of Kshs.48,919,380 for a duration of (36) weeks which was expected to end on 14 April, 2016. Physical inspection of the project in April 2022 revealed that the project was incomplete and works had stalled as the contractor had abandoned the site, despite the contract completion date having been	The Government of Kenya under the Ministry of Education has delayed in disbursement of Development grants for some time now. Follow ups has been made and evidence was provided during auditing exercise. -Management is pursuing alternatives / additional sources of funds to progress with the project	Not resolved	30 Jun-23

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>revised several times to permit completion of the project.</p> <p>In the circumstances, the public may not obtain value for money on resources of Kshs.26,304,356 already spent on the project.</p>			
2.	<p>Non-Compliance with the Law on Staff Ethnic Composition</p> <p>A review of personnel records for the year under review indicated that as at 30 June, 2021, the total number of employees of the Institute was 71 out of which 63 or 89% were members of the same ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, “all public establishment shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community</p>	<p>Most of our BOG employees are from one ethnic region due to the following possible reasons: The majority of non-training staff are general workers who earn below minimum wage that may not attract others from different ethnic regions, we are trying to balance our salaries to cap this situation. Employed staff from other tribes stays for a short period and get better positions in other organizations hence exit from our institution. i.e our central stores keeper who was a Kalenjin transferred his services to Baringo County the resignation letter was attached for reference.</p>	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
Basis for Conclusion				
1.	Lack of Approved Staff Establishment and Human Resource Plan	The institution initiated the formulation of the said policy in the year 2021. Having considered all the stages, as at now is at the draft stage a waiting for validation and approval by the Board.	Not resolved	By 31-Dec-22
2.	Lack of Risk Management Policy	The Risk Management Policy document is in its final stage ready for approval but we attached the draft as a sign of progress.	Not resolved	By 31-Dec-22
	The Institute had not put in place a risk management policy, to assist in identification and mitigation of risks, and a documented disaster recovery plan to ensure continued operations in case of disruption of services or disaster. In the circumstances, the Institute may			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	not be able to respond effectively in the event of a disaster or disruption of its services.			

Geoffrey N. Andama



(Principal / BOG Secretary)

Date 28/09/2022

APPENDIX II: PROJECTS IMPLEMENTED BY THE INSTITUTE
Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
STIVES	EGTTI002	CICan	1 YR	2,663,763	YES	YES

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1 Library	48,819,382	26,304,361	65%	19,710,082	00	MOEVTT

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APPENDIX III - INTER-ENTITY CONFIRMATION LETTER



Ekerubo Gietai Technical Training Institute wishes to confirm the amounts from you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to us with the amounts we received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Disbursed by the Ministry of Education as at 30th June 2022

Reference Number	Date Disbursed	Capitation (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received by [beneficiary Entity] (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
	18/11/2021	8,340,000	00	00	8,340,000	6,742,500	1,597,500
	25/02/2022	8,340,000	00	00	8,340,000	6,742,500	1,597,500
	03/06/2022	10,440,000	00	00	10,440,000	6,742,500	3,699,500
		00	00	00	00	7,815,000	7,815,000
Total		27,120,000	00	00	27,120,000	28,042,500	14,709,500

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

Head of Accountants department of beneficiary Entity:

Name Geoffrey N. Andama

Sign

Date 28/09/2022

APPENDIX IV: REPORTING OF CLIMATE RELEVANT EXPENDITURES

There were no climate related expenditures during the year

APPENDIX V: DISASTER EXPENDITURE REPORTING TEMPLATE

There was no expenditure on disasters during the year.