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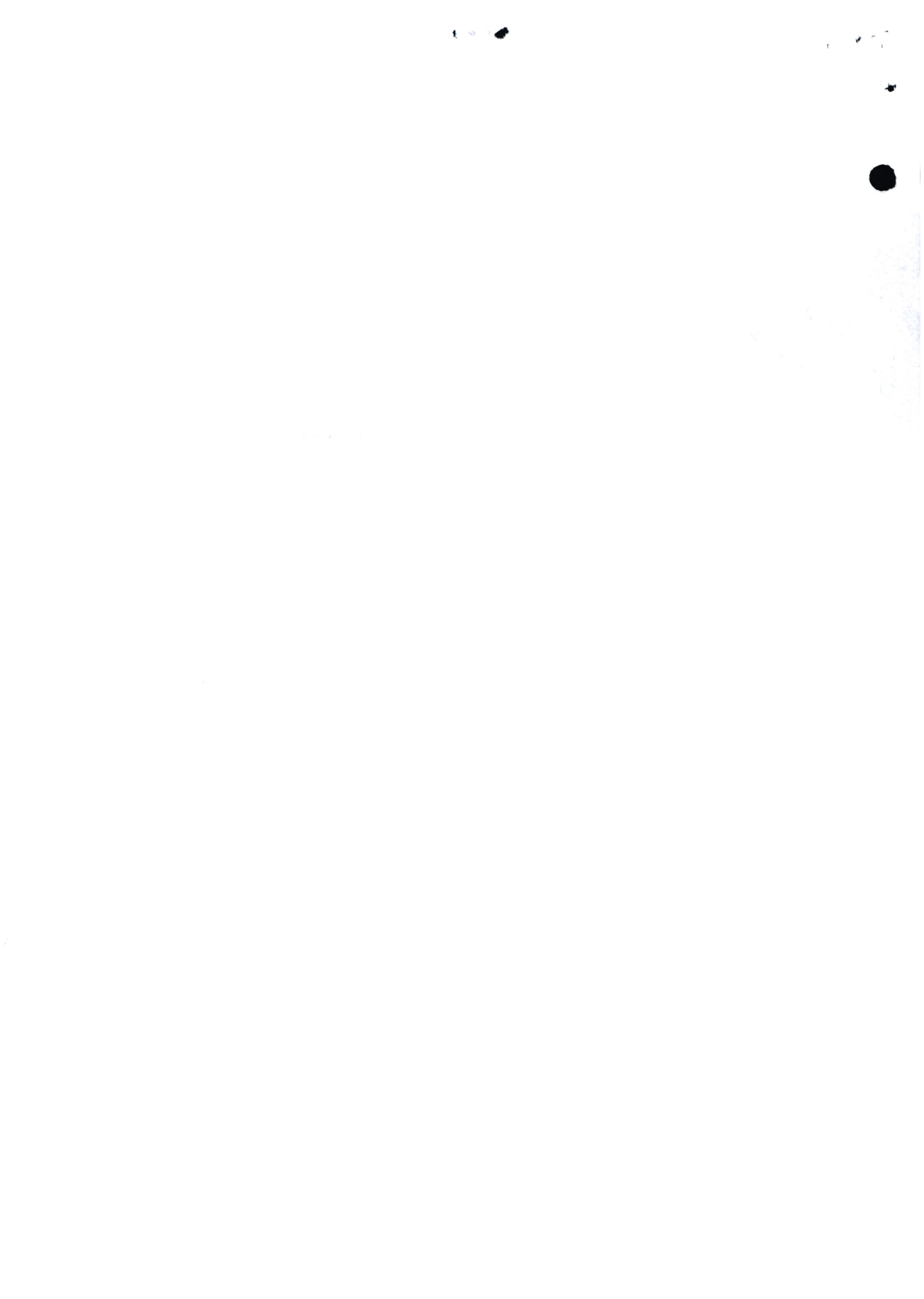
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**THE AUDITOR-GENERAL**

**ON**

**KAIBOI TECHNICAL TRAINING INSTITUTE**

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

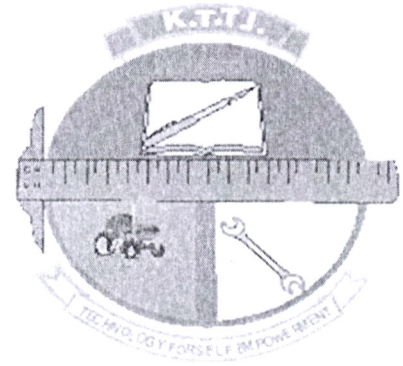




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**KAIBOI TECHNICAL TRAINING INSTITUTE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE 2022**

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

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## **I. KEY INSTITUTE INFORMATION AND MANAGEMENT**

### **(a) Background information**

Kaiboi Technical Training Institute is situated in Nandi County, Kenya. It was established in 1962 as a Trade School by the Roman Catholic Church offering Trade Courses in Carpentry. The Government of Kenya took over its management in 1969 and turned it into a National Technical School and it started offering Technical Courses leading to Kenya Certificate of Secondary Education (KCSE).

With the introduction of the 8-4-4 system of education, Kaiboi Technical School was changed to a Public Technical Training Institute, a status it has maintained to date. The institute derives its mandate and functions from the Technical and Vocational Education and Training Act, 2013. Currently, it is managed by the Board of Governors under the Ministry of Education

### **(b) Principal Activities**

The principal activity of the Institute is to offer high quality Technical Training, carry out innovative research and community outreach programmes for sustainable socio-economic development.

Promote and adopt principle of good governance and achieve high quality service delivery aligned to ISO 9001:2015 standards.

### **Vision**

A world class model in the provision of quality and relevant technical training.

### **Mission**

To provide quality and relevant technical training responsive to the dynamic market needs.

#### **Strategic Objectives**

- 1) To produce relevant skilled manpower suitable for market needs through training and research;
- 2) To provide technological solutions through Research and Innovations;
- 3) To promote technology transfer to the community and industry;
- 4) To improve on the human, physical and organizational capacity;
- 5) To maintain a competitive edge and corporate image through quality service delivery, good governance and Corporate Social Responsibility activities.

### **Core Values**

To meet the expectations of our stakeholders, we are committed to the following values: -

- 1) Professionalism,
- 2) Transparency
- 3) Accountability
- 4) Integrity
- 5) Efficiency
- 6) Team Spirit
- 7) Ethical and evidence-based decision-making

**Kaiboi Technical Training Institute**  
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**(c) Key Management**

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

1. Board of Governors
2. Accounting officer/ Principal
3. Deputy principal in charge of Administration
4. Deputy Principal in charge of Academics
5. Registrar
6. Dean of Students
7. Finance Officer
8. Procurement officer
9. Human Resource Manager
10. Internal Auditor
11. Heads of Departments

**(d) Fiduciary Management**

No.	Designation	Name
1.	Principal	Charles Koech/Getrude Sawe
2.	Deputy Principal administration	Viola Ngetich
3.	Deputy Principal Academics	James Oduor
4.	Finance Officer	CPA Jemima Muten
5.	Registrar	Emmy Lagat
6.	Dean of students	James Kiyeny

**(e) Fiduciary Oversight Arrangements**

1. Finance, Infrastructure and General Purpose chaired by Mr. Allan Khaminwa
2. Education, Research and Training chaired by Eng. Wisley Barmosop
3. Audit and Risk Management chaired by Mrs. Emily Ngetich

Other organs carrying out oversight include;

1. State Department of Vocational Technical Training under Ministry of Education
2. Public Procurement and Oversight Authority
3. Office of the Auditor General
4. Technical Vocational Education and Training Authority (TVETA)

**KEY INSTITUTE INFORMATION AND MANAGEMENT (Continued)**

**(f) Institute Headquarters**

P.O. Box 937-30100  
Eldoret , KENYA  
22 KM off Eldoret- Kapsabet highway, approximately 50 KM from Eldoret.

**(g) Institute Contacts**

Telephone: (254) 734937937/727937937/733659780  
E-mail: [kaiboi@kaiboitech.ac.ke/principal@kaiboitech.ac.ke](mailto:kaiboi@kaiboitech.ac.ke/principal@kaiboitech.ac.ke)  
Website: [www.kaiboitech.ac.ke](http://www.kaiboitech.ac.ke) <http://www.go.ke/>

**(h) Institute Bankers**

absa  
Eldoret Branch  
P.O. Box 22-30100  
Eldoret, Kenya

Kenya Commercial Bank  
Eldoret Branch  
P.O Box 560-30100  
Eldoret, Kenya

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

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

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**II. THE BOARD OF GOVERNORS**



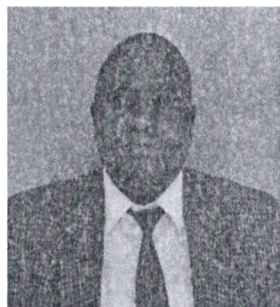
Dr. James Kimeli Sang - BOG Chairman  
PhD (Moi Uni.) MA (University of  
Reading UK)  
B.Ed (Moi Uni)

Dr Sang was born on 09/06/1968. He is the Board's Chairman. He has a wealth of public service experience having been a Principal at Kobujoi Development Training Institute, and a teacher at Kapkoimur Secondary School. He is currently a lecturer at the Moi University Department of Educational Management and Policy Studies, School of Education. He has also Published Several Publication in Education Management. He has a PhD in Educational Administration from Moi University, a M.A in Organization, Planning and Management in Education from the University of Reading-UK and a Bachelor of Education Arts from Moi University.



Mrs. Getrude Sawe  
BSC (Kampala International Uni)  
Principal/Secretary to the Board

Born on 22/2/1964, Mrs. Sawe is the Chief Executive officer of the Institute serving as the Principal and Secretary to the Board from 22/01/2022. She holds a Bachelor of Education Science Degree from Kampala International University and a Diploma n Agriculture and Home economics fom Egerton University. Mrs. Sawe has vast experience in education administration management having served as a Principal, Deputy Principal, and HoD. She has undergone various short courses in Education Management and Governance.



Mr. Gichuru Mutulili -TVET County Director

Born on 3rd September 1966, Mr. Mutulili is the Current TVET County Director Uasin Gishu/Nandi /ElgeyoMarakwet region. He is the Ministry's representative in the Board and provides advice and guidelines on Ministry's strategic goals, mandate and policy direction. He holds a Master of Business Administration (Management Information Systems) and a Bachelor of Education Arts (Mathematics and Business Studies). He has vast experience in public service particularly in Education, Financial, Procurement, Project Management and monitoring and evaluation of project



Mr. Philip Koimur  
B.Sc. (Mt. Kenya Uni.) Dip.(KMTC)

Mr. Koimur was born on 2nd Feb. 1975. He is a member of the Finance and Infrastructure sub-committee of the Institutes Board. He is a Medical lab researcher and quality management professional with Technical Knowledge. He holds a Degree in Medical Laboratory Sciences from Mt. Kenya University and a Diploma In medical laboratory sciences from KMTC. Currently, Mr. Koimur is currently working at the county government of Uasin Gishu at the Uasin Gishu County Referral Laboratory.



Mrs Emily Ngetich  
MBA (Canadian School of Management)  
BA. (Karnatak Uni) Dip. (Deepak computer center)

Mrs. Ngetich was born in the year 1973. She is the Chairperson of the Audit and Risk Management of the Institute Board sub-committee. She is an Accountant with a wealth of experience in Accounting and management. Formerly served as the Executive Director at Joyful Women Organization. Mrs. Ngetich, has an MBA in Finance from Canadian School of Management, a Bachelor of commerce (Accounting and Income tax) from Karnatak University and a Diploma in Computer Studies from Deepak Computer Center.



Mr Albert Odhiambo Onyango  
Bsc. (University of Botswana)

Albert was born on 20th May 1984. He is currently a member of Education, Research and Training and Audit and Risk Management Sub- committee in the Institute Board. He holds A Bachelor of Science in Computer Science from the University of Botswana. He is also a Cisco Certified Network Administrator (CCNA) from the Computer Science Local Networking Academy-University of Botswana. He also has several Professional and short course certifications. He currently works as a senior assistant Network Administrator at the University of Eldoret.

