

REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT  
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THE NATIONAL ASSEMBLY  
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REPORT

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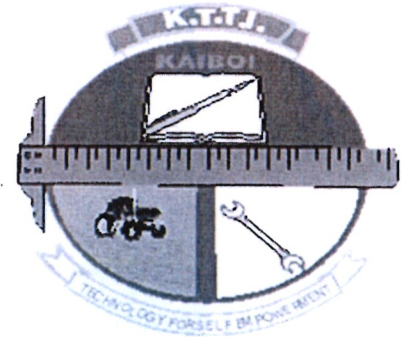
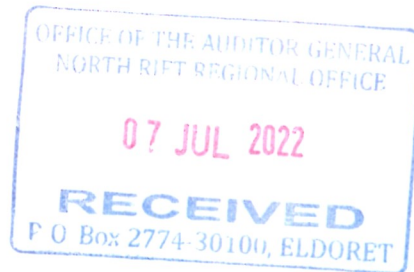
**OF**

**THE AUDITOR-GENERAL**

**ON**


**KAIBOI TECHNICAL TRAINING  
INSTITUTE**

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



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**KAIBOI TECHNICAL TRAINING INSTITUTE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2021**

 <b>THE NATIONAL ASSEMBLY</b> PARLIAMENTARY COMMISSION	
<b>DATE:</b> 30 NOV 2022	
<b>TABLED BY:</b>	
<b>CLERK AT THE TABLE:</b>	

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

# KAIBOI TECHNICAL TRAINING INSTITUTE

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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### Table of Contents

<b>I. KEY INSTITUTE INFORMATION AND MANAGEMENT</b>	<b>i</b>
<b>II. THE BOARD OF GOVERNORS</b>	<b>iv</b>
<b>III. MANAGEMENT TEAM</b>	<b>vii</b>
<b>IV. CHAIRMAN'S STATEMENT</b>	<b>viii</b>
<b>V. REPORT OF THE PRINCIPAL</b>	<b>ix</b>
<b>VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES</b>	<b>x</b>
<b>VII. CORPORATE GOVERNANCE STATEMENT</b>	<b>xxiv</b>
<b>VIII. MANAGEMENT DISCUSSION AND ANALYSIS</b>	<b>xxv</b>
<b>IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING</b>	<b>xxix</b>
<b>X. REPORT OF THE BOARD OF GOVERNORS</b>	<b>xxx</b>
<b>XI. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES</b>	<b>xxxii</b>
<b>XII. REPORT OF THE INDEPENDENT AUDITOR ON THE KAIBOI TECHNICAL TRAINING INSTITUTE</b>	<b>xxxii</b>
<b>XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021</b>	<b>1</b>
<b>XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021</b>	<b>2</b>
<b>XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021</b>	<b>3</b>
<b>XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021</b>	<b>4</b>
<b>XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021</b>	<b>5</b>
<b>XVIII. NOTES TO THE FINANCIAL STATEMENTS</b>	<b>6</b>
<b>APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS</b>	<b>36</b>
<b>APPENDIX II: PROJECTS IMPLEMENTED BY THE INSTITUTE</b>	<b>38</b>
<b>APPENDIX III: INTER-INSTITUTE TRANSFERS</b>	<b>39</b>
<b>APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES</b>	<b>40</b>

# KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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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

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### (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
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](mailto:kaiboi@kaiboitech.ac.ke)/[principal@kaiboitech.ac.ke](mailto: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

## KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 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.



Mr. Charles Koech -  
PRINCIPAL/BoG SECRETARY  
MED (Moi Uni) BED (Moi Uni)

Born on 22/2/1974, Mr. Koech is the Chief Executive officer of the Institute serving as the Principal and secretary to the Board. He holds a Master of Education (Leadership and policy Education) and Bachelor of Education (Technology education) both from Moi University. Mr. Koech has vast experience in education administration management having served as a Principal for over ten years. He also served as a Deputy Principal, Registrar and HoD Mechanical Engineering. He has undergone various short courses in Education Management and Governance the latest being Senior Management Course by KSG. He has in the past served as KATTI National treasurer, KATTI Rift Valley chair Sports and Recreations and as a Secretary/Treasurer.



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 projects



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.

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021



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.

**III. MANAGEMENT TEAM**



Mr. Charles Koech  
MED (Moi Uni) BED (Moi 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



## KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### IV. CHAIRMAN'S STATEMENT

It gives me great pleasure to present the 2020/2021 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.

Despite the difficulties that were in the year due to Covid-19 pandemic, we managed to complete a number of priority projects earmarked during the financial year. We were more encouraged by very good results that the Institute attained in the performance contracting cycle of the previous year. We have put in place quite a number of measures following the directives of both the Ministry of Health and Ministry of Education in regard to Covid-19.

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: 2<sup>nd</sup> July 2022

## 7. 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 2020/2021 was a significant year as the Government continued to emphasis on TVET sector. It was however disrupted by the outbreak of COVID -19 that led to closure of Institutions at some time during the beginning of the Financial Year. The Institute took decisive, immediate actions and deliberate changes to match the dynamics including supporting trainees through online classes. 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. Purchase of computers, text books and furniture
2. Acquisition of administrative vehicle
3. Institute face lift (laying of Cabros on driveways and extension of perimeter wall)
4. Marketing of the Institute's Programmes
5. Construction of up-to roof level of the science and engineering complex( Phase Three)
6. Rehabilitation of classrooms, student hostels and offices
7. Purchase of training equipment
8. Development of policies – risk and ICT management policies.
9. Acquisition and installation of soap dispensers, hand wash points and temperature screening to mitigate Covid 19.

Prudent financial management remain top in our agenda. In the financial year 2020/2021, the exchequer contribution totalled to Kshs 127,025,000 for recurrent expenditure purposes as compared with Kshs 125,792,544 in the previous year. Internally generated income of Kshs 128,628,514 collected was from fees, farm and rental income. The Institute recorded an aggregate income of Kshs 255,653,514 during the year whereas the recurrent expenditure stood at Kshs 236,413,055 that included depreciation of Kshs 77,798,989. Kshs. 51,846,194 and Kshs 7,740,600 was used for purchase of Property, Plant and Equipment and intangible assets respectively during the financial year 2020/2021. We 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.