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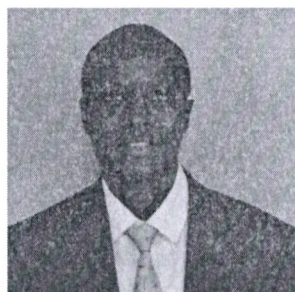
Ms. Joan Jepkoech Serem  
BBM (Moi Uni.) Dip. (Eldoret Polytechnic)

Joan was born on 21<sup>st</sup> January 1976. She is a member of both Finance, General purpose and Education, Research and Training sub- committees in the Institute Board. She has a wealth of experience in management & general administration having worked in various organisations including being an Office Manager -Mosop Constituency and a member of Mosop sub county Social Ass. Committee. She is currently the Deputy Manager Mosop Constituency. She is a holder of a Bachelor of Business Management from Moi University and a Diploma in Business Administration from The Eldoret National Polytechnic.



Mr. Allan Ralph Khaminwa  
Bsc. Tech Automotive Engineering  
(Uni. Of Eastern Africa, Baraton)

Allan was born on 15<sup>th</sup> February, 1975. He the chairperson of Finance, Infrastructure and General Purpose sub-committee at the Institute Board. He is a holder of a Bachelor of Science Technology from the university of Eastern Africa, Baraton and has a vast knowledge and experience in Motor Vehicle Body works. He is currently working as the Operations Director at Spray Zone Motors.



Eng. Wisley Barmosop  
BSC- Agricultural Engineering (Egerton Uni)

Engineer is the Chair Education, Research and Training Committee of the Institute's Board and also serves as a member of Board of Directors Hills Sacco Ltd. Wisley has a Bachelor of Science in Agricultural Engineering from Egerton University. He has a vast experience in Sustainable Agribusiness Production having served as a senior Estate Manager Field Operations at Eastern Produce (K) Ltd. He is currently serving as the Manager Factory Operations Siret Factory.



Eng. Drice Rono – BE  
(Mechanical & Production)-  
Moi Univeristy

Eng Drice was born on 23<sup>rd</sup> September 1988. He is the Governors Representative in the board. He has a wealth of experience as a Project Engineer having worked in several projects across the country including being the Senior Superintending Engineer Mechanical in the County Government of Samburu. He is currently the Executive Committee Member Transport and Infrastructure at the County Government of Nandi. Eng. Drice holds a Bachelor of Engineering (Mechanical and Production Engineering from Moi University he is Gazetted as a Professional Engineer by Kenya Engineering Technology Registration Board, Registered Member with The Institute of Engineering Technologist and Technicians Board of Kenya and also registered as a Graduate Engineer With Engineers Board of Kenya.

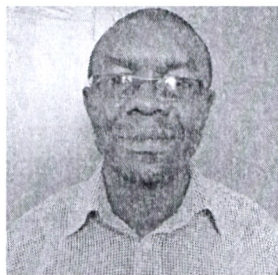
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**III. MANAGEMENT TEAM**



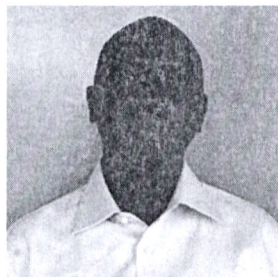
Mrs. Getrude Sawe-  
BSC (Kampala International Uni)  
Principal/Secretary to the Board

Mrs. Viola Ngetich  
BSC (Egerton Uni)  
Deputy Principal in Charge of Administration



Mr. James Oduor  
BED- Arts (KU)  
Deputy Principal in Charge of Academics

Ms. Emmy Lagat  
MED(Moi Uni) BED(Egerton Uni)  
Registra in Charge of Academics and Admissions



Mr. James Kiyeny (Moi Uni) )BED (TUM) Bsc  
Ag. Dean of Students and a Lecturer in Mechanical  
Engineering Department

CPA Jemima Muten  
MBA (UOE) BCOM(CUEA) CPA(K)  
Finance Officer



#### **IV. CHAIRMAN'S STATEMENT**

It gives me great pleasure to present the 2021/2022 Annual Report to our stakeholders. We are immensely grateful to our staff, students, parents, donors, sponsors and collaborators for their continued commitment and support. Their support motivates and gives us the strength to drive the institution forward, to build on and consolidate the institute's strong profile, good reputation and positive impact. Of particular mention is the increase in student enrolment that registered a big stride through the government initiative in TVET and rigorous marketing. In Kenya, education experts have predicted that the success of economic growth will be hinged on an adequate supply of middle-level technical skills. In an attempt to address this concern, the government has moved to implement the Technical and Vocational Education and Training Act (2013). This has resulted in increased funding for the Technical and Vocational Education and Training Institutions through Capitation, Development Grants and HELB loans and bursaries.

The government's initiative in improving TVET sector brought along several opportunities including increased enrolment, linkages and collaborations. Along these were also high levels of expectations from student community, employees and other stakeholders. The strategic plan being implemented had envisaged to address the emerging challenges and took advantage of existing opportunities. It provides a clear roadmap to the Board of Governors and management during the period 2019-2023 of the institute's development priorities. The Institute continues to make tremendous achievement in fulfilling its mandate by continuing to provide physical and training facilities, employing skilled manpower and automating its operations. It is expected that the government will continue to contribute to the realization of our dreams as we look out to other partners and sources of revenue to fund the planned expansion.

Through a collaborative process of management working among staff and trainees, with the full support of the Board of Governors, we have continuously worked to ensure that the Institute meets its financial obligations for sustainability and for its infrastructural expansion. We continue to improve training facilities to gain competitive edge and meet the requirements of the extremely competitive environment since every constituency boasts of a public TVET institution as well as Private Colleges.

Our commitment as a Board is to continue setting the right tone at the top geared towards the realization of the Institute's vision and mission. We feel indebted to all the stakeholders who contributed to the success of the just concluded financial year and look forward to continued cordial relations.



Dr. James Sang  
BOG Chairperson

Date: 4/04/2023

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**V. REPORT OF THE PRINCIPAL**

Kaiboi Technical Training Institute endeavours to offer high quality technical training, carry out innovative research and community outreach programmes for sustainable socio-economic development. This also enables the institute to contribute towards the attainment of our country's Vision 2030 blue print and support the drive in realising the objectives of the National Government's 'Big Four' agenda.

The FY 2021/2022 was a significant year as the Government continued to emphasis on TVET sector. The institution started picking up after the disruption by the outbreak of COVID -19 that led to closure of Institutions. During the financial year, the institute implemented activities towards achievement of the Strategic Plan. Resources were directed to mitigation measures of curbing spread of Covid-19, marketing activities to increase student enrolment, infrastructural projects, and training, research and ICT activities. Some of the key priority areas implemented in the financial year under review are;

1. Completion of Construction to completion of Science and Engineering Complex
2. Students Furniture and office fittings
3. Rehabilitation of upper quarters to create more space for training and offices
4. Marketing of the Institute's Programmes,
5. Purchase of Training Equipment
6. The institute benefitted from donor funding for the solar PV equipment
7. Construction to completion of Social Hall cum Sports Arena
8. Water Bottling Programme

Capital projects are key to the growth and development of the Institute given its continued expansion and improvement of the required physical facilities to accommodate increasing population and despite challenges that we experience in implementation of projects due to limited funding, we have put in place funds saving mechanisms and optimization of fees collection to mitigate the problem. We continue writing proposals to the government for donor funding where possible.

Prudent financial management remain top in our agenda. In the financial year 2021/2022, the exchequer contribution totaled to Kshs 97,947,195 for recurrent expenditure purposes as compared with Kshs 127,025,000 in the previous year. Internally generated income of Kshs 182,492,972 collected was from fees, farm and rental income. The Institute recorded an aggregate income of Kshs 280,440,167 during the year whereas the recurrent expenditure stood at Kshs 288,071,853 that included depreciation of Kshs 77,465,213. Kshs. 64,928,530 was used for purchase of Property, Plant and Equipment during the financial year 2021/2022. This included construction of Science and Engineering Complex, the Multi-Purpose Hall, Renovations, Furniture and Training Equipment. We however, did not recognize funds for development as earlier anticipated to receive from the

**Kaiboi Technical Training Institute**

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

Government for construction of Science and Engineering Complex. The Board committed funds from internally generated income for its completion.

On behalf of the Board of Governors, I take this opportunity to thank the National Government for its unequivocal support during the year under review. I also appreciate the financial, material and moral

Support of our collaborators, partners and well-wishers during the period. It is because of the co-operation with the National Government through the Ministry of Education, the Board of Governors as well as the mutual cooperation of the Management team, all staff, our students and other stake holders that we ended the year with stability.

It is my desire that we continue working together as a team in the current financial year and beyond



Mrs. Getrude Sawe  
PRINCIPAL

Date: 4/04/2023

**Kaiboi Technical Training Institute**  
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**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 Institute's performance against predetermined objectives.

Kaiboi Technical Training Institute has five strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

Pillar 1: Teaching & Learning

Pillar 2: Physical Infrastructure

Pillar 3: Governance and Management

Pillar 4: ICT

Pillar 5: Finance

The institute develops its annual work plans based on the above five pillars. 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 five strategic pillars, as indicated in the diagram below:

Strategic Issue	Teaching & Learning							Remarks
Strategic Objective	To produce competent and skilled graduates							
Strategic Initiatives	Output/Activities	F/Y 2020/2021 Quarterly Budget Estimates - Ksh '000'					Implementor(s)	
		Q1	Q2	Q3	Q4	TOTAL		
Enhance funding for training	Increase budget allocation for training	10,000	10,000	10,000	10,000	40,000	BOG/Principal/FO	Done
	Lobby Government for increased funding	50	50	50	50	200	BOG/Principal	continuous
	Engage development partners for funding support	25	25	25	25	100	Principal	In progress
Collaboration with the industry	Identify areas of collaboration and probable industries of interest	25	25	25	25	100	Principal/ILO/HODs	In progress
	Establishing and strengthening collaboration	25	25	25	25	100	Principal/Admin/HODs	In progress
Develop and implement	Constitute a Technical committee to	-	-	-	-	-	Principal/Admin/HODs	Done

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CBET Curriculum	develop/adopt CBET curriculum							
	Develop a roll-out plan for the CBET – Three relevant curricula	500	500	500	500	2,000	Principal/Admin/HODs	Done
Promote attachment apprenticeship and internship placement	Develop and implement attachment ,apprenticeship and internship policy	5	5	5	5	20	Principal/Admin/HODs/ ILO	Done
Establish and strengthen collaboration and partnership	Establishing and strengthening collaboration	25	25	25	25	100	Principal/Admin/HODs	Done
Improve on supervision of attachment activities	Upgrade the MIS include industrial attachment module	-	-	-	-	-	Principal/ILO/HOD ICT	Done
Advocate for comprehensive and affordable insurance cover	Procure affordable insurance cover	10	-	-	-	10	Principal/ILO	Done
Sub Total		10,665	10,655	10,655	10,655	42,630	-	

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Strategic Issue	Teaching & Learning						Remarks	
Strategic Objective	To Strengthen Collaboration and linkages with Industry							
Strategic Initiatives	Output/Activities	F/Y 2020/2021 Quarterly Budget Estimates - Ksh '000'						Implementer(s)
		Q1	Q2	Q3	Q4	TOTAL		
Establish and strengthen collaboration and partnership	Establishing and strengthening collaboration	25	25	25	25	100	Principal/Admin/HODs	Done
Improve on supervision of attachment activities	Upgrade the MIS include industrial attachment module	-	-	-	-	-	Principal/ILO/HOD ICT	Done
Promote apprenticeship and internship placement	Develop and implement attachment, apprenticeship and internship policy	2.5	2.5	2.5	2.5	10	Principal/Admin/HODs/ ILO	Done
Link up the BIG 4 Agenda with the Institutes initiatives	Create partnership with the Ministry of housing and urban development to contract the institute to provide inputs for the AHP e.g (doors, hidges, window frames, etc)	25	25	25	25	100	Principal/Admin/HODs/ ILO	In progress
	Engage with agro-processors on food value addition	25	25	25	25	100	Principal/Admin/ILO /HOD/HOS AGRI	In progress
	Engage with the manufacturers	25	25	25	25	100	Principal/Admin/HODs	In progress
Sub Total		102.5	102.5	102.5	102.5	410	-	

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Strategic Issue	Teaching & Learning							Remarks
Strategic Objective	To promote innovation, creativity and research							
Strategic Initiatives	Output/Activities	F/Y 2020/2021 Quarterly Budget Estimates - Ksh '000'					Implem- enter(s)	
		Q1	Q2	Q3	Q4	TOTAL		
Strengthen Research & Development Unit	Create a research and innovation fund	125	125	125	125	500	BOG/Pr incipal/ FO	In progress
	Write research funding proposals from donors and NRF		25	25		50	Principa l/Admin	In progress
	Provide relevant training and research facilities	-	-	-	-	-	BOG/Pr incipal	done
	Collaborate with research institutions	25	25			50	Principa l/Admin /R&D Coord/H ODs/FO	In progress
	Develop a research and development policy	-	-	5	5	10	Principa l/Admin /R&D Coord/H ODs	done
Inculcate and nurture innovative culture	Set-up a business and innovation hub	1,000	1,000	1,000	1,000	4,000	Principa l/Admin /R&D Coord/H ODs/FO	In progress
	Design/come-up with a competition and reward best innovations	-	-	50	50	100	Principa l/Admin /R&D Coord/H ODs/FO	In progress
	Set-up a seed capital fund to finance incubation of startups	250	250	250	250	1,000	BOG/Pr incipal/ Admin/ FO	In progress
Sub- Total		1,400	1,425	1,455	1,430	5,710	-	

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Strategic Issue	Teaching & Learning						Remarks	
Strategic Objective	To Enhance access and equity to training							
Strategic Initiatives	Output/Activities	F/Y 2020/2021 Quarterly Budget Estimates - Ksh '000'						Implementer(s)
		Q1	Q2	Q3	Q4	TOTAL		
Promote gender equity	Carry out motivational talks in targeted high schools	20	20	10	10	60	Marketing Team/FO	done
	Develop gender centric initiatives to support either gender e.g sports, hostels allocation	50	50	50	50	200	Principal/Admin/Dean/Sports officer/FO	done
Market the institute	Develop a talent discovery/search programme through events e.g culture week, innovations expo	25	25	25	25	100	Dean/ R&D Coordinator/HODs/FO	done
	Participation in co-curricular activities e.g sports, KATTI events	1,250	1,250	1,250	1,250	5,000	Sports Officer/Dean/FO	done
	Advertise through print and electronic media	250	250	250	250	1,000	Marketing Team/FO	done
	Holding Graduation Ceremony	-	-	-	-	-	-	Postponed
	organize open/Field Days	100	100	100	100	400	Open Day chair/HODs/Stakeholders/FO	Postponed
	visits to secondary schools, attend graduations and public forums	25	25	25	25	100	Marketing Team/Admin/FO	Done
	participate in TVET Fairs and exhibitions	-	-	1,000	500	1,500	Admin/TVET Fairs Chair/ R&D Coordinator/ HODs/FO	postponed
	Set-up an E-learning platform	-	-	-	-	-	HOD ICT/ICT Technicians/FO	done

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Improve Access to learning and training	Procure E-learning materials(e-books)	-	100	100	-	200	HOD ICT/FO	done
	Train lecturers and create e-content/digitize	-	-	-	-	-	HOD ICT/FO	done
	Provide scholarships	-	100	200	200	500	Dean/HODs/FO	In progress
Set-up Office of Career Services	Collaborate with KUCCPS, HELB, NG-CDFs, County Governments and Others agencies in selection and sponsorship of students	25	25	50	50	150	Registrar/FO	done
Sub- Total		<b>1,745</b>	<b>1,945</b>	<b>3,060</b>	<b>2,460</b>	<b>9,210</b>	-	

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Strategic Issue	Teaching & Learning						Remarks	
Strategic Objective	Better Learner experience							
Strategic Initiatives	Output/Activities	F/Y 2020/2021 Quarterly Budget Estimates - Ksh '000'						Implementer(s)
		Q1	Q2	Q3	Q4	TOTAL		
Improve the students welfare	Increase participation in co-curricular activities	500	500	500	500	2,000	Sports Officer/FO	Done
	Advocate for comprehensive insurance cover	1,000	1,000	1,000	1,000	4,000	ILO/FO	Done
	Create awareness on HIV/AIDS, Drugs and Substance abuse and facilitate VCTs .	25	25	25	25	100	G&C Coordinator/ G&C Committee/FO	Done
	Strengthen the counselling unit – proactive	25	25	25	25	100	G&C Coordinator/ G&C Committee/FO	Done
	Acquire a 62 seater bus	-	-	-	-	-	BOG/Principal/FO	Done
	Enhance the students governance structure	-	-	-	-	-	Dean/Asst. Dean	Done
	Enhance security	Install cctv cameras	-	-	-	-	-	Principal/Admin/HOD ICT/FO
Install access control systems in all strategic areas		20	10	10	10	50	Principal/Admin/HOD ICT/FO	In progress
Improve recreational facilities	Repair the fields and internal sports arenas	100	100	100	200	500	Sports Officer/FO	In progress
	Adequately Kit all the teams	750	750	750	750	3,000	SSO/Sports Officer/FO	Done
Sub- Total		<b>2,420</b>	<b>2,410</b>	<b>2,410</b>	<b>2,510</b>	<b>9,750</b>	-	

Strategic Issue	Physical Infrastructure						Remarks	
Strategic Objective	To improve on infrastructural facilities and Equipment							
Strategic Initiatives	Output/Activities	F/Y 2020/2021 Quarterly Budget Estimates - Ksh '000'					Implementer(s)	
		Q1	Q2	Q3	Q4	TOTAL		
Increase infrastructural capacity of the institute	Renovate and rehabilitate existing infrastructure	1,500	1,500	1,500	1,500	6,000	Principal/Admin/R&M Cmt Chair/FO	continuous
	Construction ICT Complex	-	-	-	-	-	Principal/CoW/FO	In progress
	To construct Science and Engineering Complex	2,500	2,500	2,500	2,500	10,000	Principal/CoW/FO	In progress
	Fabrication of Outdoor benches	-	2,500	-	-	-	Principal/CoW/FO	Done
	Construction of Hospitality and Applied Science complex	-	-	-	-	-	Principal/CoW/FO	In progress
	Construction of Building and Construction shed	-	-	-	-	-	Principal/CoW/FO	Done
	Construction of Pavilion	-	-	-	-	-	Principal/CoW/FO	In progress
	Business center	-	-	-	-	-	Principal/CoW/FO	In progress

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

Modernize training equipment	Purchase a Modern illustration vehicle	500	500	500	500	2,000	Principal/HOD Auto/FO	In progress
	Purchase MV Engine Diagnostic equipment	-	-	-	-	-	Principal/HOD Auto/FO	Done
	Procure Materials Testing Equipment	1,000	500	500	1,000	3,000	Principal/HOD Elec& Blngr /FO	Done
	Food and Beverage equipment	-	500	-	500	1,000	Principal/HOD Agr /FO	Done
	Value addition Equipment	-	-	-	-	-	Principal/HODs /FO	In progress
	Irrigation equipment	-	50	-	50	100	Principal/HOD Agr /FO	Done
	Modern electrical equipment	-	-	-	-	-	Principal/HOD Elec& Blngr /FO	Done
	Concrete testing equipment	1,000	-	-	-	1,000	Principal/HOD Elec& Blngr /FO	Done
	Survey Equipment	1,000	-	-	-	1,000	Principal/HOD Elec& Blngr /FO	Done
	Road Construction equipment	1,000	-	-	-	1,000	Principal/HOD Elec& Blngr /FO	Done
	Secretarial equipment	-	-	100	-	100	Principal/HOD Bus /FO	Done
Sub- Total		<b>8,500</b>	<b>5,550</b>	<b>5,100</b>	<b>6,050</b>	<b>25,200</b>	-	

**Kaiboi Technical Training Institute**

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

Strategic Issue	Governance and Management						Remarks	
Strategic Objective	Promote good corporate Governance							
Strategic Initiatives	Output/Activities	F/Y 2020/2021 Quarterly Budget Estimates - Ksh '000'						Implementer(s)
		Q1	Q2	Q3	Q4	TOTAL		
Deliver value to the customer	Review customer service delivery charter Bi-annually	-	-	25	25	50	MR/FO	Done
	Enforce adherence of service delivery charter	-	-	-	-	-	All Officers at service points	Done
To enhance institutional corporate image	Participate in corporate social activities.	250	-	250	-	500	Dean/ASPnet Patron/FO	Done
Build capacity on health, safety and disaster preparedness	Adherence to health and safety policy guideline/disaster preparedness guidelines	100	100	100		300	Cmt Chair/FO	Done
	Conduct drills and trainings	50		50		100	Cmt Chair/FO	In Progress
Create a conducive environment	Implement disability mainstreaming policy	25	25	25	25	100	Cmt Chair/FO	In progress
	Greening, Landscaping and beautification	500	500	500	500	2,000	Cmt Chair/ Aspnet patron /FO	Done
Sub- Total		925	625	950	550	3,050	-	

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

Strategic Issue	ICT						Remarks	
Strategic Objective	To Promote adoption of ICT							
Strategic Initiatives	Output/Activities	F/Y 2020/2021 Quarterly Budget Estimates - Ksh '000'					Implementer (s)	
		Q1	Q2	Q3	Q4	TOTAL		
Automate Institutions core services	Install ERP /Modules			500		500	Principal/HOD ICT/FO	Done
	Install Pay As You Eat System		100			100	Principal/HOD ICT/FO	In progress
Secure the institute's information assets security	Enhance ICT security – install firewalls etc			50		50	Principal/HOD ICT/FO	In progress
	Develop ICT security policy	-	-	-	-	-	Principal/HOD ICT/FO	Done
	Implement ISMS based on ISO 27001	-	-	-	-	-	Principal/HOD/MR ICT/FO	In progress
Improve access and connectivity	Procure 25 additional computer and computer accessories for staff				300	300	Principal/HOD ICT/FO	Done
	To link the institute to the national Fibre optic backbone grid	-	-	-	-	-	Principal/HOD ICT/FO	In progress
	Extend LAN services to all offices	50	50	50	100	250	Principal/HOD ICT/FO	Done

**Kaiboi Technical Training Institute**

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

	Boost Wi-Fi coverage	25	25	25	25	100	Principal/H OD ICT/FO	Done
	Upgrade the Institute's website	50	-	-	-	50	Principal/H OD ICT/FO	In progress
Integrate ICT into teaching & learning	Train 20 staff on basic ICT skills	50	50	50		150	Principal/H OD ICT/FO	Done
	Procure smart boards/other relevant teaching aid solutions	-	-	500	500	1,000	Principal/H OD ICT/FO	In progress
Enhance Institution's communication and visibility	Upgrade and update institutional website			50		50	Principal/H OD ICT/FO	In progress
Sub Total		175	225	1,225	925	2,550	-	

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

Strategic Issue	Finance						Remarks	
Strategic Objective	To improve the Financial Capacity of the Institute							
Strategic Initiatives	Output/Activities	F/Y 2020/2021 Quarterly Budget Estimates - Ksh '000'					Implementer(s)	
		Q1	Q2	Q3	Q4	TOTAL		
Enhance revenue collection	More stringent fees collection	-	-	-	-	-	FO/Registrar/DP Acc./HODs	In progress
Increase/augment institute's funding	Lobby ministry to increase financial support	-	-	-	-	-	Principal/Admin	In progress
Co-ordinate and Manage all income generating activities	Set-up a commercial enterprise/directorate	-	-	-	-	-	Principal/FO/IGA Coord.	In progress
To develop viable business proposals	IGA Proposals	5	5	5	5	20	Principal/IGA Coord/FO	In progress
Promote commercialization of innovations	Patent and Commercialize an innovation annually	100	100	200	100	500	Principal/IGA Coord./FO	In progress
Improvement of quality of IGA products and services	Value addition in agriculture	-	-	-	-	-	Principal/HOD Agr/FO	In progress
Enhance marketing of IGA products and services	Marketing of IGA Products	150	150	150	150	600	Principal/IGA Coord./FO	In progress
Set-up an IGA unit for mechanical engineering - Invest in a garage	Construct and equip the Garage	-	-	-	-	-	Principal/CoW./FO	In progress
Sub Total		255	255	355	255	1,120		

<b>STRATEGIC ISSUES</b>	<b>2021/2022 BUDGET (KSHS)</b>
Strategic Issue 1: Teaching & Learning	68,290,000
Strategic Issue 2: Physical Infrastructure	25,200,000
Strategic Issue 3: Governance and Management	3,050,000
Strategic Issue 4: ICT	2,550,000
Strategic Issue 5: Finance	1,120,000
<b>GRAND TOTAL</b>	<b>100,210,000</b>

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

**VII. CORPORATE GOVERNANCE STATEMENT**

**I. Code of conduct/ responsibilities of board members**

Kaiboi Board of Governors relies on the prescription of the TVET Act, 2013 and Mwongozo on the description of its responsibilities, functions and structure and ethical conduct.