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: 2<sup>nd</sup> July 2022

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**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 2020/2021 period for its five strategic pillars, as indicated in the diagram below:

Strategic Issue	Teaching & Learning							Remarks
	To produce competent and skilled graduates							
Strategic Objectives	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

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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		<b>10,665</b>	<b>10,655</b>	<b>10,655</b>	<b>10,655</b>	<b>42,630</b>	-	

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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
<b>Sub Total</b>		<b>102.5</b>	<b>102.5</b>	<b>102.5</b>	<b>102.5</b>	<b>410</b>	-	

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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	-	-	-	-	-	-	-

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	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
Improve Access to learning and training	Set-up an E-learning platform	-	-	-	-	-	HOD ICT/ICT Technicians/FO	done
	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>		-

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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/HO D ICT/FO
Install access control systems in all strategic areas		20	10	10	10	50	Principal/Admin/HO D 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		2,420	2,410	2,410	2,510	9,750	-	

## KAIBOI TECHNICAL TRAINING INSTITUTE

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 30 JUNE 2021

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& BIng /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/HODA gr /FO	Done
	Modern electrical equipment	-	-	-	-	-	Principal/HOD Elec& BIng /FO	Done
	Concrete testing equipment	1,000	-	-	-	1,000	Principal/HOD Elec& BIng /FO	Done
	Survey Equipment	1,000	-	-	-	1,000	Principal/HOD Elec& BIng /FO	Done
	Road Constructio n equipment	1,000	-	-	-	1,000	Principal/HOD Elec& BIng /FO	Done
	Secretarial equipment	-	-	100	-	100	Principal/HOD Bus /FO	Done
<b>Sub- Total</b>		<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 30 JUNE 2021

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 30 JUNE 2021

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 back bone grid	-	-	-	-	-	Principal/HOD ICT/FO	In progress
	Extend LAN services to all offices	50	50	50	100	250	Principal/HOD ICT/FO	Done
	Boost Wi-Fi coverage	25	25	25	25	100	Principal/HOD ICT/FO	Done

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Upgrade the Institute's website	50	-	-	-	50	Principal/ HOD ICT/FO	In progress
Integrate ICT into teaching & learning	Train 20 staff on basic ICT skills	50	50	50		150	Principal/ HOD ICT/FO	Done
	Procure smart boards/other relevant teaching aid solutions	-	-	500	500	1,000	Principal/ HOD ICT/FO	In progress
Enhance Institution's communication and visibility	Upgrade and update institutional website			50		50	Principal/ HOD 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 30 JUNE 2021

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
<b>Sub Total</b>		<b>255</b>	<b>255</b>	<b>355</b>	<b>255</b>	<b>1,120</b>		

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

<b>STRATEGIC ISSUES</b>	<b>2020/2021 (KSHS)</b>	<b>BUDGET</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 30 JUNE 2021

#### 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 Ministry through the TVETA in December 2019 and was attended by all members led by the Chairperson. Two other members were taken through the induction in Nakuru including the County Governors representative who was appointed in

##### IV. Board performance evaluation

There is a formal process for reviewing and evaluation of Boards performance and its committee.

##### 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 2020/21, meetings were held as follows;

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

##### 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

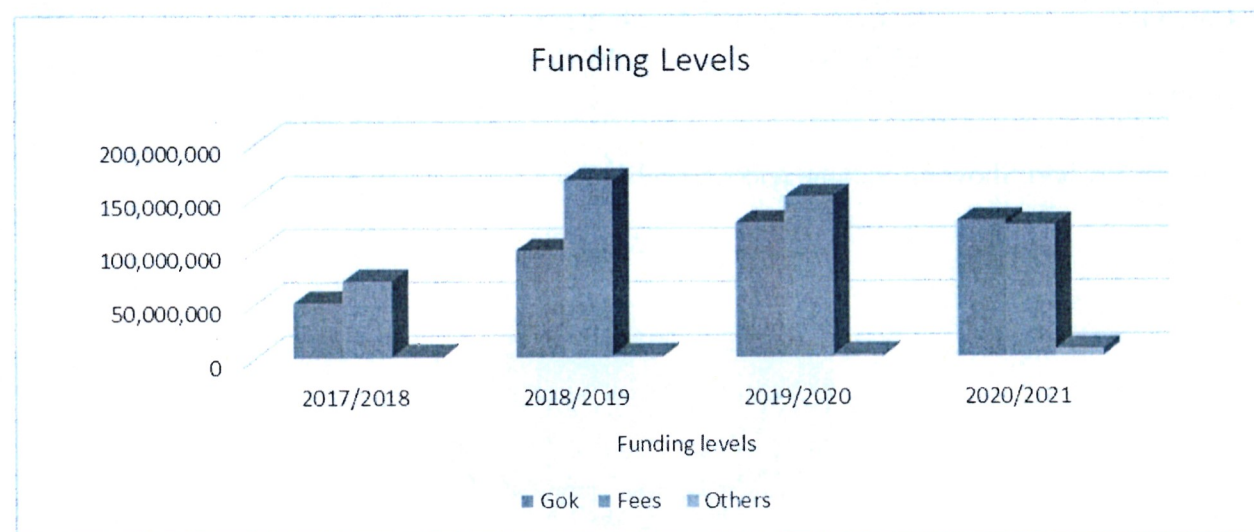
### 1) Financial performance

In the financial year 2020/2021, the exchequer contribution totaled to Ksh 127,025,000 for recurrent expenditure purposes as compared with Ksh 125,792,544 in the previous year. The institute also received accrued capitation of Ksh 16,500,000 for financial year 2019/2020. Internally generated income of Ksh 128,628,514 collected was from fees, farm and rental income. The Institute recorded an aggregate income of Ksh 255,653,514 during the year whereas the recurrent expenditure stood at KSh 236,586,411 that included depreciation of Ksh 77,798,989. Kshs. 51,846,194 and Kshs 7,740,600 was used for purchase of Property, Plant and Equipment and intangible assets respectively during the financial year 2020/2021. We did not recognize funds for development as earlier anticipated to receive funds from the Government for construction of science and engineering complex.

**Table 1: Institute Funding**

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

Figure 1: Chart showing the Institute Funding



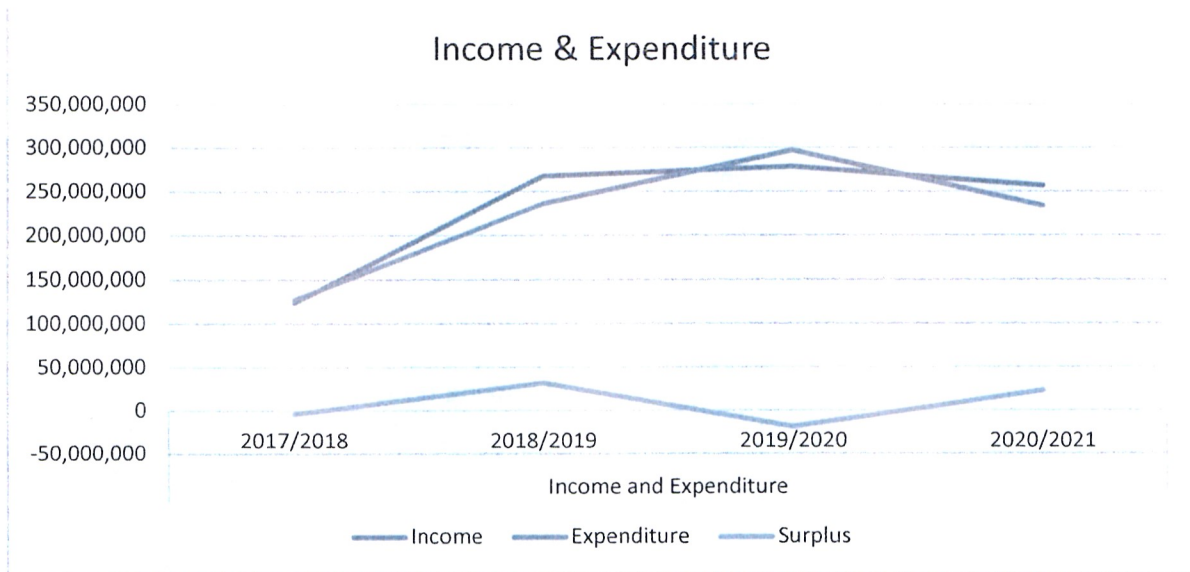
**Table 2: Income and Expenditure**

Category	Income and Expenditure			
	2017/2018	2018/2019	2019/2020	2020/2021
<b>Income</b>	124,171,312	267,658,489	278,305,445	256,558,992
<b>Expenditure</b>	127,574,643	235,920,867	297,034,725	236,413,051
<b>Surplus</b>	(3,403,331)	31,737,622	(18,729,280)	19,240,451