**II. Appointment and removal of Board of Governors**

The appointment and removal of the Board of Governors is prescribed under the TVET Act, 2013. The appointing authority takes into consideration skills mix in selection to ensure persons with key specialization are included such as ICT, Finance, Technical areas etc. it also factors in gender and ethnic representation as per the Constitution. The current Board of Governors was appointed by the Permanent Secretary Ministry of Education Science and Technology in September 2019 and lapses in September 2022.

**III. Training**

The Board of Governors attended induction training in corporate governance organized by the Institute I June 2022 and was attended by all members led by the Chairperson.

**IV. Board performance evaluation**

There is a formal process for reviewing and evaluation of Boards performance and its committee and this was undertaken during the BoG retreat.

**V. Conflict of interest**

Declaration of conflict is maintained in all meetings. A register of conflict of interest is maintained by the institution to record all the declarations

**VI. Board remuneration**

The Board are entitled to sitting allowance as prescribed in the Kaiboi TTI Board allowances.

**VII. Succession plan**

The current Board does not have a succession plan as members appointed were given the same time of tenure except for the County Governors representative. The Institute is in discussion with the parent ministry to stagger appointment of the Board members

**VIII. Board meeting attendance**

The board holds its meetings at least once every quarter. The same applies to Board Committees. In FY 2021/22, meetings were held as follows;

	Nature of meeting	Ordinary	Special	Total
1	Full Board	4		4
2	Committee- education and research	4		4
3	Finance and infrastructure	4		4
4	Audit and Risk Committee	4		4
5	Training	1		1

**IX. Governance Audit**

Surveillance audit on implementation of ISO 9001:2015 was not undertaken during the year under review by the certifying body, Kenya Bureau of Standards due to the impact of the Pandemic. The Management however facilitated internal quality audit and we were found to a larger extend to be implementing its requirements. The internal audit, Audit and Risk Committee carried out their routine audits and gave their recommendations to the Board.

**VIII. MANAGEMENT DISCUSSION AND ANALYSIS**

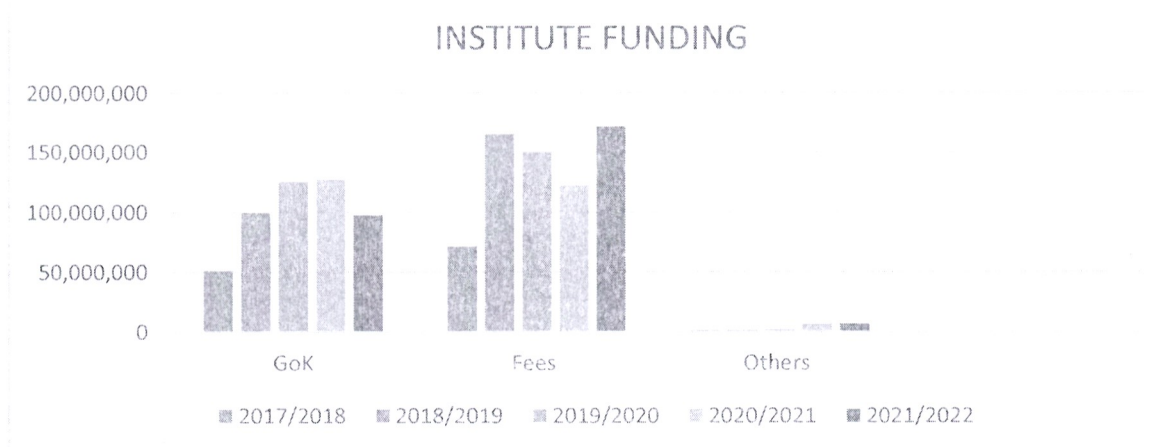
**1) Financial performance**

In the financial year 2021/2022, the exchequer contribution totaled to Kshs 97,947,195 for recurrent expenditure purposes as compared with Kshs 127,025,000 in the previous year. Internally generated income of Kshs 182,492,972 collected was from fees, farm and rental income. The Institute recorded an aggregate income of Kshs 280,440,167 during the year whereas the recurrent expenditure stood at Kshs 288,071,853 that included depreciation of Kshs 77,465,213 and Kshs. 64,928,530 was used for purchase of Property, Plant and Equipment during the financial year 2021/2022.this included construction of Science and Engineering Complex, the Social Hall, Renovations, Furniture and training Equipment. We however, did not recognize funds for development as earlier anticipated to receive funds from the Government for construction of Science and Engineering Complex. The Board however committed funds for its construction.

**Table 1:** Institute Funding

Source	Funding levels				
FY	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
<b>GoK</b>	51,254,534	99,671,367	125,792,544	127,025,000	97,947,195
<b>Fees</b>	71,489,029	166,020,859	150,190,415	122,703,731	175,465,944
<b>Others</b>	1,427,749	1,966,263	2,322,486	6,830,263	7,027,028

**Figure 1:** Chart showing the Institute Funding

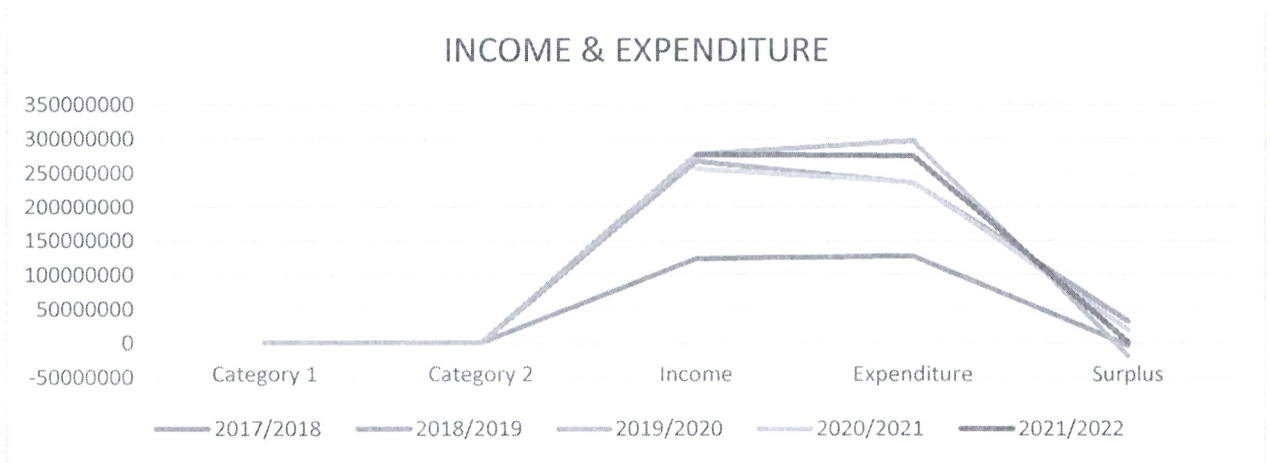


**Kaiboi Technical Training Institute  
Annual Report and Financial Statements for the year ended 30th June 2022**

**Table 2: Income and Expenditure**

Category	Income and Expenditure				
FY	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
<b>Income</b>	124,171,312	267,658,489	278,305,445	256,558,994	280,440,167
<b>Expenditure</b>	127,574,643	235,920,867	297,034,725	236,413,055	288,071,853
<b>Surplus</b>	(3,403,331)	31,737,622	(18,729,280)	19,240,458	(7,631,686)

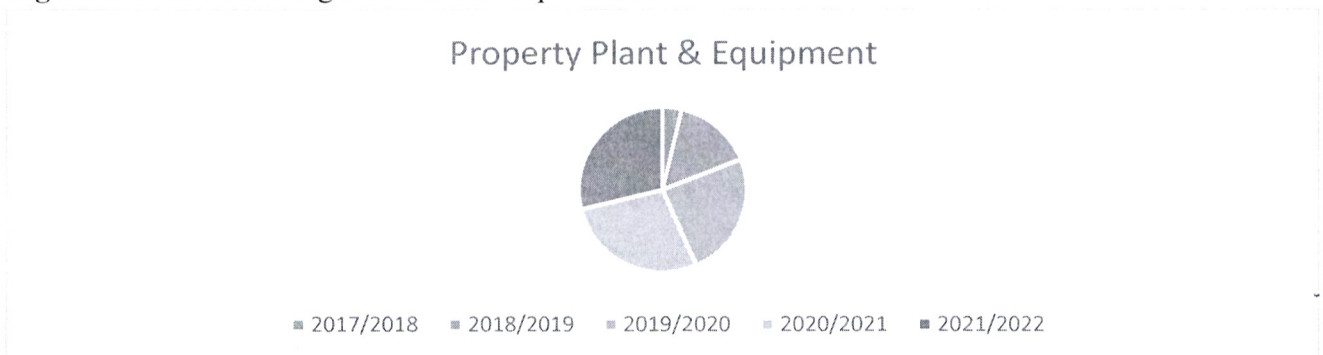
**Figure 2: Graph Showing Income and Expenditure**



**Table 4: Purchase of Property Plant & Equipment**

Category	Property Plant & Equipment				
FY	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
<b>Income</b>	7,869,216	32,780,943	52,303,024	59,586,794	64,928,530

**Figure 3: Chart Showing Income and Expenditure**



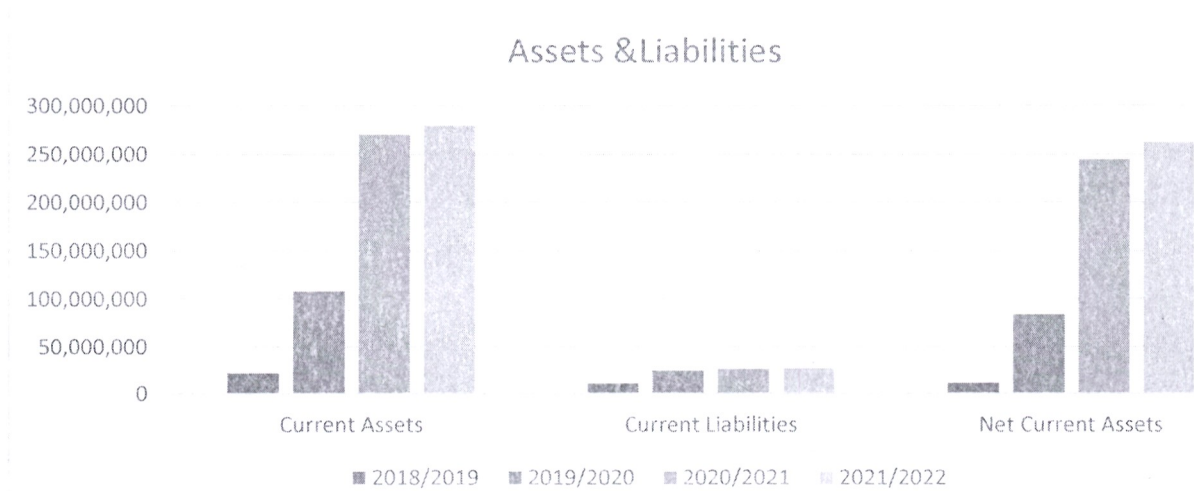
**ASSETS AND LIABILITIES**

The total current assets at the end of financial year included cash and cash equivalent of Ksh 138,697,393 receivables from fees of Ksh 143,889,650. The total current Liabilities of ksh 25,658,631

**Table 5: Assets and Liabilities**

Category	Assets and Liabilities				
	FY	2018/2019	2019/2020	2020/2021	2021/2022
Current Assets		108,390,280	271,026,223	279,917,588	284,871,581
Current Liabilities		24,629,733	26,168,026	26,475,724	25,658,631
<b>Net Current Assets</b>		<b>83,760,547</b>	<b>244,858,197</b>	<b>263,155,616</b>	<b>259,212,950</b>

**Figure 4: chart showing current Assets & Liabilities**



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

**2) Key projects and investment decisions**

Capital projects are key to the growth and development of the Institute given its continued expansion and improvement of the required physical facilities to accommodate increasing population.

During the year under review, the major projects undertaken included 1. Purchase of computers, text books and furniture, Institute face lift, Marketing of the Institute's Programmes, completion of the science and Engineering Complex (Phase Four), construction to completion of the social hall, Rehabilitation of classrooms, student hostels and offices,. Due to the effects of Covid- 19 some of the projects earmarked during the financial year were not completed we however, look forward to completing them in the next financial year. The other challenges in implementation include delays in disbursement of funds. The science and engineering complex implementation was phased into four phases to avoid conflicts with contractors and each stage is implemented as soon as funds are available.

**3) Risks and opportunities**

**Strengths**

- Experienced, committed and supportive BoG
- Modern training equipment
- Community good will
- Existence of students' council
- Space for expansion

**Opportunities**

- Diversity of training programmes
- Strategic location-proximity to industries
- Increasing demand for technical education
- Harmonious relationship with the community
- Reliable food and affordable supplies
- Existence of HELB, CDF and other Bursaries
- Partnership with other institutions
- Placement of trainees by KUCCPS

**The Entities Challenges**

- Inadequate PSC trainers
- Inadequate class rooms
- Constraint budgetary allocation
- Delayed disbursement of GOK grants and fees for sponsored students.

**4) Material arrears in financial obligation**

There are no material arrears in financial obligation to the institute.

**5) Compliance with statutory deductions**

The institute complies with all the statutory obligations that include PAYE, NSSF, HELB, NHIF and there is no pending obligation known to the institution in regards to statutory obligation.

**6) Performance Contracting**

Performance contract implementation in the financial year 2020/2021 provided an objective assessment of results realized and challenges experienced. The performance contracting objectives were drawn from the Institute's strategic plan and anchored on the Kenya Vision 2030, the Medium Term Plans and the Sector Performance Standards. The Performance contract for FY 2021/2022 was negotiated by the Board with the ministry of Education and cascaded to all levels of the Institute

The Institute was ranked in the 'very good' category similar to achievement of the previous cycle of 2020/21.

The institute is implementing ISO 9001:2015. This has uplifted the institute's standards and improved its service delivery.

**7) Students welfare**

The Dean of Students Office is mandated with management of all students' welfare matters. It supports welfare activities through the student council. This activities include election and managing students' council, participation in co-curriculum activities, guidance and counselling and inter religious activities.

## **IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

Kaiboi Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

### **1. Sustainability strategy and profile -**

The Institutes Strategic Plan 2019/2023 provides for the contribution of attainment of Kenya Vision 2030 and the Governments 'Big Four Agenda'. We take it to be our responsibility to ensure that there is continuous improvement and integration with economic, environmental and social undertaking. We strive to work closely with our clients, suppliers, the local community, partners and other stakeholders.

### **2. Environmental performance**

The environment is one key natural resources of the institution and operationalized through the institutes environmental policy the institute's commitment on reducing environmental impact is through tree planting, proper disposal of waste and maintenance of water catchment area.

### **3. Employee welfare**

The institute follows the guidelines of the Public Service Human Resource Policy and Kaiboi Technical Training Institute Human Resource manual that stipulates guidelines on recruitment, training and appraisal. We also adhere to the provision of the safety and compliance with Occupational Safety and Health Act of 2007, (OSHA) and have a policy in place that is being implemented.

### **4. Market place practices-**

#### **a) Responsible competition practice.**

The Institute brands itself as a corruption free zone and every member of staff is required to sign an integrity pact, provided corruption reporting and complaints boxes and developed code of conduct and whistle blowing policy

#### **b) Responsible Supply chain and supplier relations-** the Institute follows the guidelines of The Public Procurement and Asset Disposal Act, 2015 and the Institute charter in handling its suppliers. We have also developed a complaints and compliments structures that provide feedback mechanism.

#### **c) Responsible marketing and advertisement-**outline efforts to maintain ethical marketing practices

#### **d) Product stewardship-** we strive to patent projects of students that have been approved during TVET Fairs and a number of projects were patented during the year under review.

### **5. Corporate Social Responsibility/Community Engagements**

The Institute continue to work very closely with the community. In the financial year under review, we undertook a number of CSR activities that include continued support in provision of tea buying centre, use of the playing fields to host both Primary and secondary schools Competitions, provision of clean water by use of water bowser, contribution towards yearly 'Mavuno'. To create awareness on health precautions and Covid-19 protocol's, the institute placed posters in the neighbouring community.

## **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 institute's affairs.

### **Principal activities**

The principal activity of the Institute is to offer high quality Technical Training, carry out innovative research and community outreach programmes for sustainable socio-economic development.

Promote and adopt principle of good governance and achieve high service delivery work aligned to ISO 9001:2015 standards

### **Results**

The results of the Institute for the year ended June 30, 2022 are set out on page 37-79

## **BOARD OF GOVERNORS**

The members of the Board who served during the year are shown on page 5-8.

### **Auditors**

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

By Order of the Board



Board Chairperson

Date: 4/04/2023

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

**XI. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES**

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

The board members are responsible for the preparation and presentation of the institute’s financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year ended on June 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 Institute; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the institute; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The 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 PFM Act, 2012 and (the State Corporations Act, and the TVET Act) –The board members are of the opinion that the institute’s financial statements give a true and fair view 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 remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Institute’s financial statements were approved by the Board on 4/4/2023 and signed on its behalf by:

Name. Dr. James Sang (BoG Chair)

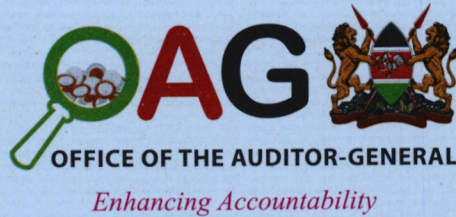
Name Getrude Sawe (Principal / Secretary BoG)

Signature.....

Signature.....

# REPUBLIC OF KENYA

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**HEADQUARTERS**  
Anniversary Towers  
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P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KAIBOI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kaiboi Technical Training Institute set out on pages 37 to 75, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement

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*Report of the Auditor-General on Kaiboi Technical Training Institute for the year ended 30 June, 2022*

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 Kaiboi 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 Public Finance and Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Inventories**

The statement of financial position reflects inventories balance of Kshs.2,064,511. Although Management valued inventories at cost, no documentary evidence was provided for audit to confirm that Management conducted an assessment of net realizable value of the inventories as required in Paragraph 42 of International Public Sector Accounting Standards (IPSAS 12) which states that a new assessment is made of net realizable value in each subsequent period.

In the circumstances, the accuracy and fair statement of inventory balance of Kshs.2,064,511 as at 30 June, 2022 could not be confirmed.

#### **2. Property, Plant and Equipment**

The statement of financial position reflects property plant and equipment balance of Kshs.790,938,024. However, the schedule provided reflects a balance of Kshs.741,190,479 resulting to unreconciled variance of Kshs.49,747,545. Further, the asset movement schedule reflects depreciation charge for the year of Kshs.65,944,224 which differed with the statement of financial performance balance of Kshs.77,465,213 resulting to unreconciled variance of Kshs.11,520,989. In addition, the balance includes land valued at Kshs.74,560,000 out of which one parcel of land measuring (13) acres costing Kshs.16,250,000 had no document of title.

In the circumstances, the accuracy and fair statement of property plant and equipment balance of Kshs.790,938,024 as at 30 June, 2022 could not be confirmed.

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

## **Key Audit Matters**

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

## **Other Matter**

### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.421,046,977 and Kshs.280,440,167 respectively resulting to an under-funding of Kshs.140,606,810 or 33% of the budget. Similarly, the Institute expended Kshs.275,535,170 against an approved budget of Kshs.421,046,977 resulting to an under-expenditure of Kshs.145,511,807 or 35% of the budget.

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

### **2. Unresolved Prior Year Matters**

There were issues raised in the audit report for 2021/2022 financial year of which no report or recommendations from the Institute's Management and oversight bodies were submitted for audit review. The issues remain unresolved contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which require accounting officers designated for national government entities to try to resolve any issues resulting from an audit that remain outstanding.

In the circumstances, the Management was in breach of the law and the reporting template requirements.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Transfers from the National Government**

The statement of financial performance reflects transfers from national government amount of Kshs.97,947,195 comprising of Kshs.67,380,000 and Kshs.30,567,195 being transfers from National government/capitation Grants and transfers to mentoring institutions respectively as disclosed in Note 1 to the financial statements. According to records provided for review, the Institute had 3,818 students during the year which translates to fee subsidy due of Kshs.114,567,195. However, the institution received

a total of Kshs.97,947,195 from the State Department for Vocational and Technical Training in the year under review resulting in an under-funding of Kshs.16,620,000.

In the circumstances, the institute was not able to effectively achieve its objectives as a result of under-funding.

## **2. Non-Compliance with Law on Ethnic Composition**

The statement of financial performance reflects employee cost amounting to Kshs.30,671,885 as disclosed in Note 8 to the financial statements. Review of board members and members of staff records revealed that the Institute had ten (10) board members and one hundred and twenty-one (121) members of staff. However, one hundred and fourteen (114) or 94% of permanent staff were from the dominant community, while seven (7) or 6% are from non-dominant communities. Further, out of the ten (10) appointed board members seven (7) were from the dominant community and only three (3) from non-dominant community contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of staff from the same ethnic community.

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

## **3. Remuneration of Directors**

### **3.1 Term in Office of the Board of Governors**

The statement of financial performance reflects remuneration of directors' amount of Kshs.2,209,587 as disclosed in Note 9 to the financial statements. During the year under review, oversight on the running of the Institute was done by a nine-member board excluding the Principal. It was also established that eight of the current board members were appointed on 10 July, 2019 meaning that, eight of the board of director's term in office will come to an end at the same time leaving only one member who was appointed on 11 December, 2020 in the board which is contrary to corporate governance best practice and Mwongozo Code of Governance for State Corporations, 2015 and it is likely to affect the operations of the Institute.

### **3.2 Board Rotation**

Examination of the expenditure records, committee minutes and register of attendance for two (2) financial years 2020/2021 and 2021/2022 relating to council expenses revealed that there was no rotation of board committee members and some board members had been in the same committee for 2 consecutive years contrary to circular on Management of state corporation's dated 11 March, 2020, Part B.6. which requires that the committee members should serve for a continuous period for a maximum of 12 months and thereafter be subject to rotation except for The National Treasury and parent ministries representatives as per Part B.5.

In the circumstances, Management was in breach of the law and in the absence of a staggered board, the Institute risks running into operational and oversight challenges during transition.

#### **4. Notification of Acquisitions of Property, Plant and Equipment**

The statement of financial position reflects property plant and equipment balance of Kshs.790,938,024 comprising of land, buildings & structure, motor vehicles, furniture & fittings, computer, plant & equipment and work in progress as disclosed in Note 17 to the financial statements. Included in Kshs.790,938,024 is Kshs.64,928,530 which relates to fixed assets acquired during the year under review. However, no documentary evidence was provided for review to show that the accounting officer notified The National Treasury of all acquisitions as required by Regulation 143(4) of Public Finance Management (National Government) Regulation, 2015 which states that all acquisitions or assignment of immovable property shall be notified to The National Treasury.