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

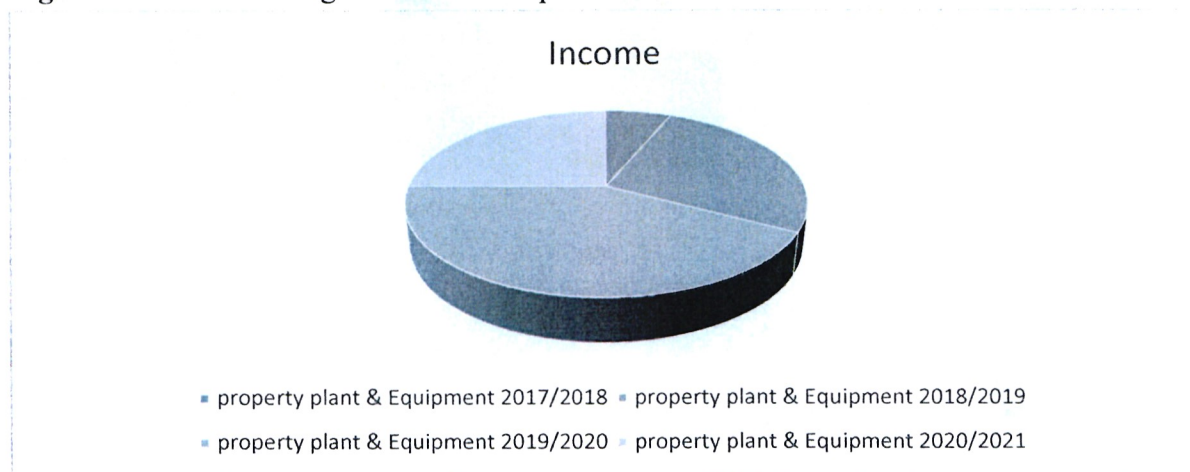
**Figure 2:** Graph Showing Income and Expenditure



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

Category	Property Plant & Equipment			
	2017/2018	2018/2019	2019/2020	2020/2021
<b>Income</b>	7,869,216	32,780,943	52,303,024	30,833,132

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

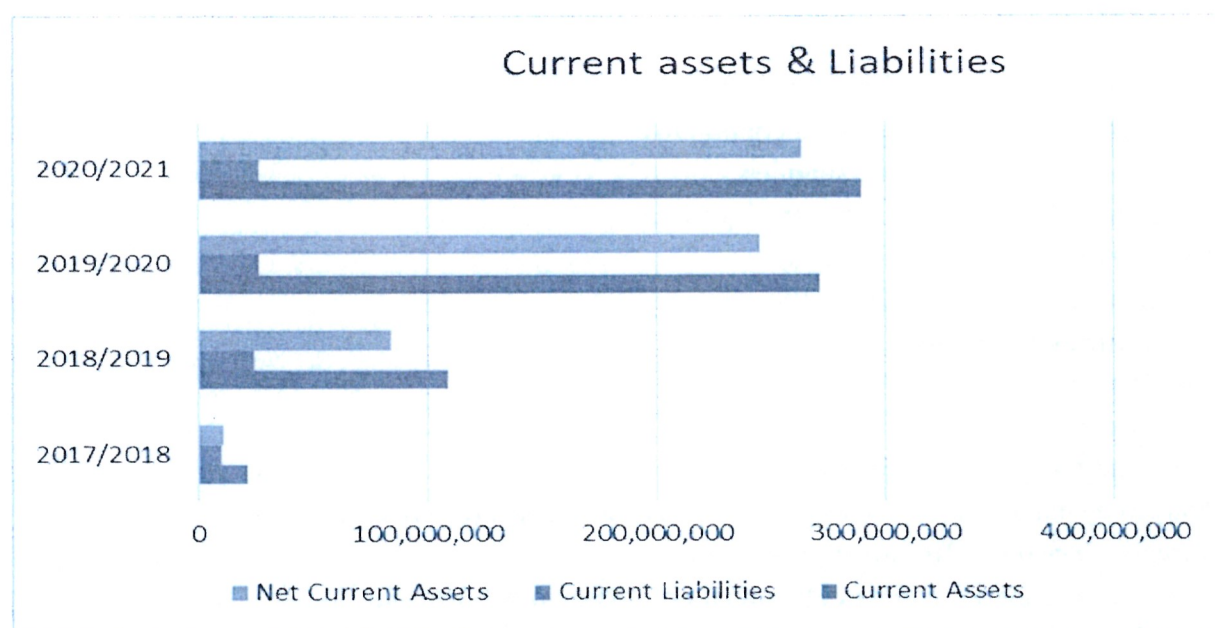


The total current assets at the end of financial year included cash and cash equivalent of Ksh 119,501,782 receivables from fees of Ksh 174,675,433 less provisions for debtors and doubtful debts of KSh 17,467,543 and rent and other debtors of Ksh 760,091 and 331,500 respectively. The total current Liabilities of ksh 26,475,724 included fees paid in advance of ksh 12,380,106, trade creditors of Ksh 4,958,068, recurrent grants for mentoring institutions of Ksh 4,682,500, caution money and retention fees of Ksh 3,083,274 and 1,371,776 respectively.

**Table 5:** Assets and Liabilities

Category	Assets and Liabilities				
	FY	2017/2018	2018/2019	2019/2020	2020/2021
Current Assets		21,744,179	108,390,280	271,026,223	279,917,588
Current Liabilities		10,441,018	24,629,733	26,168,026	26,475,724
<b>Net Current Assets</b>		<b>11,303,161</b>	<b>83,760,547</b>	<b>244,858,197</b>	<b>263,155,616</b>

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



## 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, Acquisition of administrative vehicle, Institute face lift (laying of Cabros on driveways and extension of perimeter wall, Marketing of the Institute's Programmes, Construction of upto roof level of the science and engineering complex( phase Three), Rehabilitation of classrooms, student hostels and offices, Purchase of training equipment. Development of policies – risk and ICT management policies, Acquisition and installation of soap dispensers, hand wash points and temperature screening to mitigate Covid 19. 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.

## KAIBOI TECHNICAL TRAINING INSTITUTE

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### 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 2020/2021 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 2019/20.

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.

## 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 Public Procurement Act, 2015 provisions 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' and provision of wash hand point at the strategic area at Kaiboi Centre. To create awareness on health precautions and Covid-19 protocol's, the institute placed posters in the neighbouring community.

## KAIBOI TECHNICAL TRAINING INSTITUTE

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### **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, 2021 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, 2021 are set out on page 1-6

#### **BOARD OF GOVERNORS**

The members of the Board who served during the year are shown on page V.

##### **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: 2<sup>nd</sup> July 2022

**I. 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, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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, 2021, 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 12/8/2021 and signed on its behalf by:

Name. Dr. James Sang

Signature.....

Chairperson of the Board

Date: 2<sup>nd</sup> July 2022

Name Getrude Sawe

Signature.....

Principal / Secretary BoG

Date: 2<sup>nd</sup> July 2022

**KAIBOI TECHNICAL TRAINING INSTITUTE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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**XII. REPORT OF THE INDEPENDENT AUDITOR ON THE KAIBOI TECHNICAL  
TRAINING INSTITUTE**

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON KAIBOI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2021**

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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 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 1 to 37, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and

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*Report of the Auditor-General on Kaiboi Technical Training Institute for the year ended 30 June, 2021*

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, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Educational and Training Act, 2013.

### **Basis for Qualified Opinion**

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

The statement of financial performance reflects transfers from the National Government of Kshs.127,025,000 while Annex III to the financial statements reflects transfers of Kshs.143,524,500 leading to a variance of Kshs.16,499,500 which has not been explained or reconciled.

In the circumstances, the accuracy and completeness of transfers from the National Government of Kshs.127,025,000 could not be confirmed.

#### **2. Unsupported Receivables from Exchange Transactions**

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.158,299,481 which include student debtors amount of Kshs.174,675,433, rent debtors amount of Kshs.760,091, other exchange debtors-advances Kshs.331,500 and impairment allowance of Kshs.(17,467,543) as disclosed in Note 20. However, ageing analysis was not provided for audit review and it was not possible to confirm for how long the debts have been outstanding. In addition, the student debtors, rent debtors and other exchange debtors-advances balances were not supported by a movement schedule indicating the opening balances, additions, amounts paid during the year and the closing balances.

In the circumstances, the accuracy and existence of current portion of receivables from exchange transactions balance of Kshs.158,299,481 could not be confirmed.

#### **3. Inaccuracies in the Statement of Comparison of Budget and Actual Amounts**

The following inaccuracies were noted in statement of budget and actual amounts,

- (i) The statement of comparison of budget and actual amounts reflects total actual revenue of Kshs.253,473,152 and actual expenditure of Kshs.273,918,081 while the statement of financial performance reflects revenue of Kshs.255,653,514 and actual expenditure of Kshs.236,413,055. The differences of Kshs.2,180,362 and Kshs.37,505,026 respectively have not been explained or reconciled.

- (ii) The approved budget reflects total revenue of Kshs.233,985,000, which is at variance with the figure presented in the statement of comparison of budget and actual amounts under original budget of Kshs.243,524,438 resulting to unexplained variance of Kshs.20,444,929.
- (iii) The statement reflects an expenditure budget of Kshs.221,651,938 under original budget which is at variance with budgeted expenditure of Kshs.167,225,000 as per the approved budget.
- (iv) The statement reflects an adjustment in revenue amount of Kshs.21,872,500 and an adjustment in expenditure figure of Kshs.117,872,500 which were not supported.

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

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

##### **4.1 Land Ownership and Valuation**

Note 23 to the financial statements reflects property, plant and equipment balance of Kshs.745,549,059. Included in this amount is a revalued land balance of Kshs.74,560,000 for three parcels of land. However, one of the parcels of land measuring approximately 13 acres valued at Kshs.16,250,000 had no document of title.

In the circumstances, the accuracy and ownership of the land valued at Kshs.74,560,000 could not be confirmed.

##### **4.2 Work In Progress**

Note 23 to the financial statements reflects property, plant and equipment net book value of Kshs.745,549,059 which include capital work in progress balance of Kshs.28,379,177. However, a separate disclosure in form of a note was not provided giving the make-up of the work in progress.

In the circumstances, the accuracy, valuation and existence of the capital work in progress balance of Kshs.28,379,177 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 matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

## **Other Matter**

### **Budget and Budgetary Control**

The statement of comparison of budget and actual amounts for the year ended 30 June, 2021 reflects a final revenue budget of Kshs.243,524,438 against actual performance of Kshs.253,473,152 thereby leading to a revenue surplus of Kshs.9,948,714. Similarly, the statement reflects a final expenditure budget of Kshs.339,524,438 against an actual expenditure of Kshs.273,918,081 thereby leading to an under expenditure of Kshs.65,606,357.

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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**

#### **Failure to Observe One Third Rule On Staff Composition**

Review of personnel records revealed that the Institute had a total of one hundred and ten (110) employees out of whom one hundred (100) or approximately 91% were from the dominant community contrary to the provisions of 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 employment of staff and that no public establishment shall have more than one third of its establishment from the same ethnic community.

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

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 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 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, CBS  
AUDITOR-GENERAL

Nairobi

31 August, 2022

**KAIBOI TECHNICAL TRAINING INSTITUTE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

	Notes	2020-2021	2019-2020
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government	6	127,025,000	125,792,544
		<b>127,025,000</b>	<b>125,792,544</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	121,798,251	150,190,415
Sale of goods	8	2,782,325	1,808,703
Rental revenue from facilities and equipment	9	381,000	513,783
Other income	11	3,666,938	-
<b>Revenue from exchange transactions</b>		<b>128,628,514</b>	<b>152,512,901</b>
<b>Total revenue</b>		<b>255,653,514</b>	<b>278,305,445</b>
<b>Expenses</b>			
Transfer to Mentoring Institution	12	33,190,000	74,625,853
Use of goods and services	13	80,277,865	83,949,962
Employee costs	14	21,313,590	22,512,288
Board expense	15	1,947,720	1,173,000
Depreciation and amortization expense	16	77,798,989	106,565,366
Repairs and maintenance	17	21,884,891	5,748,826
Contracted services	18	-	2,459,430
<b>Total expenses</b>		<b>236,413,055</b>	<b>297,034,725</b>
<b>Net Surplus for the year</b>		<b>19,240,458</b>	<b>(18,729,280)</b>

The notes set out on pages 6 to 40 form an integral part of the Annual Financial Statements.

## KAIBOI TECHNICAL TRAINING INSTITUTE

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Notes	2020-2021	2019-2020
		<b>Kshs</b>	<b>Kshs</b>
<b>Current assets</b>			
Cash and cash equivalents	19	119,501,782	139,946,712
Current portion of receivables from exchange transactions	20	158,299,481	111,252,947
Receivables from non-exchange transactions	21	-	16,500,000
Inventories	22	2,116,325	3,326,565
		<b>279,917,588</b>	<b>271,026,223</b>
<b>Non-current assets</b>			
Property, plant and equipment	23	745,549,059	771,501,854
Intangible assets	24	7,740,600	-
		<b>753,289,659</b>	<b>771,501,854</b>
<b>Total assets</b>		<b>1,033,207,247</b>	<b>1,042,528,078</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	25	22,020,674	23,655,352
Refundable deposits from customers	26	4,455,050	2,512,674
		<b>26,475,724</b>	<b>26,168,026</b>
<b>Total liabilities</b>		<b>26,475,724</b>	<b>26,168,026</b>
<b>Net Assets</b>		<b>1,006,731,523</b>	<b>1,016,360,052</b>
<b>Capital and Reserves</b>			
Reserves-Revaluation		246,609,709	246,609,709
Accumulated surplus		<b>275,468,853</b>	28,634,238
Capital Fund		<b>484,652,961</b>	741,116,105
<b>Total capital and Reserves</b>		<b>1,006,731,523</b>	<b>1,016,360,052</b>

The Financial Statements set out on pages 1 to 40 were signed on behalf of the Institute Board of Governors by:

  
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**Chairman of the Board**

  
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**Finance Officer**  
ICPAK No: 19614

  
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**Principal**

Date: 2<sup>nd</sup> July 2022

Date: 2<sup>nd</sup> July 2022

Date: 2<sup>nd</sup> July 2022

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

	Revaluation reserve	Retained earnings	Capital Fund	Total
<b>At July 1, 2019</b>	-	47,363,518	737,551,106	784,914,624
Revaluation gain	246,609,709	-	-	246,609,709
Total comprehensive income		-18,729,280	-	-18,729,280
Capital/Development grants received during the year		-	3,565,000	3,565,000
Prior year adjustment		-28,868,988		-28,868,988
<b>At June 30, 2020</b>	<b>246,609,709</b>	<b>-234,750</b>	<b>741,116,106</b>	<b>987,491,065</b>
<b>At July 1, 2020</b>	<b>246,609,709</b>	<b>-234,750</b>	<b>741,116,106</b>	<b>987,491,065</b>
Total comprehensive income	-	19,240,458	-	19,240,458
Transfer of depreciation/amortization from capital fund to retained earnings		256,463,145	(256,463,145)	-
<b>At June 30, 2021</b>	<b>246,609,709</b>	<b>275,468,853</b>	<b>484,652,961</b>	<b>1,006,731,523</b>

**Note:**

1. Opening balance relates to capital projects and funds received for capital projects in the year under review and prior years.
2. Prior year adjustment is a correction of misstatement relating to surplus for the prior year as detailed in note 31.

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

		<b>2020-2021</b>	<b>2019-2020</b>
	<b>Note</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants		143,525,000	119,735,544
Rendering of services- Fees from students		102,502,612	197,412,337
Sale of goods		2,782,325	1,808,703
Rental revenue from facilities and equipment		996,277	336,674
Other income		3,666,938	-
<b>Total Receipts</b>		<b>253,473,151</b>	<b>319,293,258</b>
<b>Payments</b>			
Transfers to Mentoring Institutions		33,190,000	74,625,853
Compensation of employees		21,313,590	22,512,288
Use of goods and services		135,995,086	75,923,011
Board Expenses		1,947,720	1,173,000
Repairs and Maintenance		21,884,891	5,502,326
Contracted Service		-	2,459,430
<b>Total Payments</b>		<b>214,331,287</b>	<b>182,195,908</b>
<b>Net cash flows from operating activities</b>	<b>27</b>	<b>39,141,864</b>	<b>137,097,350</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(51,846,194)	(30,833,132)
Intangible assets		(7,740,600)	
<b>Net cash flows used in investing activities</b>		<b>(59,586,794)</b>	<b>(30,833,132)</b>
Cash flows from financing activities			
Increase in deposits		-	3,565,000
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>3,565,000</b>
Net increase/(decrease) in cash and cash equivalents		(20,444,930)	109,829,218
Cash and cash equivalents at 1 July	19	139,946,712	30,117,494
Cash and cash equivalents at 30 June	19	<b>119,501,782</b>	<b>139,946,712</b>

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021**

	Original budget 2020-2021	Adjustments 2020-2021	Final budget 2020-2021	Actual on comparable basis 2020-2021	Performance difference 2020-2021	Utilisation Difference 2020-2021
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Govt entities Govt grants	105,000,000	(15,000,000)	90,000,000	105,652,500	(15,652,500)	(17)
transfers for mentoring institutions	-	37,872,500	37,872,500	37,872,500	-	-
Rendering of services- Fees from students	110,125,000		110,125,000	102,502,612	7,622,388	(11)
Sale of goods	2,500,000	(1,000,000)	1,500,000	2,782,325	(1,282,325)	(85)
Other Income	3,666,938	-	3,666,938	3,666,938	-	-
Rental revenue from facilities and equipment	360,000	-	360,000	996,277	(636,277)	(177)
<b>Total income</b>	<b>221,651,938</b>	<b>21,872,500</b>	<b>243,524,438</b>	<b>253,473,152</b>	<b>(9,948,714)</b>	<b>(4)</b>
<b>Expenses</b>						
Compensation of employees	26,498,000	-	26,498,000	21,313,590	5,184,410	20
Use of Goods and services	91,802,157	96,000,000	187,802,157	135,995,086	51,807,071	28
Transfers to Mentoring Institution	-	37,872,500	37,872,500	33,190,000	4,682,500	12
Board Expenses	3,000,000	-	3,000,000	1,947,720	1,052,280	35
Repairs and Maintenance	14,351,781	5,000,000	19,351,781	21,884,891	(2,533,110)	13
Property, Plant and Equipment	86,000,000	(21,000,000)	65,000,000	59,586,794	5,413,206	8
<b>Total expenditure</b>	<b>221,651,938</b>	<b>117,872,500</b>	<b>339,524,438</b>	<b>273,918,081</b>	<b>65,606,357</b>	
<b>Surplus for the period</b>				<b>20,444,929</b>		

Notes

1. Income from sale of goods increased by 85.49% because during the year the institution had closed due to covid 19 and all the farm produce were sold externally.
2. Compensation of employees' expenditure reduced by 19.57% because the institute did not hire casual workers as planned to due to covid 19
3. Use of goods and services reduced by 12.36% due to suspension of operations during Covid 19 pandemic
4. Transfers to mentoring institutions reduced by 14.11% because the institutions had not requested for the amount.
5. Remuneration of directors reduced by 54.03% because board meetings were held virtually

**XVIII. 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.

Standard	Impact
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. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

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</p>

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Standard	Effective date and impact:
	<p>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>
<p><b>IPSAS 42: Social Benefits</b></p>	<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>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<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 2021.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a) Revenue recognition

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

###### Transfers from other government entities

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

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

**a) Revenue recognition (Continued)**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2020/2021 was approved by the Board on 19/6/2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Institute upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Institute recorded changes in appropriations on the FY 2020/2021 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 and are depreciated over a period of **xxx** years.

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

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

**e) Property, plant and equipment**

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

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Asset	Rate
Buildings	2.5%
Plant and machinery	20%
Motor vehicles, including motorcycles	25%
Computers and related equipment	33.3%
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 either finite or 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:

#### 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 benefits**

**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.

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**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, 2021.

**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.

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020/2021	2019/2020
	KShs	KShs
Unconditional grants		
Capitation grants	89,152,500	49,200,000
Mentoring Institutions	37,872,500	76,592,544
Other grants	-	-
	<b>127,025,000</b>	<b>125,792,544</b>
Conditional grants		
Library grant	-	-
Hostels grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Learning facilities grant	-	-
Other organizational grants	-	-
<b>Total government grants and subsidies</b>	<b>127,025,000</b>	<b>125,792,544</b>

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Institute sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	20xx-20xx KShs
State Department of VTTI	127,025,000	-	0	127,025,000	
	-	-	-	-	-
<b>Total</b>	<b>127,025,000</b>	<b>-</b>	<b>-</b>	<b>127,025,000</b>	<b>-</b>

The details of the reconciliation have been included under appendix 2

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

**7. RENDERING OF SERVICES**

Description	2020-2021 KShs	2019-2020 KShs
Tuition fees and related income	44,151,890	63,033,750
Examination fees	23,908,666	35,000,000
Boarding	17,104,500	14,437,500
Electricity Water & Conservancy	3,818,600	4,027,800
Students ID	451,000	458,000
Local Transport & Travel	3,790,685	3,999,300
Medical	1,089,650	1,152,600
Personal Emolument	14,965,660	15,756,600
Administrative fees	1,628,000	1,832,000
Repair Maintenance & Installation	1,856,100	2,013,900
Caution fees	495,600	549,600
Tender fees	-	5,000
Library charges	-	10,000
Application fees	648,000	458,000
Activity fees	3,804,900	4,013,865
Attachment fees	1,861,900	1,162,500
Students council fees	2,223,100	2,280,000
<b>Total revenue from the rendering of services</b>	<b>121,798,251</b>	<b>150,190,415</b>

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

**8. SALE OF GOODS**

Description	2020-2021	2019-2020
	KShs	KShs
Sale of goods	-	-
Sale of books	-	-
Disposal of Idle Assets	216,656	-
Sale of farm produce	2,559,179	1,808,703
Cafeteria	6,490	-
Other(include in line with your organisation)	-	-
<b>Total revenue from the sale of goods</b>	<b>2,782,325</b>	<b>1,808,703</b>

**9. RENTAL REVENUE FROM FACILITIES AND EQUIPMENT**

Description	2020-2021	2019-2020
	KShs	KShs
Hire of facilities and equipment	21,000	-
Contingent rental	360,000	513,783
operating lease revenue	-	-
<b>Total</b>	<b>381,000</b>	<b>513,783</b>

**10. FINANCE INCOME**

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

**11. OTHER INCOME**

Description	2020-2021	2019-2020
	KShs	KShs
Driving Classes	1,709,000	-
Library Fines	9,899	-
Centre Fee	4,400	-
computer classes	4,000	-
Interest on savings account	1,939,639	-
Graduation fees	-	-
Miscellaneous (Specify)	-	-
<b>Total other income</b>	<b>3,666,938</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 12. TRANSFERS TO MENTORING INSTITUTIONS.

Description	2020-2021 KShs	2019-2020 KShs
Tinderet technical	11,190,000	6,860,000
Emgwen tvc	1,000,000	23,122,544
Bomet central	1,000,000	1,000,000
Emsos TVC	-	1,545,000
Kimasian TVC	-	2,065,000
njoro TVC	20,000,000	13,000,000
Purchase of Furniture 12 institutions	-	28,033,309
<b>Total Transfers</b>	<b>33,190,000</b>	<b>74,625,853</b>

## 13. USE OF GOODS AND SERVICES

Description	2020-2021 KShs	2019-2020 KShs
Training Materials(SES)	14,532,352	30,974,931
Stationery	6,919,672	-
Research and Development	1,939,700	-
Marketing	1,691,828	-
Boarding	13,272,031	10,782,897
Contingencies	-	237,857
Local Transport & Travelling	6,506,725	2,436,548
Medical	928,054	432,827
Bank charges and commission	359,647	128,573
GPA Insurance	484,191	-
KATTISO	2,309,850	2,353,279
Caution	200,600	64,200
Attachment	262,500	859,700
Activity	105,650	1,163,540
Application	753,000	1,701,346
Exam	17,111,830	21,720,334
Farm	3,933,781	1,923,961
Fees refund	151,220	395,715
AP security	204,000	-
PC implementation	154,000	-
sanitary services	111,000	-
Production units	1,539,192	139,493
Provision for Bad and Doubtful Debts	5,202,617	6,319,791
Generator Fuel and Oil	500,100	-
Electricity Bills & Maintenance *	1,104,325	2,314,970
<b>Total good and services</b>	<b>80,277,865</b>	<b>83,949,962</b>

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**14. EMPLOYEE COSTS**

Description	2020-2021 KShs	2019-2020 KShs
Salaries and wages	20,915,790	19,615,011
Employee related costs - Gratuity	-	73,600
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	397,800	2,823,677
<b>Employee costs</b>	<b>21,313,590</b>	<b>22,512,288</b>

**15. BOARD EXPENSES**

Description	2020-2021 KShs	2019-2020 KShs
Chairman's Honoraria	-	-
Directors emoluments	-	-
Board Expenses	1,947,720	1,173,000
<b>Total director emoluments</b>	<b>1,947,720</b>	<b>1,173,000</b>

**16. DEPRECIATION AND AMORTIZATION EXPENSE**

Description	2020-2021 KShs	2019-2020 KShs
Property, plant and equipment	77,798,989	106,565,366
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>77,798,989</b>	<b>106,565,366</b>

**17. REPAIRS AND MAINTENANCE**

Description	2020-2021 KShs	2019-2020 KShs
General Repairs	21,884,891	5,748,826
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Other	-	-
<b>Total Repairs and Maintenance</b>	<b>21,884,891</b>	<b>5,748,826</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 18. CONTRACTED SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	2,459,430
<b>Total contracted services</b>	<b>-</b>	<b>2,459,430</b>

## 19. CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
KCB Bank -1102452637	13,007,380	4,716,371
KCB Bank -1131415027	3,025,417	195,411
Absa bank-0031091527	37,116,120	45,301,186
Absa bank-0031030404	94,607	4,574,610
Absa-2041544778	65,798,913	85,159,134
Cash in Hand, money orders	459,345	-
<b>Total Cash and Cash Equivalents</b>	<b>119,501,782</b>	<b>139,946,712</b>

## 19 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2020-2021	2019-2020
		KShs	KShs
<b>a) Current account</b>			
KCB Bank - Eldoret Branch	1102452637	13,007,380	4,716,371
Absa bank-Eldoret Branch	0031091527	94,607	4,574,610
Absa bank- Eldoret Branch	0031030404	37,116,120	45,301,186
<b>Sub- total</b>		<b>50,218,107</b>	<b>54,592,167</b>
<b>b) On - call deposits</b>			
Absa- Eldoret Branch	2041544778	65,798,913	85,159,134
KCB Bank -Eldoret Branch	1131415027	3,025,417	195,411
<b>Sub- total</b>		<b>68,824,330</b>	<b>85,354,545</b>
Money Order		171,960	-
Cheques		70,600	-
Cash in Hand		216,785	-
<b>Sub- total</b>		<b>459,345</b>	<b>-</b>
<b>Grand total</b>		<b>119,501,782</b>	<b>139,946,712</b>

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. RECEIVABLES FROM EXCHANGE TRANSACTIONS

20(a) Current Receivables from Exchange Transactions

Description	2020-2021 KShs	2019-2020 KShs
<b>Current receivables</b>		
Student Debtors	174,675,433	122,649,264
Rent Debtors	760,091	577,109
Consultancy Debtors	-	-
Other exchange Debtors- Advances	331,500	291,500
<b>Less: Impairment Allowance</b>	<b>(17,467,543)</b>	<b>12,264,926.40</b>
<b>Total Current Receivables</b>	<b>158,299,481</b>	<b>111,252,947</b>

21. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021 KShs	2019-2020 KShs
<b>Current receivables</b>		
Capitation grants*	-	16,500,000
Transfers from other govt. entities	-	-
Undisbursed donor funds	-	-
Other debtors (non-exchange transactions)	-	-
Less: impairment allowance	-	-
<b>Total current receivables</b>	<b>-</b>	<b>16,500,000</b>

22. INVENTORIES

Description	2020-2021 KShs	2019-2020 KShs
Consumable stores	755,140	326,695
Maintenance stores	339,010	287,680
Health Unit stores		-
Farm inputs	219,710	828,880
Cleaning materials stores	125,125	35,443
Catering stores	677,340	1,847,867
<b>Total inventories at the lower of cost and net realizable value</b>	<b>2,116,325</b>	<b>3,326,565</b>

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**23. PROPERTY, PLANT AND EQUIPMENT**

	Land		Buildings and structures		Motor vehicles		Furniture and fittings		Computers		Plant and Equipment		Capital WIP		Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	
<b>Cost</b>															
<b>At 1 July 2019</b>	74,000,000		348,289,006		10,927,637		21,154,858		19,097,984		187,875,837		11,210,831		672,556,152
Adjustment													167,019		167,019
Revaluation Reserve	560,000		27,174,963		(1,582,637)		(862,758)		(596,184)		222,065,533		-		246,758,917
Additions	-		-		11,150,000		2,881,225		1,632,346		1,409,562		13,610,790		30,683,923
WIP			7,339,790										(7,339,790)		-
<b>At 30th June 2019</b>	<b>74,560,000</b>		<b>382,803,759</b>		<b>20,495,000</b>		<b>23,173,325</b>		<b>20,134,146</b>		<b>411,350,932</b>		<b>17,648,850</b>		<b>950,166,011</b>
<b>Depreciation</b>															
At 1 July 2019	-		8,930,487		3,642,546		3,022,123		9,534,676		46,968,959		-		72,098,790
Depreciation	-		9,570,094		5,123,750		2,896,666		6,704,671		82,270,186		-		106,565,366
At 30 June 2020	-		18,500,581		8,766,295		5,918,788		16,239,346		129,239,146		-		178,664,157
<b>Net book values</b>															
<b>At 30 June 2020</b>	<b>74,560,000</b>		<b>364,303,178</b>		<b>11,728,704</b>		<b>17,254,536</b>		<b>3,894,800</b>		<b>282,111,786</b>		<b>17,648,850</b>		<b>771,501,854</b>
<b>Cost</b>															
<b>At 1st July 2020</b>	<b>74,560,000</b>		<b>364,303,178</b>		<b>11,728,704</b>		<b>17,254,536</b>		<b>3,894,800</b>		<b>282,111,786</b>		<b>17,648,850</b>		<b>771,501,854</b>
Additions	-		-		8,356,000		3,132,886		6,068,240		4,530,213		29,758,855		51,846,194
WIP			19,028,528										(19,028,528)		-
<b>At 30th June 2021</b>	<b>74,560,000</b>		<b>383,331,706</b>		<b>20,084,704</b>		<b>20,387,422</b>		<b>9,963,040</b>		<b>286,641,999</b>		<b>28,379,177</b>		<b>823,348,048</b>
<b>Depreciation</b>															
At 1st July 2020	-		18,500,581		8,766,295		5,918,788		16,239,346		129,239,146		-		178,664,157
Depreciation	-		9,583,293		5,021,176		2,548,428		3,317,692		57,328,400		-		77,798,989
At 30 June 2021	-		28,083,874		13,787,471		8,467,216		19,557,038		186,567,546		-		256,463,145
<b>Net book values</b>															
<b>At 30 June 2021</b>	<b>74,560,000</b>		<b>373,748,413</b>		<b>15,063,528</b>		<b>17,838,994</b>		<b>6,645,348</b>		<b>229,313,599</b>		<b>28,379,177</b>		<b>745,549,059</b>
At 30 June 2020	74,560,000		383,331,706		20,084,704		20,387,422		9,963,040		286,641,999		28,379,177		823,348,048

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

**Valuation**

Land and buildings were valued by City Valuer Limited independent valuer on 7<sup>th</sup> December 2020 on historical basis of valuation.

**23 (a) 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:

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	74,560,000	-	74,560,000
Buildings	401,832,287	28,083,874	373,748,413
Plant and machinery	28,850,999	13,787,471	15,063,528
Motor vehicles, including motorcycles	26,306,210	8,467,216	17,838,994
Computers and related equipment	26,202,386	19,557,038	6,645,348
Office equipment, furniture, and fittings	415,881,145	186,567,546	229,313,599
WIP	28,379,177	-	28,379,177
<b>Total</b>	<b>1,002,012,204</b>	<b>256,463,145</b>	<b>745,549,059</b>

**24. INTANGIBLE ASSETS-SOFTWARE**

Description	2020-2021	2019-2020
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	7,740,600	-
At end of the year	7,740,600	-
Additions-internal development	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
<b>NBV</b>	<b>7,740,600</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 25. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	4,958,068	6,726,078
Fees paid in advance	12,380,106	16,929,274
Employee advances	-	-
Mentoring Institutions recurrent Grants	4,682,500	-
Other payables	-	-
<b>Total trade and other payables</b>	<b>22,020,674</b>	<b>23,655,352</b>

## 26. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2020-2021	2019-2020
	KShs	KShs
Consumer deposits	-	-
Caution money	3,083,274	2,512,674
Other refundable deposits-Retention	1,371,776	-
<b>Total deposits</b>	<b>4,455,050</b>	<b>2,512,674</b>

## 27. CASH GENERATED FROM OPERATIONS

	2020-2021	2019-2020
	KShs	KShs
Surplus for the year before tax	19,240,458	-
Adjusted for:		
Depreciation	77,798,989	-
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance income	-	-
Finance cost	-	-
Working Capital adjustments		
Decrease in inventory	1,210,240	-
Increase in receivables	(30,546,534)	-
Increase in deferred income	-	-
Increase in payables	(30,503,665)	-
Increase in refundable deposits from customers	1,942,376	-
<b>Net cash flow from operating activities</b>	<b>39,141,864</b>	<b>-</b>

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

**28. FINANCIAL RISK MANAGEMENT**

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

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

**(i) Credit risk**

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

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2020</b>				
Receivables from exchange transactions	123,517,873	111,252,947	-	12,264,926
Receivables from non-exchange transactions	16,500,000	16,500,000	-	
Bank balances	139,946,712	139,964,585	-	-
<b>Total</b>	<b>279,964,585</b>	<b>267,717,532</b>		<b>12,264,926</b>
<b>At 30 June 2021</b>				
Receivables from exchange transactions	174,675,433	157,207,889	-	17,467,543
Receivables from non-exchange transactions			-	
Bank balances	119,501,782			-
<b>Total</b>	<b>294,177,215</b>	<b>157,207,889</b>		<b>17,467,543</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****28. 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 Institute has significant concentration of credit risk on amounts due from current trainees. The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(ii) Liquidity risk management**

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

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

	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
<b>At 30 June 2020</b>				
Trade payables		23,655,352	0	<b>23,655,352</b>
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	<b>23,655,352</b>	-	<b>23,655,352</b>
<b>At 30 June 2020</b>				
Trade payables		22,020,674	-	<b>22,020,674</b>
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	<b>22,020,674</b>	-	<b>22,020,674</b>

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

**28. FINANCIAL RISK MANAGEMENT (Continued)**

**(iii) Market risk**

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

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

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

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

a) Foreign currency risk

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 28. FINANCIAL RISK MANAGEMENT (Continued)

## (iii) Market risk (Continued)

## a) Foreign currency risk (Continued)

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

**Foreign currency sensitivity analysis**

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>2020</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2021</b>			
Euro	10%	-	-
USD	10%	-	-

## b) Interest rate risk

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

*Management of interest rate risk*

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

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**28 FINANCIAL RISK MANAGEMENT (Continued)**

(iii) Market risk (Continued)

b) Interest rate risk(continued)

*Sensitivity analysis*

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (2016: KShs xxx ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (2020 – KShs xxx)

**iv) Capital Risk Management**

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

	2020-2021	2019-2020
	Kshs	Kshs
Revaluation reserve	246,609,709	246,609,709
Retained earnings	274,840,046	28,634,238
Capital reserve	485,281,768	741,116,105
<b>Total funds</b>	<b>1,006,731,523</b>	<b>1,016,360,052</b>
Total borrowings	22,020,674	23,655,352
Less: cash and bank balances	119,501,782	139,946,712
Net debt/(excess cash and cash equivalents)	97,481,108	116,291,360
<b>Gearing</b>	<b>2%</b>	<b>2%</b>

## KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 29. RELATED PARTY BALANCES

##### Nature of related party relationships

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

##### Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Xxx;
- iv) Xxx;
- v) Xxx;
- vi) Key management;
- vii) Board of directors;

There were no transactions and balances with related parties during the year

#### 30. EVENTS AFTER THE REPORTING PERIOD

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

#### 31. PRIOR YEAR ADJUSTMENT

	2019-2020	Adjustment	2020-2021
Rendering of services -fees from students	150,190,415	( 18,701,900)	131,488,515
Use of goods and services	83,949,962	10,167,088	94,117,050

#### 32. ULTIMATE AND HOLDING INSTITUTE

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

#### 33. CURRENCY

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

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Kaiboi TTI OAG annual report as at 30 <sup>th</sup> June 2020	Unsupported student and Rent debtors	Movement schedule done and policy applied as per the Finance Policy procedure	Resolved	
	Inventory – Variance Between Stores Ledger Balances And The Stock Take Report	Reconciliations were undertaken	Resolved	
	Missing Details Of Refundable Deposits From Customers.	The Board dedicated one account number KCB Eldoret Branch a/c no 1131415027 for refundable deposits	Resolved	
	Lack of ownership documents for the institute's land ( Part)	Engaged the Ministry of lands and the Original land owners to transfer the title deed	Not resolved	30/6/2022
	Unsupported Trade And Other Payables From Exchange Transactions.	Movement schedule done and policy applied as per the Finance Policy procedure	Resolved	
	Unexplained variance between the approved budget and the statement of comparison of budget and actual amounts	The effects was due to Covid 19 interruption that affected operations during the last quarter of 2019/2020	Resolved	
	One third rule on staff composition.	The institution will ensure balance is achieved without compromising merit	Not resolved	30/6/2023
	Payment Of Basic Salary Below The One-Third Rule.	Took note of the non-compliance and addressed the issue	Resolved	
	Penalty on late remittance of NSSF Deductions.	The dues accrued from past operations not relating to the financial year and the board was forced to pay to avoid further penalties	Resolved	

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Term in office of the board of governors. established succession plan	The issue to be addressed with the Parent Ministry charged with appointments of the Board	Not resolved	
	Lack of ICT continuity plan to guide ICT operations and lack of risk assessment policy	ICT continuity recovery plan and risk assessment policy formulated	Resolved	
	Lack of internal audit committee and internal audit functions	The functions of both committee and internal audit addressed by employing internal auditor	Resolved	

Name : Mrs. Getrude Sawe

Signature.....

Principal/ Secretary BoG

2<sup>nd</sup> July, 2022

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**APPENDIX II: PROJECTS IMPLEMENTED BY THE INSTITUTE**

**Projects**

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

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate 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, ie 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							
2							
3							

**APPENDIX III: INTER-INSTITUTE TRANSFERS**

INSTITUTE NAME: KAIBOI TECHNICAL TRAINING INSTITUTE				
Break down of Transfers from the State Department of Vocational Technical Training Institutions				
FY 2020/2021				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		3/7/2020	16,500,000	2019/2020
		6/11/2020	23,692,500	2020/2021
		22/2/2021	19,342,500	2020/2021
		30/3/2021	23,910,000	2020/2021
		30/6/2021	22,207,500	2020/2021
	Tinderet TVC	3/7/2020	3,180,000	2019/2020
		6/11/2020	3,075,000	2020/2021
		22/2/2021	2,400,000	2020/2021
		30/3/2021	2,535,000	2020/2021
		25/6/2021	500,000	2020/2021
		30/6/2021	2,452,000	2020/2021
	Emgwen TVC	9/11/2020	500,000	2020/2021
		2/12/2020	500,000	2020/2021
	Bomet Central TVC	2/12/2020	500,000	2020/2021
		22/2/2020	500,000	2020/2021
		30/3/2021	500,000	2020/2021
	Emsos TVC	30/6/2021	1,230,000	2020/2021
		<b>Total</b>	<b>123,524,500</b>	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Njoro TVC	9/9/2020	20,000,000	2020/2021
		<b>Total</b>	<b>20,000,000</b>	
c.	Direct Payments			
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>

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

Finance Manager  
Kaiboi TTI

Head of Accounting Unit  
Ministry of Education

Sign -----

Sign-----

KAIBOI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized				Total Transfer s during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivable s	
Ministry of Education	3/7/2020	Recurrent	16,500,000				16,500,000	
	6/11/2020		23,692,500	23,692,500				
	22/2/2021		19,342,500	19,342,500				
	30/3/2021		23,910,000	23,910,000				
	30/6/2021		22,207,500	22,207,500				
	3/7/2020	Tinderet TVC	3,180,000	3,180,000				
	6/11/2020		3,075,000	3,075,000				
	22/2/2021		2,400,000	2,400,000				
	30/3/2021		2,535,000	2,535,000				
	25/6/2021		500,000	500,000				
	30/6/2021		2,452,000	2,452,000				
	9/11/2020	Emgwen TVC	500,000	500,000				
	2/12/2020		500,000	500,000				
	2/12/2020	Bomet Central TVC	500,000	500,000				
	22/2/2020		500,000	500,000				
			500,000	500,000				
		Emsos TVC	1,230,000	1,230,000				
			20,000,000	20,000,000				
<b>TOTAL</b>			<b>143,524,500</b>	<b>127,024,500</b>			<b>16,500,000</b>	