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

#### **5. Management Policy on Trade and other Payables**

The statement of financial position reflects trade and other payables from exchange transactions of Kshs.21,875,157 which comprises of Kshs.10,386,510 for trade payables and Kshs.11,488,647 for fees paid in advance as disclosed in Note 19 to the financial statements. Review of the Institute's records revealed that the Institute did not have in place a creditors' management policy contrary to Regulation 165 (1) of the Public Finance Management (National Government) Regulations, 2015 which states that the accounting officer shall ensure that (a) the National government entity develops risk management strategies, which include fraud prevention mechanism; and (b) A system of risk management and internal controls that builds robust business operations.

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

#### **6. Receivables from Exchange Transactions**

The statement of financial position reflects current receivables from exchange transactions amount of Kshs.143,889,650 net off provision for doubtful debts of Kshs.15,777,331 as disclosed in Note 13 to the financial statements. However, no reason or justification was provided for the failure to recover these amounts as required in Regulation 64(1) of Public Finance Management (National Government) Regulations, 2015 which states that an accounting officer and a receiver of revenue are personally responsible for ensuring that adequate safeguards exist and are applied for the prompt collection and proper accounting for, all national government revenue and other public moneys relating to their Ministries, departments or agencies;

In the circumstance, 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 overall governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Policy on Engagement of Casuals**

The statement of financial performance reflects employee costs of Kshs.30,671,885. The amount includes Kshs.1,643,065 paid to 44 casuals engaged for various activities in the Institution. However, the Management did not provide a policy on the process of engagement of casuals.

In the circumstances, the Institution was likely to lose funds through irregular hiring of casuals.

#### **2. Lack of Proper Internal Controls on Inventories**

##### **2.1 Preparation of Quarterly Stock Take Reports**

The statement of financial position reflects inventories balance of Kshs.2,064,511 as disclosed in Note 15 to the financial statements. However, there was no evidence to show that quarterly stock take was carried out during the year ended 30 June, 2022 as required in Section 162(2) of the Public Procurement and Asset Disposal Act, 2015 which states that the head of procurement function shall arrange for occasional visits of inspection to the stores, at least quarterly in each calendar year, and conduct quarterly and annual inventory and stock taking in order to ensure compliance with all respective governing laws and submit the report to the accounting officer.

##### **2.2 Inventory Management Policy**

The institution does not have an inventory management policy to provide formal guidance on the management of inventories as required in Regulation 139(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the accounting officer of a National Government entity shall take full responsibility and ensure that proper control systems exist for assets and that (a) preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse;(b) movement and conditions of assets can be tracked; and (c) stock levels are at an optimum and economical level.

In the circumstances, there may be losses since the Institute may not be able to manage its inventories efficiently.

### **3. Tagging of Fixed Assets**

The statement of financial position reflects property plant and equipment balance of Kshs.790,938,024. However, the Management has not tagged/ branded its assets.

In the circumstance, the institution was likely to lose its assets due to weak controls in asset monitoring and control.

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

### **Responsibilities of Management and the Board of Governors**

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

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Institute or 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 Institutes financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in

*Report of the Auditor-General on Kaiboi Technical Training Institute for the year ended 30 June, 2022*

compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


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

the Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.

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

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

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

  
CPA Nancy Gathungu, SBS  
AUDITOR-GENERAL

**Nairobi**

**13 June, 2023**

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

**I. Statement of Financial Performance for the year ended 30 June 2022**

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government	1	97,947,195	127,025,000
		<b>97,947,195</b>	<b>127,025,000</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	2	175,465,944	121,798,251
Sale of goods	3	1,645,958	2,782,325
Rental revenue from facilities and equipment	4	2,002,000	381,000
Other income	5	3,379,070	3,666,938
<b>Revenue from exchange transactions</b>		<b>182,492,972</b>	<b>128,628,514</b>
<b>Total revenue</b>		<b>280,440,167</b>	<b>255,653,514</b>
<b>Expenses</b>			
Transfer to Mentoring Institution	6	30,567,195	33,190,000
Use of goods and services	7	128,721,920	80,277,865
Employee costs	8	30,671,885	21,313,590
Remuneration of directors	9	2,209,587	1,947,720
Depreciation and amortization expense	10	77,465,213	77,798,989
Repairs and maintenance	11	18,436,053	21,884,891
<b>Total expenses</b>		<b>288,071,853</b>	<b>236,413,055</b>
<b>Net Surplus for the year</b>		<b>(7,631,686)</b>	<b>19,240,458</b>

*The notes set out on pages 42 to 79 form an integral part of the Annual Financial Statements.*

.....  


Chairman of Board

.....  


Finance Officer

ICPAK No: 19614

.....  


Principal

Date: 4/04/2023

Date: 4/04/2023

Date: 4/04/2023

**II. Statement of Financial Position as at 30th June 2022**

Description	Notes	2021-2022	2020-2021
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	138,917,420	119,501,782
Current portion of receivables from exchange transactions	13	143,889,650	158,299,481
Inventories	15	2,064,511	2,116,325
		<b>284,871,581</b>	<b>279,917,588</b>
<b>Non-current assets</b>			
Property, plant and equipment	17	790,938,024	745,549,059
Intangible assets	18	7,740,600	7,740,600
		<b>798,678,624</b>	<b>753,289,659</b>
<b>Total assets</b>		<b>1,083,550,205</b>	<b>1,033,207,247</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	19	21,875,157	22,020,674
Refundable deposits from customers	20	3,783,474	4,455,050
		<b>25,658,631</b>	<b>26,475,724</b>
<b>Non-current liabilities</b>			
<b>Total liabilities</b>		<b>25,658,631</b>	<b>26,475,724</b>
<b>Net Assets</b>		<b>1,057,891,574</b>	<b>1,006,731,523</b>
<b>Capital and Reserves</b>			
Reserves-Revaluation		246,609,709	246,609,709
Accumulated surplus		326,628,905	275,468,854
Capital Fund		484,652,960	484,652,960
<b>Total capital and Reserves</b>		<b>1,057,891,574</b>	<b>1,006,731,523</b>

The Financial Statements set out on pages 37 to 79 were signed by:



.....  
**Chairman of Board**

**Date :4/04/2023**



.....  
**Finance Officer**  
 ICPAK No:19614

**Date :4/04/2023**



.....  
**Principal**

**Date :4/04/2023**

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

**III. Statement of Changes in Net Asset for the year ended 30 June 2022**

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/	Total
At July 1, 2021					
Revaluation gain	246,609,709		(234,750.00)	741,116,106.00	987,491,065
Fair value adjustment on quoted investments	-				
Total comprehensive income	-		19,240,458		19,240,458
Capital/Development grants received during the year					
Transfer of depreciation/amortisation from capital fund to retained earnings	-		256,463,146	(256,463,146.00)	-
Prior year adjustment	-				
<b>At June 30, 2021</b>	<b>246,609,709</b>		<b>275,468,854</b>	<b>484,652,960</b>	<b>1,006,731,523</b>
At July 1, 2021					
Fair value adjustment on quoted investments	246,609,709		275,468,854	484,652,960	1,006,731,523
Total comprehensive income	-		-	-	-
Capital/Development grants received during the year	-		(7,631,686)	-	(7,631,686)
Prior year adjustment	-			-	-
<b>At June 30, 2022</b>	<b>246,609,709</b>		<b>58,791,737</b>	<b>484,652,960</b>	<b>1,057,891,574</b>

## IV. Statement of Cash Flows for the year ended 30 June 2022

Description		2021-2022	2020-2021
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants		97,947,195	143,525,000
Public contributions and donations		-	-
Rendering of services- Fees from students		183,791,714	102,502,611
Sale of goods		1,645,958	2,782,325
Rental revenue from facilities and equipment		2,002,000	996,277
Finance income		-	-
Other income		3,379,070	3,666,938
<b>Total Receipts</b>		<b>288,765,937</b>	<b>253,473,151</b>
Payments			
Transfers to Mentoring Institutions		30,567,195	33,190,000
Compensation of employees		30,671,885	21,313,590
Use of goods and services		122,584,139	135,995,085
Board Expenses		2,209,587	1,947,720
Repairs and Maintenance		18,388,963	21,884,891
<b>Total Payments</b>		<b>204,421,769</b>	<b>214,331,286</b>
<b>Net cash flows from operating activities</b>	<b>22</b>	<b>84,344,168</b>	<b>39,141,864</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(64,928,530)	(51,846,194)
Increase in intangible assets		-	(7,740,600)
<b>Net cash flows used in investing activities</b>		<b>(64,928,530)</b>	<b>(59,586,794)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		19,415,638	(20,444,930)
Cash and cash equivalents at 1 JULY	12	119,501,782	139,946,712
<b>Cash and cash equivalents at 30 JUNE</b>	<b>12</b>	<b>138,917,420</b>	<b>119,501,782</b>



Chairman of Board

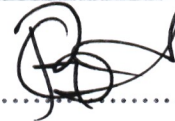
Date: 4/04/2023



Finance Officer

ICPAK No: 19614

Date: 4/04/2023



Principal

Date: 4/04/2023

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

**V. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022**

	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						
Cash and Cash Equivalent 1/7/2021		119,501,782.2	119,501,782			
Transfers from other Govt entities Govt grants	84,000,000	-	84,000,000	67,380,000	16,620,000	25
Transfers for Mentoring Institutions	-	30,567,195	30,567,195	30,567,195	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- Fees from students	179,918,000	-	179,918,000	175,465,944	4,452,056	3
Sale of goods	2,000,000	-	2,000,000	1,645,958	354,042	22
Finance Income	-	-	-	-	-	-
Other Income	1,200,000	2,000,000	3,200,000	3,379,070	(179,070)	(5)
Rental revenue from facilities and equipment	360,000	1,500,000	1,860,000	2,002,000	(142,000)	(7)
<b>Total income</b>	<b>267,478,000</b>	<b>153,568,977</b>	<b>421,046,977</b>	<b>280,440,167</b>	<b>21,105,028</b>	<b>8</b>
Expenses						
Compensation of employees	32,769,100	-	32,769,100	30,671,885	2,097,215	6
Use of Goods and services	146,858,900	73,529,076	220,387,976	128,721,920	91,666,056	42
Transfers to mentoring institution		30,567,195	30,567,195	30,567,195	-	-
Board Expenses	4,000,000	(1,500,000)	2,500,000	2,209,587	290,413	12
<b>Repairs and Maintenance</b>	<b>14,500,000</b>	<b>5,000,000</b>	<b>19,500,000</b>	<b>18,436,053</b>	<b>1,063,947</b>	<b>5</b>
<b>Property, plant and equipment</b>	<b>69,350,000</b>	<b>20,000,000</b>	<b>89,350,000</b>	<b>64,928,530</b>	<b>24,421,470</b>	<b>27</b>
Trade and other payables		25,972,706	25,972,706	25,972,706	-	-
<b>Total expenditure</b>	<b>267,478,000</b>	<b>153,568,977</b>	<b>421,046,977</b>	<b>275,535,170</b>	<b>145,511,807</b>	<b>35</b>

**(Budget notes)**

1. Capitation grants from National government decreased by 25% because capitation for the 4<sup>th</sup> quarter was not disbursed.
2. Sale of goods revenue reduced by 22% because part of the farm produce was consumed internally.
3. Use of goods and services OF 42% and PPE of 27% underutilization was affected by reduced revenue that was not received.

**VI. Notes to the Financial Statements**

**1. GENERAL INFORMATION**

Kaiboi Technical Training Institute is established by and derives its authority and accountability from TVET Act, 2013. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute'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. 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 judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 36

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 2021.**

<b>Standard</b>	<b>Impact</b>
Other Improvements to IPSAS	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</p> <p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.</p> <p>Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).</p> <p>Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></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 Institute's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>•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;</li> <li>•Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>•Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Institute's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
IPSAS 42: Social Benefits	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Institute provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Institute;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Institute's financial performance, financial position and cash flows.</li> </ul>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>

iii. Early adoption of standards

The Institute did not early – adopt any new or amended standards in year 2022

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Institute 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 Institute 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 Institute.

**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 Institute's right to receive payments is established.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Revenue recognition (Continued)**

**ii) Revenue from exchange transactions (continued)**

**Rental income**

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

**b) Budget information**

The original budget for FY 2021/2022 was approved by the Board on 19/6/2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Institute upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Institute recorded changes in appropriations on the FY 2021/2022 budget following the Board's approval.

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 section xvi of these financial statements.

**c) Taxes**

***Current income tax***

The Institute is exempt from paying taxes as per schedule six of the income Tax Act.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Taxes (continued)**

*Sales tax/ Value Added Tax*

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

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

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

**d) Investment property**

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

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

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

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

**e) Property, plant and equipment**

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

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Asset	Rate
Buildings	2.5%
Plant and machinery	20%
Motor vehicles, including motorcycles	25%
Computers and related equipment	33.3%
Other Assets-library books	20%
Office equipment, furniture, and fittings	12.5%

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Institute. 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 Institute 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 Institute 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 Institute. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) Intangible assets**

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

**h) Research and development costs**

The Institute expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Institute 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)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Financial instruments**

*Financial assets*

*Initial recognition and measurement*

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Institute 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. A provision of 10% p.a is provided for bad and doubtful debts.

*Held-to-maturity*

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Institute 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 Institute assesses at each reporting date whether there is objective evidence that a financial asset or an Institute of financial assets is impaired. A financial asset or a Institute 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 Institute 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 a Institute 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 Institute determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

*Loans and borrowing*

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

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

**i) Inventories**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Inventories (Continued)**

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

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

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

**j) Provisions**

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

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

***Contingent liabilities***

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

***Contingent assets***

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Nature and purpose of reserves**

The Institute creates and maintains retained earnings and revaluation reserves in terms of specific requirements.

**l) Changes in accounting policies and estimates**

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

**m) Employee benefit**

**Retirement benefit plans**

The Institute provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an Institute pays fixed contributions into a separate Institute (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**n) Foreign currency transactions**

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

**o) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**p) Related parties**

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

**q) Service concession arrangements**

The Institute analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Institute 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 Institute also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**r) Cash and cash equivalents**

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

**s) Comparative figures**

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

**t) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

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

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute 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 Institute. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual values**

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

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

**Provisions**

Gratuity, bad and doubtful debts provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 32

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

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Notes to the Financial Statements (Continued)

1. Transfers from other National Government entities

Description	2021/2022	2020/2021
	KShs	KShs
Unconditional grants		
Capitation grants	67,380,000	89,152,500
mentoring institutions	30,567,195	37,872,500
Other grants	-	-
<b>Total government grants and subsidies</b>	<b>97,947,195</b>	<b>127,025,000</b>

(a) Transfers from other Government entities (Categorized)

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2020-2021
	KShs	KShs	KShs	KShs	KShs
State Department of VTTI	97,947,195	-	-	97,947,195.00	
<b>Total</b>	<b>97,947,195</b>	<b>-</b>	<b>-</b>	<b>97,947,195.00</b>	<b>127,025,000</b>

2. Rendering of Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition fees and related income	79,814,874	44,151,890
Examination fees	24,797,730	23,908,666
Boarding	23,470,000	17,104,500
Electricity Water & Conservancy	4,215,195	3,818,600
Students ID	787,000	451,000
Local Transport & Travel	4,177,445	3,790,685
Medical	1,153,700	1,089,650
Personal Emolument	16,763,360	14,965,660
Administrative fees	2,904,000	1,628,000
Repair Maintance & Installation	2,107,600	1,856,100
Caution fees	894,000	495,600
Application fees	2,906,000	648,000
Activity fees	4,187,440	3,804,900
Attachment fees	4,270,000	1,861,900
Students council fees	3,017,600	2,223,100
<b>Total revenue from the rendering of services</b>	<b>175,465,944</b>	<b>121,798,251</b>

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**Notes to the Financial Statements (Continued)**

**3. Sale of Goods**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Disposal of idle assets	-	216,656
Sale of farm produce	1,645,958	2,559,179
Cafeteria-food and beverage	-	6,490
<b>Total revenue from the sale of goods</b>	<b>1,645,958</b>	<b>2,782,325</b>

**4. Rental revenue from facilities and equipment**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Hire of facilities and equipment	1,642,000	21,000
Contingent rental	360,000	360,000
Operating lease revenue	-	-
<b>Total</b>	<b>2,002,000</b>	<b>381,000</b>

**5. Other Income**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Driving Classes	1,652,050	1,709,000
Library Fines	4,400	9,899
Centre Fee	-	4,400
Computer classes	243,350	4,000
Interest on savings account	1,479,270	1,939,639
<b>Total other income</b>	<b>3,379,070</b>	<b>3,666,938</b>

**6. Transfers to Mentoring Institutions**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Tinderet technical	500,000	11,190,000
Emgwen tvc	500,000	1,000,000
Bomet central		1,000,000
njoro TVC	29,567,195	20,000,000
<b>Total other income</b>	<b>30,567,195</b>	<b>33,190,000</b>

**Notes to the Financial Statements (Continued)**

**7. Use Of Goods And Services**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Training Materials(SES)	25,213,937	14,532,352
Stationery	8,868,645	6,919,672
Research and Development	4,992,921	1,939,700
Marketing	3,309,867	1,691,828
Boarding	21,666,822	13,272,031
Local Transport & Travelling	10,637,199	6,506,725
Medical	504,640	928,054
Bank charges and commission	333,292	359,647
GPA Insurance	288,142	484,191
KATTISO	3,831,150	2,309,850
Caution	319,150	200,600
Attachment	1,498,500	262,500
Activity	3,164,133	105,650
Application	6,227,040	753,000
Exam	27,402,372	17,111,830
Farm	4,708,919	3,933,781
Fees refund	1,606,270	151,220
AP security	204,000	204,000
PC implementation	2,190,699	154,000
sanitary services	125,000	111,000
Production units	583,283	1,539,192
Provision for Bad and Doubtful Debts	(1,690,213)	5,202,617
Generator Fuel and Oil	363,300	500,100
Electricity Bills & maintenance	2,372,852	1,104,325
<b>Total good and services</b>	<b>128,721,920</b>	<b>80,277,865</b>

**8. Employee Costs**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Salaries and wages	30,317,755	20,915,790
Gratuity	354,130	-
Social contributions	-	397,800
<b>Employee costs</b>	<b>30,671,885</b>	<b>21,313,590</b>

**9. Board Expenses**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Sitting Allowances	2,001,587	1,947,720
Chairman's Honararia	208,000	
<b>Total director emoluments</b>	<b>2,209,587</b>	<b>1,947,720</b>

**10. Depreciation and Amortization expense**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Property, plant and equipment	77,465,213	77,798,989
Intangible assets	-	-
<b>Total depreciation and amortization</b>	<b>77,465,213</b>	<b>77,798,989</b>

**11. Repairs and Maintenance**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
General Repairs	18,436,053	21,884,891
Investment property – earning rentals	-	-
<b>Total Repairs and Maintenance</b>	<b>18,436,053</b>	<b>21,884,891</b>

Notes to the Financial Statements (Continued)

12. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	KShs	KShs
KCB Bank -1102452637	11,781,970	13,007,380
KCB Bank -1131415027	7,859,389	3,025,417
Absa bank-0031091527	71,466,463	37,116,120
Absa bank-0031030404	20,633,604	94,607
Absa-2041544778	26,906,974	65,798,913
Cash in Hand, money orders	269,020	459,345
<b>Total cash and cash equivalents</b>	<b>138,917,420</b>	<b>119,501,782</b>

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

Description		2021-2022	2020-2021
Financial institution	Account number	KShs	
<b>a) Current account</b>			
KCB Bank - Eldoret Branch	1102452637	11,781,970	13,007,380
Absa bank-Eldoret Branch	0031091527	71,466,463	94,607
Absa bank- Eldoret Branch	0031030404	20,633,604	37,116,120
<b>Sub- total</b>		<b>103,882,037</b>	<b>50,218,107</b>
<b>b) On - call deposits</b>			
Absa- Eldoret Branch	2041544,778	26,906,974	65,798,913
KCB Bank -Eldoret Branch	1131415027	7,859,389	3,025,417
<b>Sub- total</b>		<b>34,766,363</b>	<b>68,824,330</b>
Money Order		257,580	171,960
Cheques		-	70,600
Cash in Hand		11,440	<b>216,785</b>
<b>Sub- total</b>		<b>269,020</b>	<b>459,345</b>
<b>Grand total</b>		<b>138,917,420</b>	<b>119,501,782</b>

Notes to the Financial Statements (Continued)

13. Receivables from Exchange transactions

13 (a) Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
	KShs	KShs
Current receivables		
Student debtors	157,773,306	174,675,433
Rent debtors	483,555	760,091
Consultancy debtors		-
Other exchange debtors- advances	1,410,120	331,500
Less: provision for bad & doubtful debts (10%)	(15,777,331)	(17,467,543)
<b>Total current receivables</b>	<b>143,889,650</b>	<b>158,299,481</b>

13(b) Long- term Receivables from Exchange transactions

Non-Current Receivables		
Refundable Deposits	0	0
Advance Payments	0	0
Public Organizations	0	0
Less: Impairment Allowance	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
Current Portion Transferred To Current Receivables	0	0
<b>Total Non-Current Receivables</b>	<b>0</b>	<b>0</b>
<b>Total Receivables</b>	<b>0</b>	<b>0</b>

13 (c) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Reconciliation for impairment Allowance on Receivables from Exchange Transactions		
At the beginning of the year	0	0
Provisions during the year	0	0
Recovered during the year	0	0
Write offs during the year	0	0
At the end of the year	0	0

Notes to the Financial Statements (Continued)

14. Receivables from Non-Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	0	0
Transfers from Other Govt. entities	0	0
Undisbursed Donor Funds	0	0
Other Debtors (Non-Exchange Transactions)	0	0
Less: Impairment Allowance	0	0
<b>Total Current Receivables</b>	<b>0</b>	<b>0</b>

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

14 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	0	0
Additional provisions during the year	0	0
Recovered during the year	0	0
Written off during the year	0	0
At the end of the year	0	0

15. Inventories

Description	2021-2022	2020-2021
	KShs	KShs
Consumable stores	771,110	755,140
Maintenance stores	397,960	339,010
Health Unit stores	-	
Farm inputs	108,910	219,710
Cleaning materials stores	125,055	125,125
Catering stores	661,476	677,340
<b>Total inventories at the lower of cost and net realizable value</b>	<b>2,064,511</b>	<b>2,116,325</b>

**Notes to the Financial Statements (Continued)**

**16. Investments**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>a) Investment in Treasury Bills and Bonds</b>		
<b>Financial Institution</b>		
CBK	0	0
CBK	0	0
<b>Sub- Total</b>	0	0
<b>b) Investment with Financial Institutions/ Banks</b>	0	0
Bank X	0	0
Bank Y	0	0
<b>Sub- Total</b>	0	0
<b>c) Equity Investments</b>	0	0
Equity/ Shares	0	0
<b>Sub- Total</b>	0	0
<b>Grand Total</b>	0	0

**d) Shareholding in other entities**

For investments in equity share listed under note 16 (c) above, list down the equity investments under the following categories:

Name of Entity where Investment is Held	No of Shares			Nominal Value of Shares	Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding			
	%	%	%	Kshs	Kshs	Kshs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
	0	0	0	0	0	0

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**Notes to the Financial Statements (Continued)**

**17. Property, Plant and Equipment**

		0.025	0.25	0.125	0.333	0.2	0.2	Plant, Equipment and machinery	Capital Work in Progress	Total
Cost/Valuation	Land	Buildings and Structures	Motor Vehicles	Furniture & Fittings	Computers	Other Assets-library books		Kshs	Kshs	Kshs
<b>Bal as at 30 June 2020</b>	74,560,000	364,303,178	11,728,704	17,254,536	3,894,800	-	282,111,786	17,648,850	771,501,854	
Bal as at 1 July 2020	74,560,000	364,303,178	11,728,704	17,254,536	3,894,800	-	282,111,786	17,648,850	771,501,854	
Additions	-	-	8,356,000	3,132,886	6,068,240	-	4,530,213	29,758,855	51,846,194	
Disposal	-	-	-	-	-	-	-	-	-	
<b>Transfer/adjustments</b>		19,028,528						(19,028,528)		
<b>Bal as at 30 June 2021</b>	74,560,000	383,331,706	20,084,704	20,387,422	9,963,040	-	286,641,999	28,379,177	823,348,048	
<b>Bal as at 1 July 2021</b>	74,560,000	383,331,706	20,084,704	20,387,422	9,963,040	-	286,641,999	28,379,177	823,348,048	
Prior Year adjustment	-	18,500,581	8,766,296	5,797,789	16,239,346	2,645,324	126,593,822	-	178,543,158	
Additions	-	-	-	5,270,611	3,336,622	2,849,081	3,805,202	49,667,014	64,928,530	
Disposal	-	-	-	-	-	-	-	-	-	
<b>Transfer/adjustments</b>		3,877,412	-	-	-	-	-	(3,877,412)	-	
<b>Bal as at 30 June 2022</b>	74,560,000	405,709,699	28,851,000	31,455,822	29,539,008	5,494,405	417,041,023	74,168,779	1,066,819,736	
<b>Depreciation</b>										
<b>Accum as at 30 June 2020</b>	-	18,500,581	8,766,295	5,918,788	16,239,346	270,032	129,239,146	-	178,934,188	
Accum as at 1 July 2020	-	18,500,581	8,766,295	5,918,788	16,239,346	270,032	129,239,146	-	178,934,188	
Depreciation charged-20/21	-	9,583,293	5,021,176	2,548,428	3,317,692	475,058	57,328,400	-	78,274,047	
Impairment	-	-	-	-	-	-	-	-	-	

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Accum as at 30 June 2021	-	28,083,874	13,787,471	8,467,216	19,557,038	745,091	186,567,546	-	257,208,236
Prior Year adjustment	-	(8,707,225)	(2,731,909)	(2,672,717)	(6,359,628)	-	(38,320,259)	-	(58,791,737)
Depreciation charged-21/22	-	9,658,326	4,448,859	3,207,665	5,441,752	949,863	53,758,747	-	77,465,213
Impairment	-	-	-	-	-	-	-	-	-
Accum as at 30 June 2022	-	29,034,975	15,504,422	9,002,165	18,639,162	1,694,954	202,006,035	-	275,881,712
<b>NBV as at 30 June 2022</b>	<b>74,560,000</b>	<b>376,674,724</b>	<b>13,346,578</b>	<b>22,453,657</b>	<b>10,899,846</b>	<b>3,799,451</b>	<b>215,034,988</b>	<b>74,168,779</b>	<b>790,938,024</b>
NBV as at 30 June 2021- Correct	74,560,000	382,455,638	17,795,438	20,390,712	13,004,976	1,900,233	264,988,534	28,379,177	803,474,707
Prior Year adjustment	-	8,707,225	2,731,910	2,551,718	6,359,628	1,900,233	35,674,935	-	57,925,648
NBV as at 30 June 2021	74,560,000	373,748,413	15,063,528	17,838,994	6,645,348	-	229,313,599	28,379,177	745,549,059

**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 30/12/2019.

**17 (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:

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>NBV</b>
	<b>Kshs</b>	<b>Kshs</b>	
Land	74,560,000	-	74,560,000.00
Buildings and Structures	405,709,699	29,034,975	376,674,723.94
Motor Vehicles	28,851,000	15,504,422	13,346,578.13
Furniture & Fittings	31,455,822	9,002,165	22,453,657.26
Computers	29,539,008	18,639,162	10,899,845.97
Other Assets-library books	5,494,405	1,694,954	3,799,451.42
Plant, Equipment and machinery	417,041,023	202,006,035	215,034,988.48
Capital Work in Progress	74,168,779	-	74,168,779.00
<b>Total</b>	<b>1,066,819,736</b>	<b>275,881,712</b>	<b>790,938,024.20</b>

*Note: Work in progress: construction of science and engineering complex and social hall cum arena currently under construction*

**18. Intangible Assets**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
<b>Cost</b>		
At beginning of the year	7,740,600	-
Additions		7,740,600
At end of the year	7,740,600	7,740,600
<b>NBV</b>	<b>7,740,600</b>	<b>7,740,600</b>

Notes to the Financial Statements (Continued)

19. Trade and Other Payables from Exchange transactions

Description	2021-2022	2020-2021
	KShs	KShs
Trade payables	10,386,510	4,958,068
Fees paid in advance	11,488,647	12,380,106
Employee advances	-	-
Amount held for mentoring institutions	-	4,682,500
Other payables	-	-
<b>Total trade and other payables</b>	<b>21,875,157</b>	<b>22,020,674</b>

20. Refundable Deposits from Customers/Students

Description	2021-2022	2020-2021
	KShs	KShs
Caution money	3,783,474	3,083,274
Other refundable deposits-retention	-	1,371,776
<b>Total deposits</b>	<b>3,783,474</b>	<b>4,455,050</b>

21. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Balance at The Beginning Of The Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additional Provisions	0	0	0	0	0
Provision Utilised	0	0	0	0	0
Change Due To Discount And Time Value For Money	0	0	0	0	0
Transfers From Non - Current Provisions	0	0	0	0	0
<b>Total Provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Notes to the Financial Statements (Continued)

22. Cash generated from operations

	2021-2022	2020-2021
	KShs	KShs
<b>Surplus for the year before tax</b>	<b>-7,631,686</b>	<b>19,240,458</b>
Adjusted for:		
Depreciation	77,465,213	77,798,989
Non-cash grants received		-
Contributed assets		-
Impairment		-
Gains and losses on disposal of assets		-
Contribution to provisions	-1,690,213	-
Contribution to impairment allowance		-
Finance income		-
Finance cost		-
<b>Working Capital adjustments</b>		
Increase in inventory	51,814	1,210,240
Increase in receivables	14,409,830	-30,546,534
Increase in deferred income		-
Increase in payables	1,739,210	-30,503,665
Increase in payments received in advance		1,942,376
<b>Net cash flow from operating activities</b>	<b>84,344,168</b>	<b>39,141,864</b>

**Notes to the Financial Statements (Continued)**

The company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2021</b>				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
<b>Total</b>	0	0	0	0
<b>At 30 June 2022</b>	0	0	0	0
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
<b>Total</b>	0	0	0	0

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

**44. Financial Risk Management (Continued)**

**(i) Credit risk (continued)**

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

The entity has no significant concentration of credit risk .

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

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**(ii) Liquidity risk management**

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

**Notes to the Financial Statements (Continued)**

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2021</b>				
Trade Payables	0	26,475,724	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>26,475,724</b>	<b>0</b>	<b>0</b>
<b>At 30 June 2022</b>	0	0	0	0
Trade Payables	0	25,658,631	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>25,658,631</b>	<b>0</b>	<b>0</b>

**Notes To The Financial Statements (Continued)**

**iv)Capital Risk Management**

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

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Revaluation Reserve	246,609,709	246,609,709
Retained Earnings	326,628,905	275,468,854
Capital Reserve	484,652,960	484,652,960
<b>Total Funds</b>	<b>1,057,891,574</b>	<b>1,006,731,523</b>
Total Borrowings	25,658,631	26,475,724
Less: Cash and Bank Balances	138,917,420	119,501,782
Net Debt/(Excess Cash and Cash Equivalents)	113,258,789	93,026,058
<b>Gearing</b>	<b>11</b>	<b>9</b>

**23. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of Governors

Notes to the Financial Statements (Continued)

24. Capital Commitments

Capital Commitments	2021-2022	2020-2021
	Kshs	Kshs
Authorised for	0	0
Authorised and Contracted for	0	0
<b>Total</b>	0	0

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

25. Deferred Tax Liability

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Accelerated Capital Allowances	0	0
Unrealised Exchange Gains/(Losses)	0	0
Revaluation Surplus	0	0
Tax Losses carried forward	0	0
Provisions for Liabilities and Charges	0	0
<b>Net Deferred Tax Liability/(Asset)</b>	0	0
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	0	0
Credit to revaluation reserve	0	0
Under provision in prior year	0	0
Income statement charge/(credit)	0	0
Balance at end of the year	0	0

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*[In ordinary circumstances public sector entities under IPSAS are not expected to pay taxes. However, in specific cases where this is applicable an organisation is supposed to seek guidance on accounting for income taxes from IAS 12)*

**26. Events After The Reporting Period**

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

**27. Ultimate And Holding Entity**

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

**28. Currency**

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

**VII. Appendices**

**Appendix 1: Implementation Status of Auditor-General Recommendations**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
OAG/NRRO-2020-2021-1-01-1064-23/26	Unsupported transfers from national government	The funds in question were receivables from previous financial year that were disbursed during the financial year	Resolved	
OAG/NRRO-2020-2021-1-01-1064-23/26	Unsupported receivables from exchange transactions	Aging analysis of the receivables be undertaken and movement schedule be done correctly as required	Resolved	
OAG/NRRO-2020-2021-1-01-1064-23/26	Inaccuracies in the statement of comparison of budget and actual amounts	Analysis of comparison of budget was done against the cash flow instead of financial performance. Analysis to be done against the financial performance as required	Resolved	
OAG/NRRO-2020-2021-1-01-1064-23/26	Land ownership and valuation Title deed for parcel 065 not available	Progress of succession in progress and the case is with with the land board	Not resolved	30/6/2023
OAG/NRRO-2020-2021-1-01-1064-23/26	Work in progress did not have a separate disclosure	Work in progress included construction of science and engineering complex that was in progress	Resolved	
OAG/NRRO-2020-2021-1-01-1064-23/26	Failure to observe one third rule on staff composition	Policy and Advertisement to meet the criteria be adhered to without compromising merit	Not resolved	30/6/2024

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***Guidance Notes:***

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



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**Name: Mrs. Getrude Sawe**  
**Accounting Officer**  
**KAIBOI TECHNICAL TRAINING INSTITUTE**  
**Date : 4/04/2023**

**Appendix II: Projects Implemented by Kaiboi Technical Training Institute**

**Projects**

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

**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	Science and Engineering Complex	21,906,030	8,787,563	60%	21,906,030	21,906,030	Gok/AIA
2	Food and beverage Shed	3,877,412	3,877,412	100%	3,877,412	3,877,412	Gok/AIA
3	Social Hall	21,275,390	10,648,612	50%	21,275,390	21,275,390	Gok/AIA

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**Appendix III- Inter-Entity Confirmation Letter**

The permanent secretary  
 State Department of Technical, Vocational Training and Education

Kaiboi TTI wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June 2022							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022				Amount Received by [beneficiary Entity] (KShs) as at 30 <sup>th</sup> June 2022 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Rep11367	23/11/2021	23,685,000			23,685,000		
Rep26766	23/3/2022	23,685,000			23,685,000		
Rep30759	21/6/2022	20,010,000			20,010,000		
Rep10429	21/10/2021		8,292,464		8,292,464		
Rep28526	17/3/2022		21,274,731		21,274,731		
Rep10922	12/7/2021	500,000			500,000		
Rep10923	12/7/2021	500,000			500,000		
<b>Total</b>					<b>97,947,195</b>		

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

**Head of Accountants department of beneficiary Entity:**

Name ..... Jemima Mutea ..... Sign ..... Jemima Mutea ..... Date ..... 4/4/2023

**Appendix IV: Reporting of Climate Relevant Expenditures**

Name of the Organization: Kaiboi Technical Training Institute  
 Telephone Number: 0734937937/0727937937  
 Email Address: principal@kaiboitech.ac.ke  
 Name of CEO: Sawe G

Name and contact details of contact person (in case of any clarifications): as above

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q 1	Q 2	Q 3	Q 4		

**Appendix V: Disaster Expenditure Reporting Template**

Date:						
Entity						
<b>Period to which this report refers (FY)</b>	<b>Year</b>			<b>Quarter</b>		
<b>Name of Reporting Officer</b>						
<b>Contact details of the reporting officer:</b>	<b>Email</b>			<b>Telephone</b>		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments