

REPUBLIC OF KENYA



Enhancing Accountability

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ON

**EKERUBO GIETAI TECHNICAL TRAINING
INSTITUTE**

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



EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 2021

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

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I. KEY INSTITUTE'S INFORMATION AND MANAGEMENT

(a) Background information

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

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

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

(b) Principal Activities

The mandate of the Institute includes to:

- i. Offer teaching/training in science and technology.
- ii. Offer innovative discovery, transmission and preservation of knowledge.
- iii. Carry research and entrepreneurial activities.
- iv. Participate in commercial ventures and activities that promote the objectives of the institution
- v. Foster the general welfare of staff, students and the community
- vi. Develop and provide educational, cultural, professional, technical and vocational services to the community and in particular foster corporate social responsibility
- vii. Promote social – economic development in line with the county's development agenda

VISION

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

MISISON

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

MOTTO

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

CORE VALUES

Our operations are governed by a set of core values which constitute the desired organizational culture. The guiding core values that EGTTI and the stakeholders and partners shall hold in common

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and endeavour to put into practice while performing their functional obligations include the following:

KEY INSTITUTE’S INFORMATION AND MANAGEMENT (Continued)

- i. **Integrity** – Transparency, accountability and cost effectiveness
- ii. **Professionalism** - scientific excellence, ethics and flexibility.
- iii. **Teamwork** – Partnership for collaboration, advantage and synergies.
- iv. **Efficiency** – Impact, performance and science orientation
- v. **Continual improvement**- effective knowledge and innovation management
- vi. **Courtesy**- Respect for staff and diversity.
- vii. **Confidentiality**- embraces the principle of confidentiality in service delivery.
- viii. **Fidelity to law**- committed to respect the rule of law in all our undertakings.
- ix. **Respect for individual differences**- Committed to providing education to all learners including those with disabilities/special needs.

(c) Key Management

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

- i. The Board of Governors
- ii. The Principal (Accounting officer)
- iii. The Central Administration team
- iv. The Heads of Department

(d) Fiduciary Management

The key management personnel who were in office during the financial year 2020/2021 and who had direct fiduciary responsibility were:

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

(e) Fiduciary Oversight Arrangements

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

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KEY INSTITUTE'S INFORMATION AND MANAGEMENT (Continued)

i. Old Board Committees

NAME OF THE COMMITTEE	MEMBERS	DESIGNATION
Administration Finance and Infrastructure Committee (AFI)	1. Eng. Kennedy Buko 2. Mr. Franklin Tirop 3. Mr. Joash Gisore 4. Mr. Tom Olango	Chairperson Member Member Member
Education Research and Training Committee (ERT)	1. Mr. Samuel Makori 2. Eng. Kennedy Buko 3. Ms. Lucy Wachira 4. Mr. Tom Olango	Chairperson Member Member Member
Risks and Audit Committee (RA)	1. Ms Lucy Wachira 2. Ms Phoebe Makungu 3. Samuel Makori 4. Mr. Joash Gisore	Chairperson Member Member Member

ii. New Board Committees

NAME OF THE COMMITTEE	MEMBERS	DESIGNATION
Finance Resource Mobilization and Project Management (FIRMPROM)	1. Mr. Tom Macakiage 2. Mr. Kennedy Buko 3. Mr. Samuel Makori 4. Mr. Tom Olango	Chairperson Member Member Member
Administration Research and Training Committee (ART)	1. Ms. Phoebe Makungu 2. Dr. Elisha Ogada 3. Mr. Samuel Makori 4. Mr. Tom Olango	Chairperson Member Member Member
Audit and Risk Management (ARM)	1. Ms Lucy Wachira 2. Ms Phoebe Makungu 3. Dr. Elisha Ogada 4. Mr. Tom Olango	Chairperson Member Member Member

(f) Institute's Headquarters

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

(g) Institute's Contacts

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

(h) Institute's Bankers

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



(i) Independent Auditors

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




(j) Principal Legal Adviser

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



II. THE OLD BOARD OF GOVERNORS

No.	Member	Details
1.	 <p data-bbox="352 1167 655 1200">Eng, Zachary Bundi Obura</p>	<p data-bbox="954 701 1169 730">Date of birth 1958</p> <p data-bbox="954 732 1406 1137">Eng. Zachary Obura joined the Institute on 05/02/2018 as chairman of the Board of Governors. He holds a Higher National Diploma (Land survey & mapping) from Kenya polytechnic. He has over 30 years of experience working as an engineer with Roads Authority. He has worked as a project Surveyor / Inspector for many construction roads in Kenya. He also worked as Regional Manager (Roads) for Kisii, Gucha and Nyamira Districts. Currently he is a retired Engineer.</p>
2.	 <p data-bbox="352 1682 699 1711">Mr. Samuel Menyenya Makori</p>	<p data-bbox="954 1234 1174 1263">Date of Birth 1974</p> <p data-bbox="954 1265 1406 1576">He joined the college on 02/05/2018 as a member of the Board of Governors and serves as the 3rd signatory to the Institutes bank accounts. He holds a Bachelor of Agriculture degree from JKUAT. He has 19 years of experience working as a Manager with Eastern Produce Company. He currently works as a manager at KTDA Company Ltd in Kiambu County.</p>



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3.	 <p>Ms Lucy Wahito Wachira</p>	<p>Date of birth 1978 She joined the college on 05/02/2018 as a member of the Board of Governors. She holds a Masters degree in Business Administration (Strategic Management) from Kisii University. She has worked as an assistant business Loans Manager at Mwalimu National SACCO and acted as a FOSSA Branch Manager in the same SACCO. Currently she works at the Kisii Water and Sanitation Company.</p>
4.	 <p>Eng. Kennedy Orangi Buko</p>	<p>Date of birth 1963 Joined the college on 05/02/2018 as a member of the Board of Governors, He holds a Higher National Diploma in Electrical and Electronic Engineering from Kenya Polytechnic. He is a member of Association of Medical Engineers of Kenya (AMEK) Reg. No. 0064 and the Engineers Registration Board of Kenya (ERB) Certificate No. C1037. He has over 26 years of experience working as an engineer. He has worked as a senior Engineer with TECHNOMED LTD Nairobi and is currently working with KEMRI WELCOME TRUST RESEARCH PROGRAMME in Kilifi County as a Building Services Engineer.</p>
5.	 <p>Mr. Franklin Kipyegon Tirop</p>	<p>Date of Birth 1979 He joined the college in 2015 as a member of the BOG when the first BOG was inaugurated. In the year 2018 he was reappointed as a member of the Board of Governors serving a second term. He holds a Bachelor of Commerce degree from the University of Nairobi and a Diploma in IMIS from Strathmore College. He is a member of ICPAK. He has worked as a project manager and a deputy accountant at James Finlay K. Ltd. Currently he works as a Finance Executive at Sotik Tea Company Ltd. and is also a financial controller in the same company.</p>



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6.	 <p>Mrs. Phoebe Makungu</p>	<p>Date of birth 1971 She joined the college on 05/02/2018 as a member of the Board of Governors. She holds Bachelor of Education degree from Kenyatta University and Diploma in HRM (post graduate) from Kenya Institute of Management. She has over 21 years of experience in the public sector with various assignments. She has worked as assistant director HRM in the office of the president police department among others. Currently she is working as deputy director- HRM Policy, Recruitment, Training and oversight at the Ministry of Energy and Petroleum. She has good inter-personal skills, training techniques and communication skills.</p>
7.	 <p>Joash Ondieki Gisore</p>	<p>Date of birth 1961 He joined the college on 05/02/2018 as a member of the Board of Governors representing the Governor, Nyamira County. He holds a Bachelor of Education (Special Education - Deaf) from Kenyatta University. He is a trained P1 teacher from Kenya Institute of Special Education (KISE). He has over 31 years of experience working in the Ministry of Education Science and Technology State department of Education as an Assistant Director, Quality Assurance and Standards. Currently he works in the office of the Governor Nyamira county as a political advisor</p>
8.	Mary Kerubo Ongaki	<p>Date of Birth 1974 She is a lawyer by profession</p>


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9.	 <p>Mr. Tom Olango</p>	<p>Date of birth 1970</p> <p>Mr. Tom Olango is the County Director TVET (Kisii and Nyamira). He represents the Principal Secretary, State Department for Vocational and Technical Training in the Institute's Board of Governors.</p>
10.	 <p>Mr. Geoffrey Andama</p>	<p>Date of birth 1970</p> <p>He joined the Institute on 14/03/2019 as Principal. He holds a Bachelor of Education degree from Egerton University, a diploma in Education Management (KEMI) as well as SMC and SLDP from the Kenya School of Government. He has 25 years of experience in TVET. He has previously worked as Registrar, Mawego T. T. I., Deputy Principal, Kisumu National Polytechnic, and Principal, Siaya Institute of Technology. He is the Institute's Accounting Officer and Secretary to the Board of Governors.</p>


III. THE NEW BOARD OF GOVERNORS

No.	Member	Details
1.	 <p data-bbox="531 1117 719 1151">Mr, Bob Ndubi</p>	<p data-bbox="928 580 1158 609">Date of Birth: 1974</p> <p data-bbox="928 611 1404 954">Mr. Ndubi was appointed Chairman of the Board in February 2021. He holds a first degree in Education, MBA – Finance and is a doctoral student in the same area. He is currently MD Silver House Capital and has previously served as Business Development Manager (Kenya Railways), Managing Partner (Kilele Consulting), Lead Consultant (Kilele Consulting) and Research Executive (Research International East Africa Ltd.).</p> <p data-bbox="928 990 1398 1207">Mr. Ndubi has extensive Board experience having served as a trustee (Kenya Railways), Board member, Kenya Red Cross Nairobi Branch; Chairman of the Board, Westlands Cooperatives Alliance and Chairman of the Board, Chache Tumaini SACCO.</p>
2.	 <p data-bbox="499 1718 751 1751">Mr. Tom Macakiage</p>	<p data-bbox="928 1256 1145 1285">Date of Birth: 1970</p> <p data-bbox="928 1288 1404 1568">Mr. Macakiage joined the Board in February 2021 as an independent member and was subsequently appointed Chairman of the Board Committee on Finance, Resource Mobilization & Project Management (FIRMPROM). He holds a first degree in Engineering and two post-graduate degrees: MBA and the other in Technology Entrepreneurship.</p> <p data-bbox="928 1603 1404 1915">Additionally, Mr. Macakiage is qualified as a Certified Information Systems Manager (CISM) and a Certified Information Systems Auditor (CISA). He is also a Certified Novell Administrator, Certified Ethical Hacker, and a Project Management Professional (PMP). He has skills and expertise in Information Technology and Systems; Organizational Strategy and Managing Work Teams.</p>



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		<p>He serves as Country Director, Servetech Systems Ltd. and has previously worked as Head of IT, CFC Stanbic Bank; IT Manager, Unilever East & South Africa (ESA); IT Service Delivery Manager, Unilever ESA; IT Infrastructure & Operations Manager, Unilever Kenya Ltd. MIS Manager & Business Model Analyst, Firestone E. A. (1969) Ltd. and Computer Instructor & Programmer, KCITI & Data Center Ltd</p>
<p>3.</p>	 <p>Dr. Elisha Ogada</p>	<p>Date of Birth: 1977</p> <p>Dr. Ogada, Elisha Achieng is a mathematics lecturer at Egerton University. He holds a PhD in Applied Mathematics from Harbin Institute of Technology (HIT) in China, in the specific area of Mathematical Image processing. Dr. Ogada has previously served in the Faculty of Science, Africa Nazarene University (ANU). He has also served as lecturer and advisor to engineering students at Multimedia University of Kenya (MMU) and Technical University of Kenya (TUK). He has supervised and examined postgraduate students in Applied Mathematics, where he is widely published in peer reviewed Journals.</p> <p>Dr. Ogada served in management of Egerton University's Nairobi Campus as Coordinator of Mathematics and as member of the committee on Outreach and Strategic Marketing. He has previously served as a BOM member of Masogo Mixed Secondary School in Homa Bay County.</p> <p>He was appointed member of the Board of Governors, Ekerubo Gietai Technical Training Institute in February 2021 where he also serves in the Audit and Risk Management Committee and in the Administration, Research & Training Committee.</p> <p>Dr. Ogada serves in the management of Emperica Consult, a consultancy, as one of the Monitoring, Evaluation and</p>



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		<p>Learning experts. He is also a Data Collection, Analysis and Reporting Consultant on that board. In addition, he serves as a consultant editor for several organizations including Zizi Afrique Foundation. He is also a motivational speaker and an advisor on career and life-skill matters.</p> <p>Dr. Ogada, is passionate about youth empowerment and gender mainstreaming.</p>
4.	 <p>Mr. Samuel Menyenya Makori</p>	<p>Date of Birth 1974</p> <p>He joined the college on 02/05/2018 as a member of the Board of Governors when the second BOG was inaugurated. In the year 2021 he was reappointed as a member of the Board of Governors serving a second term. He holds a Bachelor of Agriculture degree from JKUAT. He has 21 years of experience working as a Manager with Eastern Produce Company. He currently works as a manager at KTDA Company Ltd in Bomet County.</p>


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5.	 <p>Ms Lucy Wahito Wachira</p>	<p>Date of birth 1978 She joined the college on 05/02/2018 as a member of the Board of Governors when the second BOG was inaugurated. In the year 2021 he was reappointed as a member of the Board of Governors serving a second term.. She holds a Masters degree in Business Administration (Strategic Management) from Kisii University. She has worked as an assistant business Loans Manager at Mwalimu National SACCO and acted as a FOSSA Branch Manager in the same SACCO. Currently she works at the Kisii Water and Sanitation Company.</p>
6.	 <p>Eng. Kennedy Orangi Buko</p>	<p>Date of birth 1963 Joined the college on 05/02/2018 as a member of the Board of Governors, when the second BOG was inaugurated. In the year 2021 he was reappointed as a member of the Board of Governors serving a second term. He holds a Higher National Diploma in Electrical and Electronic Engineering from Kenya Polytechnic. He is a member of Association of Medical Engineers of Kenya (AMEK) Reg. No. 0064 and the Engineers Registration Board of Kenya (ERB) Certificate No. C1037. He has over 26 years of experience working as an engineer. He has worked as a senior Engineer with TECHNOMED LTD Nairobi and is currently working with KEMRI WELCOME TRUST RESEARCH PROGRAMME in Kilifi County as a Building Services Engineer.</p>
7.		<p>Date of birth 1971 She joined the college on 05/02/2018 as a member of the Board of Governors. when the second BOG was inaugurated. In the year 2021 he was reappointed as a member of the Board of Governors serving a</p>

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	 <p data-bbox="501 904 756 936">Mrs. Phoebe Makungu</p>	<p data-bbox="927 271 1406 741">second term. She holds Bachelor of Education degree from Kenyatta University and Diploma in HRM (post graduate) from Kenya Institute of Management. She has over 21 years of experience in the public sector with various assignments. She has worked as assistant director HRM in the office of the president police department among others. Currently she is working as deputy director- HRM Policy, Recruitment, Training and oversight at the Ministry of Energy and Petroleum. She has good inter-personal skills, training techniques and communication skills.</p>
<p data-bbox="277 1429 300 1460">8.</p>	 <p data-bbox="528 1675 719 1706">Mr. Tom Olango</p>	<p data-bbox="1018 1317 1238 1348">Date of birth 1970</p> <p data-bbox="927 1379 1398 1536">Mr. Tom Olango is the County Director TVET (Kisii and Nyamira). He represents the Principal Secretary, State Department for Vocational and Technical Training in the Institute’s Board of Governors.</p>

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9.	 <p data-bbox="491 786 767 819">Mr. Geoffrey Andama</p>	<p data-bbox="932 342 1150 371">Date of birth 1970</p> <p data-bbox="932 409 1412 846">He joined the Institute on 14/03/2019 as Principal. He holds a Bachelor of Education degree from Egerton University, a diploma in Education Management (KEMI) as well as SMC and SLDP from the Kenya School of Government. He has 25 years of experience in TVET. He has previously worked as Registrar, Mawego T. T. I., Deputy Principal, Kisumu National Polytechnic, and Principal, Siaya Institute of Technology. He is the Institute's Accounting Officer and Secretary to the Board of Governors.</p>
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IV. MANAGEMENT TEAM

No.	Member	Details
	Insert each key manager's/Principal passport-size photo and name, and key profession/academic qualifications	Indicate the main area of responsibility – without details
1.	 <p>Mr. Geoffrey Nyamweya Andama</p>	<p>Date of birth 1970</p> <p>He joined the Institute on 14/03/2019 as Principal. He holds a Bachelor of Education degree from Egerton University, a diploma in Education Management (KEMI) as well as SMC and SLDP from the Kenya School of Government. He has 26 years of experience in TVET. He has previously worked as Registrar, Mawego T. T. I., Deputy Principal, Kisumu National Polytechnic, and Principal, Siaya Institute of Technology. He is the Institute's Accounting Officer and Secretary to the Board of Governors.</p>
2.	 <p>Mr. Albert Omariba</p>	<p>Date of birth 1969</p> <p>He holds a Bachelor of Commerce degree from Rajasthan Vidyapeeth Udaipur University and a Post Graduate Diploma in Education from Egerton University as well as SMC from Kenya School of Government (KSG). He has experience of 24 years in TVET. He has previously worked as HOD at Keroka Technical Training Institute and now as a Deputy Principal (Administration) at EGTTI. He is in charge of the Administration function.</p>



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3.	 <p data-bbox="491 1111 730 1146">Mrs Joyce Omweri</p>	<p data-bbox="896 739 1114 770">Date of birth 1965</p> <p data-bbox="896 801 1410 1084">She holds a Bachelor of Education degree from Kenyatta University, Diploma in Technical Education (KTTC) as well as SMC from the Kenya School of Government. She has previously worked at Kisii National Polytechnic as a Trainer/HOD since 1993. Currently she is the Deputy Principal (Academics) of the Institute. She is in charge of curriculum implementation.</p>
4.	 <p data-bbox="501 1706 724 1738">Ms. Mary Osindi</p>	<p data-bbox="896 1182 1114 1214">Date of birth 1969</p> <p data-bbox="896 1214 1410 1402">Mary Osindi holds Masters degree in Business Administration from Egerton University; she also has a diploma in HRM from Kenya Institute of Management (KIM) and has worked as a lecturer in Kisii University for 5 years. Currently she is the Dean of Students.</p>

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5	 <p>Mr. Devis Mokoro Nyangeri</p>	<p>Date of birth 1985</p> <p>Devis Mokoro Nyangeri holds a degree in Education Bed Science (Chemistry and Biology) from Kenyatta University. He has worked as a secondary school teacher from 2008 to 2014 before transferring to TVET Institution in 2016. He has a teaching experience of 13 years and currently serves as the Registrar of the institution. He is in charge of admissions and outreach programmes of the institution .</p>
6.	 <p>Name: CPA Mouti Rebecca Kerubo</p>	<p>Date of birth 1986</p> <p>Rebecca is a CPAK holder registered with The Institute of Certified Public Accountants of Kenya (ICPAK) Membership number 28086 currently undertaking BCOM at KCA University. She has 13 years of experience in the Finance field; she has worked as a Secondary School Bursar for 7 years at Matongo Boys High School. Currently she is the Institute's Finance Officer since May 2017. She is in charge of Finance function.</p>
5.	 <p>Mr Alfred Obungu Akora</p>	<p>Date of birth 1978</p> <p>Alfred holds a BCOM from JKUAT. He is also a CPA finalist. He has experience of 18 years working as a school Bursar at Secondary School level, Finance Officer at the Institute, and now as the Internal Auditor. He is in charge of the Internal Audit Function, to ensure that Internal Control Systems are working as required.</p>

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6.	 <p data-bbox="443 801 783 837">Mr. Evans Moriasi Ngasora</p>	<p data-bbox="986 465 1206 497">Date of birth 1978</p> <p data-bbox="895 533 1414 748">He holds Bachelor of Science degree from Moi University. He is also holds a Higher National Diploma in HRM from Eldoret Polytechnic. He has experience of four years in the HRM function. Currently he is the Human Resource Officer of the Institute in charge of employees.</p>
7.	 <p data-bbox="354 1290 620 1321">Mrs Sylvia Omambia</p>	<p data-bbox="895 987 1114 1019">Date of birth 1991</p> <p data-bbox="895 1021 1414 1173">She holds a Diploma in Procurement from Kenya Institute of Management (KIM), and 7 years' experience of in Procurement Department. Currently she is in charge of the Institute's Procurement Function.</p>
<p data-bbox="354 1379 1406 1447"><i>Note: The Principal and the Secretary to the Council/ BoG will feature both under the 'Board' and 'Management'.</i></p>		

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V. CHAIRMAN'S STATEMENT

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

Despite the challenges posed by the covid-19 pandemic which interrupted operations during the year, the institute managed to participate in several governance forums especially in the 2nd and 3rd quarters of the financial year. The Board underwent induction facilitated by the Technical and Vocational Entrepreneurship Training Authority (TVETA) in Kisumu and another one for the newly appointed Board in the 3rd quarter facilitated by the Ministry of Education. These training workshops were very important in capacity building for members of the Board of Governors.

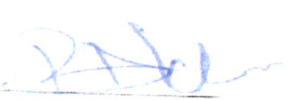
It is worth noting that the Institute has been resilient especially in the face of the covid-19 pandemic. Much as many planned activities could not be undertaken, including delays in the training cycle, the fact that the Institute remained afloat is commendable.

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

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

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

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


Mr. Bob Ndubi
Chairman BOG

VI. REPORT OF THE PRINCIPAL

I am pleased to present the annual report and financial statements for the year ended 30th June 2021 whose contents are outlined in this document. The year under review was a more challenging one given the unprecedented crisis caused by the covid-19 pandemic which culminated in the sudden closure of the Institute in March 2021.

Ekerubo Gietai Technical Training Institute (EGTTI) started the year with cash and cash equivalents of Kshs. 14,240,342.00 and received Kshs. 28,042,500.00 from the Government of Kenya as capitation income. The Institute collected Kshs. 9,026,006.00 from tuition fees and other charges. In total, the college therefore had Kshs. 45,471,824.00 at its disposal for operations.

EGTTI spent a total of Kshs. 11,867,667.00 on personal emoluments which represents 29% of the total income. About 42% of the personal emoluments expense went to compensation of additional trainers hired on contract in a bid to reduce the dire staffing deficit the Institute has continued to experience over time. The college spent Kshs. 23,673,572.00 on goods and services, Kshs. 3,582,857.00 on general expenses, Kshs. 1,043,490.00 for STIVES project and Kshs. 1,788,500.00 on the BOG expenses.

The Institute targeted to raise income of Kshs. 88,678,572.00 during the financial year 2020/2021. However, this target was not met mainly because of the adverse operational environment occasioned by the covid-19 pandemic. In addition, the Institute did not receive development grants.

The Institute's student enrolment has continued to rise steadily reaching 1,150 during the year under review. The increase in population has exerted immense pressure on the limited training facilities including lecture rooms, workshops, and laboratories. The government funded library project coming up at a cost of Kshs. 48,819,382.000 remains incomplete with Kshs. 19,810,083 yet to be received. In the year under review, the Institute did not receive any monies for the project which is funded through quarterly development grants. My earnest appeal is for more support from the government to enable the Institute develop more training facilities and in particular for the completion of the library project.

Apart from training programs, the Institute participated in several co-curricular activities including hosting the Regional TVET Fair and Robot contest where it scooped a trophy in the Civil Engineering category. In June 2020, the Institute hosted the Africa National Tree Planting Week during which exercise over 3000 trees were planted as a contribution towards environmental and ecological enhancement.

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


Mr. Geoffrey Andama
Principal/BOG Secretary

VII. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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

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

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

The Institute develops its annual work plans based on the above 8 themes. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2020/21 period for its 8 strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar / theme / issue 1	Infrastructure development	To enhance a quality learning environment	Three workshops ICT Centre and a library well equipped	Request for government funding for library Procurement of training materials	Wrote to the MOE Procured computers & several training materials
Pillar / theme / issue 2	Academic performance	To provide adequate high quality education and training	Annual skill audit report modern and quality skills acquired by staff. Teaching effectiveness enhanced	Hire needed trainers Sponsor trainers for workshops etc Monitor teaching	Improved examination performance from 61% to 64%
Pillar / theme / issue 3	ICT Integration	To develop and integrate ICT in teaching, learning, research and management	Arch CAD and auto Cad software, Screens, Digital content, Wireless internet, and	Procure hardware & software Procure internet connectivity	Procured 13 computers, internet connectivity & Learning Management System (LMS)

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Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
			Laptops procured.	Procure LMS	
Pillar / theme / issue 4	Linkages, partnerships and collaboration	To establish the Institute's resource base and develop linkages with national and international institutions and organizations	MOUs with the universities will be ready to accept.	MOUs in place	Initiated partnership with 8 tea factories in Nyamira and Kericho County
Pillar / theme / issue 5	Research, Science and Technological Development	To undertake research, disseminate findings and develop innovations	Students and staff exhibit and present in KATTI, TVET Science and Technology fair.	Participation in TVET Fairs	Developed innovations but could not participate as the fair was postponed due to covid-19
Pillar / theme / issue 6	Environmental Management	Addressing climate change and promote environmental sustainability	500 trees planted Improved vegetation cover and landscape.	Planting trees	Planted 2000 trees in partnership with County Environment office
Pillar / theme / issue 7	Governance	Increasing efficiency and effectiveness of Institute management	Governance structures in place	Appointment of BOG Meetings	Reconstituted Board of Governors Meetings held as scheduled
Pillar / theme / issue 8	Strengthen Accounting Systems	To establish and strengthen financial and accounting systems	Professionally acceptable reports	Procurement of ERP	Procured and operationalized ERP

The Board of Institute signed a performance contract with the Ministry of Education for the year 2020 / 2021 as has been the practice featuring targets derived from the strategic objectives as outlined in this report. Though the covid-19 pandemic disrupted effective and efficient implementation of activities to achieve all targets as expected, the Institute has demonstrated commendable resilience which should reassure stakeholders of its capability to remain sustainable going forward.

VIII. CORPORATE GOVERNANCE STATEMENT

Introduction

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

Board charter

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

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

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

Appointment, Inauguration and Induction

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

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

Board Size, Composition and Diversity

The Board is composed of 7 independent members including the Chairman. The other members are the representative of the County Governor, the representative of the Principal Secretary, State

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Department for Vocational and Technical Training, and the Principal / Secretary to the Board. The diversity component is very significant to the quality of governance and oversight provided by the Board. It is therefore important to note that the current Board has members from diverse geographical and professional backgrounds. The following table provides information on Board composition and diversity.

Board Diversity (Independent Members)

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

The Role and Responsibilities of the Board

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

Board Committees

S/No	COMMITTEE	MEMBERS	DESIGNATION
1.	Finance Resource Mobilization and Project Management (FIRMPROM)	i. Mr. Tom Macakiage ii. Eng. Kennedy Buko iii. Mr. Samuel Makori iv. Mr. Tom Olango	Chairman Member Member Member
2.	Administration Research and Training Committee (ART)	i. Ms. Phoebe Makungu ii. Dr. Elisha Ogada iii. Mr. Samuel Makori iv. Mr. Tom Olango	Chairperson Member Member Member
3.	Audit and Risk Management (ARM)	i. Ms. Lucy Wachira ii. Ms. Phoebe Makungu iii. Dr. Elisha Ogada iv. Mr. Tom Olango	Chairperson Member Member Member

The Institute board determines its own agenda. In practice, the chairman and the secretary draw the annual board work plan and an agenda for the board meetings and present it to members for adoption. The Institute board meets at least four times a year and the meetings are structured in a

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way that allows for open discussions. Board papers are prepared and circulated to members for them to prepare and thus facilitate full and effective discussions at the meetings. A summary of board meetings and attendance is shown below.

Board Meetings and attendance for 2020/21

NAME	DESIGNATION	MEETING DATES						
		31/1/2020	20/8/2020	9/10/2020	4/12/2020	14/12/21	23/3/2021	25/6/2021
Zachary Obura	Chairman (Old Board)	✓	✓	✓	✓	✓	X	X
Franklin Tirop	Member (Old Board)	✓	✓	✓	X	✓	X	X
Joash Gisore	Member (Old Board)	✓	✓	✓	✓	✓	X	
Bob Ndubi	Chairman (New Board)	X	X	X	X	X	✓	✓
Tom Macakiage	Member (New Board)	X	X	X	X	X	✓	✓
Elisha Ogada	Member (New Board)	X	X	X	X	X	✓	✓
Kennedy Buko	Member (Reappointed)	✓	✓	✓	X	✓	✓	✓
Lucy Wachira	Member (Reappointed)	✓	✓	✓	✓	✓	✓	✓
Phoebe Makungu	Member (Reappointed)	X	✓	✓	X	✓	✓	✓
Samuel Makori	Member (Reappointed)	✓	✓	✓	X	✓	✓	✓
Tom Olango	P.S. Representative	✓	✓	✓	✓	✓	✓	✓
Andama Geoffrey	Secretary	✓	✓	✓	✓	✓	✓	✓
Joseph Sunguti		✓	X	X	X	X	X	X

IX. 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 Ekerubo Gietai Technical Training Institute 's affairs.

Principal activities

The principal activities of the entity are (continue to be) ref page ii above

Results

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

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page v to xiii

Auditors

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

By Order of the Board

Office of The Auditor General
Corporate Secretary
Nairobi
Date:.....

X. STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

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

The Board members 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 period 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 entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 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 state 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 **29-09- 2021** and signed on its behalf by:

Name: Mr. Bob Ndubi

Name: Mr. Geoffrey Nyamweya Andama

Date: 17/05/2022

Date: 17/05/2022

Sign: 

Sign: 

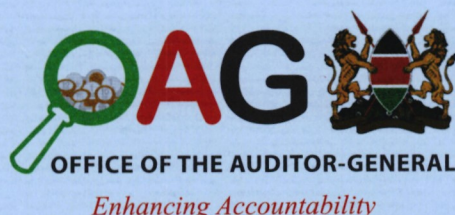
Chairperson B.O. G

Accounting Officer /Principal

Ekerubo Gietai Technical Training Institute
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REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON EKERUBO GIETAI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ekerubo Gietai Technical Training Institute set out on pages 1 to 31, 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 other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Ekerubo Gietai Technical Training Institute as at 30 June, 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 Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Anomalies in Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.548,858,766 as disclosed in Note 19 to the financial statements. Included in the balance is Kshs.64,000,000 in respect of land whose title deed was registered in the name of St. Stephen Egitai Technical Training Institute, a non-existent entity. Management has however indicated that the process of transferring ownership to the Institute is on-going. Further, the balance excludes undetermined value of the Institute's biological assets which include sixteen (16) adult cattle, two (2) heifers, fish held in two (2) fish ponds with the capacity of 1000 fish and poultry. In addition no provision for depreciation on the assets were made in the year.

In the circumstances, the ownership, accuracy, completeness of the property, plant and equipment balance of Kshs.548,858,766 could not be confirmed.

2. Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.20,035,994 which, as disclosed in Note 17 to the financial statements relates to student fee debtors. However, this balance includes debts amounting to Kshs.6,387,988 which had been outstanding for more than one (1) year and for which, no evidence was provided to show Management's effort to recover the debts. Further, no provision was made for any likely loss of revenue from non-collectable debts.

In the circumstances, recoverability of the long outstanding receivables from exchange transactions balance of Kshs.6,387,988 is doubtful and the fair statement of the total receivables from exchange transactions balance of Kshs.20,035,994 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ekerubo Gitei Technical Training Institute

Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable in performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Failure to Include Environment and Sustainability Reporting

The other information accompanying the financial statements does not include Environment and Sustainability Reporting contrary to the guidelines and format prescribed and published by the Public Sector Accounting Standards Board (PSASB). No explanation was provided for the omission.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2021 reflects total budgeted revenue of Kshs.84,715,572 and actual revenue of Kshs.40,299,597, resulting in a budget shortfall of Kshs.44,415,975 or 52% of the budget. Similarly, the Institute spent Kshs.42,231,443 against an approved budget of Kshs.84,715,572, resulting in an under-expenditure of Kshs.42,484,129 or 50% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delay in Construction of a Library Block

The statement of financial position reflects property, plant and equipment balance of Kshs.548,858,766 which, as disclosed in Note 19 to the financial statements, includes

capital work in progress amount of Kshs.26,304,356 relating to the construction of a library block. As previously reported, a company was awarded tender for construction of the library block at a contract sum of Kshs.48,919,380 for a duration of (36) weeks which was expected to end on 14 April, 2016. Physical inspection of the project in April 2022 revealed that the project was incomplete and works had stalled as the contractor had abandoned the site, despite the contract completion date having been revised several times to permit completion of the project.

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

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

Review of personnel records revealed that as at 30 June, 2021, the Institute had seventy-one (71) employees out of which sixty-three (63) or 89% were members of the dominant ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which provides that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Approved Staff Establishment and Human Resource Plan

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

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

2. Lack of Risk Management Policy

The Institute had not put in place a risk management policy, to assist in identification and mitigation of risks, and a documented disaster recovery plan to ensure continued operations in case of disruption of services or disaster. In the circumstances, the Institute may not be able to respond effectively in the event of a disaster or disruption of its services.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 September, 2022

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

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government - Capitation	6	28,042,500	25,815,000
Grants from donors and development partners	7	1,026,900	-
Total Revenue from non-exchange transactions		29,069,400	25,815,000
Revenue from exchange transactions			
Rendering of services- Fees from students	8	29,062,000	31,704,000
Other income	9	2,187,601	3,545,695
Total revenue from exchange transactions		31,249,601	35,249,695
Total revenue		60,319,001	61,064,695
Expenses			
Use of goods and services	10	23,673,572	16,964,094
Employee costs	11	11,867,667	12,389,111
Remuneration of Board of Governors	12	1,788,500	857,500
Repairs and maintenance	13	291,947	-
STIVES Expenses	14	1,026,900	-
General Expenses	15	3,582,857	6,445,710
Total expenses		42,231,443	36,656,415
Net Surplus for the year		18,087,558	24,408,280
Attributable to:			
Surplus attributable to owners of the controlling entity		18,087,558	24,408,280

The notes set out on pages 7 to 35 form an integral part of the Annual Financial Statements.

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XIII. STATEMENT OF FINANCIAL POSITION AS AT JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	17,956,716	14,240,342
Current portion of receivables from exchange transactions	17	20,035,994	16,184,626
Inventories	18	1,001,859	505,764
		38,994,569	30,930,732
Non-current assets			
Property, plant and equipment	19	548,858,766	546,909,486
Intangible Asset	20	1,936,000	0
Total assets		589,789,335	577,840,218
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	6,435,624	1,736,355
STIVES Account	7	16,590	0
Total liabilities		6,452,214	1,736,355
Net assets			
Accumulated Surplus		59,710,607	41,623,049
Capital Fund		523,626,514	534,480,814
Total net assets		583,337,121	576,103,863
Total net assets and liabilities		589,789,335	577,840,218

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

Sign: 

Date: 17/05/2022

Chairman Board of Governors

Sign: 

Date: 17/05/2022

**Finance Officer
ICPAK No28086**

Sign: 

Date: 17/05/2022

Principal

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

	Accumulated Surplus (Kshs)	Capital/ Development Grants/Fund (Kshs)	Total (Kshs)
At July 1, 2019	17,214,769	30,252,385	47,467,154
Total comprehensive income	24,408,280	-	24,408,280
Adjustment for Capital/Development grants received in previous years but not reflected in the statement	-	504,228,429	504,228,429
At June 30, 2020	41,623,049	534,480,814	576,103,863
At July 1, 2020	41,623,049	534,480,814	576,103,863
Total comprehensive income	18,087,558	-	18,087,558
Adjustment for overstatement of Capital/Development grants received in previous years	-	(10,854,300)	(10,854,300)
At June 30, 2021	59,710,607	523,626,514	583,337,121

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

	Note	2020-2021	2019-2020
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	35,640,000	25,815,000
Public contributions and donations	7	1,043,490	-
Rendering of services- Fees from students	8	9,026,006	15,519,374
Other income	9	2,187,601	3,545,695
Total Receipts		47,897,097	44,880,069
Payments			
Use of goods and services	10	23,673,572	16,873,394
Compensation of employees	11	11,867,667	12,389,111
Board of Governors Remuneration	12	1,788,500	857,500
RMI	13	291,947	-
STIVES expenses	14	1,026,900	-
Other payments	15	3,582,857	6,445,836
Total Payments		42,231,443	36,565,841
Net cash flows from operating activities		5,665,654	8,314,228
Cash flows from investing activities			
Increase in trade payables		-	1,500,382
Net cash flows from working capital		-	1,500,382
Purchase of property, plant, equipment and intangible assets		(1,949,280)	(3,345,056)
Net cash flows used in investing activities		(1,949,280)	(1,844,674)
Cash flows from financing activities			
Development project Grant		-	3,856,915
College A/c Refund		-	1,800,000
Net cash flows used in financing activities		-	5,656,915
Net increase/(decrease) in cash and cash equivalents		3,716,374	12,126,469
Cash and cash equivalents at 1 JULY2020	16	14,240,342	2,113,873
Cash and cash equivalents at 30 JUNE 2021		17,956,716	14,240,342

The cash flow has been presented using direct method according to (IPSAS 2)

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilisation Difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Development Grant	19,710,082	-	19,710,082	-	19,710,082	100%
Capitation Grant	42,000,000	(12,000,000)	30,000,000	28,042,500	1,957,500	7%
Public contributions and donations	992,800	50,690	1,043,490	1,043,490	-	0%
Rendering of services- Fees from students	33,025,000	(3,963,000)	29,062,000	9,026,006	20,035,994	69%
Other Income	4,900,000	-	4,900,000	2,187,601	2,712,399	55%
Total revenue	100,627,882	(15,912,310)	84,715,572	40,299,597	44,415,975	52%
Expenses						
Development grant	19,710,082	-	19,710,082	-	19,710,082	100%
Compensation of employees	16,146,164	-	16,146,164	11,867,667	4,278,497	26%
Use of goods and services	55,491,646	(15,912,310)	39,579,336	23,673,572	15,905,764	40%
RMI	1,758,500	-	1,758,500	291,947	1,466,553	83%
General expenses	4,900,000	-	4,900,000	3,582,857	1,317,143	27%
Remuneration of BOG	1,578,000	-	1,578,000	1,788,500	(210,500)	-13%
STIVES expenses	1,043,490	-	1,043,490	1,026,900	16,590	2%
Total expenditure	100,627,882	(15,912,310)	84,715,572	42,231,443	42,484,129	50%
Surplus for the period	-	-	-	(1,931,846)	1,931,846	

Budget notes

(a) Underutilization in Development Grants – 100%

The Government of Kenya did not release any FUNDS towards the project for the financial year 2020/2021. Management continues to make follow-ups.

(b) Underutilization in Rendering of services – 69%

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

(c) Underutilization in Other Incomes – 55%

Many students deferred their courses due to lack of examination registration fees hence exam fees were under-collected. The students depend on HELB for payment of their fees. HELB did not remit payment in the 2nd and 3rd quarter of the FY 2020/2021.

(d) Underutilization in Compensation of Employee – 26%

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

(e) Underutilization in Use of Goods and Services – 40%, RMI – 83%, General Expenses – 27%

Capitation Grants for Quarter 4 were received at the closing of the financial year, which delayed procurement the above goods and services. For instance, the process of procuring textbooks was initiated in the 4th quarter but could not be completed within the FY 2020/2021. They were delivered in the 1st quarter of the following financial year.

(f) Over expenditure in BOG Expenses – 13%

During the financial year, a new Board of Governors was inaugurated, and induction training was done which partly led to the over-absorption as it was not budgeted for.

(g) Repair maintenance and improvement

Anticipated financial challenges due to the covid-19 pandemic and non-satisfactory revenue performance resulted in minimal attention to this vote-head. The Institute's department of Building & Civil Engineering was working on the documentation in preparation for some work to be done within the 1st and 2nd quarters of the following financial year.

XVII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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>Applicable: 1st January 2021:</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>

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>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

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Standard	Effective date and impact:
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the institute; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. 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.

iii. Early adoption of standards

The entity 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 entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

Sale of goods

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

Interest income

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

Dividends

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

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 or Board on Subsequent revisions appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The appropriations were reduced from the original budget by the institute upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded a reduction appropriation of kshs5,163,000 on the FY 2020/2021 budget following the Board's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 xxx of these financial statements.

c) Taxes

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

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

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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.

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 Entity.

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

The Entity 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 Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be

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measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

n) Foreign currency transactions

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

o) Borrowing costs

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

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

q) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Unconditional grants		
Capitation grants	28,042,500	25,815,000
	28,042,500	25,815,000
Conditional grants	0	0
Total government grants and subsidies	28,042,500	25,815,000

7. GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

Description	2020-2021	2019-2020
	Kshs	Kshs
Canada Grant	1,043,490	00
Total grants from development partners	1,043,490	00

Reconciliations of grants from donors and development partners

Description	2020-2021	2019-2020
	Kshs	Kshs
Balance unspent at beginning of year	00	00
Current year receipts	1,043,490	00
Conditions met - transferred to revenue	1,026,900	00
Conditions to be met - remain liabilities	16,590	00

8. RENDERING OF SERVICES

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition fees	3,314,208	5,174,525
Repairs Maintenance and Improvement	366,450	670,242
Personal Emoluments	1,926,480	3,452,553
Local Transport and Transport	834,648	1,431,416
Electrical Water and Conservancy	617,118	1,066,408
Activity	861,740	1,488,437
Medical	260,400	406,489
Industrial Attachment	844,962	1,689,531
Administration Fees	0	139,773
Rendering of services revenues received in cash	9,026,006	15,519,374
Fees arrears	20,035,994	16,184,626
Total revenue from the rendering of services	29,062,000	31,704,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER INCOME

Description	2020-2021	2019-2020
	Kshs	Kshs
Student Council	180,900	132,917
Admission Fees	197,750	116,700
Sale of Tender Documents	27,000	00
Exam Registration	971,661	2,310,528
Sale of Water	17,500	60,000
Sale of containers	2,920	1460
Sale of Milk	5,820	6735
Computer Packages	61,700	85,380
Field hire	00	66,990
Fees Recoveries	00	37,772
Accommodation Fees	00	613,600
Board Induction	594,000	00
Sale of Fish	4,850	00
Smart Cards	123,500	113,613
Total other income	2,187,601	3,545,695

10. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	Kshs	Kshs
Electricity	-	596,468
Bank charges	30,240	28,002
Teaching and learning materials	-	1,950,521
Local Transport and Traveling	4,237,700	3,952,750
Activity / Sports	8,460	252,560
Medical Services	-	1,000
Industrial Attachment	650,494	434,659
Marketing	541,120	370,870
Catering	1,550,355	1,471,894
Administration Costs	7,143,615	3,308,197
Farm	1,920,548	125,130
House Keeping	143,700	2,640
Text Books	-	6,100
Covid 19	-	108,700
KATTI	300,000	563,600
TVET Fair	-	1,512,809
Pending Bills	-	2,187,494
Withholding Tax	317,317	-
Hairdressing and Beauty Therapy	240,018	-
Computer Studies	108,408	-

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Description	2020-2021	2019-2020
	Kshs	Kshs
Building and civil Engineering	1,520,130	-
Institutional Management	862,255	-
Roborts and automation	3,175,903	-
Electrical and Electronic Engineering	923,309	-
Total good and services	23,673,572	16,873,394

11. EMPLOYEE COSTS

	2020-2021	2019-2020
	Kshs	Kshs
Salaries and wages	9,552,374	9,820,644
NSSF	1,303,700	1,481,964
NHIF	357,900	437,450
PAYE	181,593	289,453
Welfare Contribution	342,100	207,600
HELB Recoveries	130,000	152,000
Employee costs	11,867,667	12,389,111

12. REMUNERATION OF DIRECTORS

Description	2020-2021	2019-2020
	Kshs	Kshs
New Board Inauguration	170,000	00
Allowances to BOG	1,618,000	857,500
Total director emoluments	1,788,000	857,500

13. REPAIRS AND MAINTENANCE

Description	2019-2021	2019-2020
	Kshs	Kshs
Equipment and machinery	291,947	-
Total repairs and maintenance	291,947	-

14. STIVES

Description	2019-2021	2019-2020
	Kshs	Kshs
STIVES Project	1,026,900	00
Total STIVES Project.	1,026,900	00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. GENERAL EXPENSES

Description	2020-2021	2019-2020
	Kshs	Kshs
Exams Registration	1,389,720	3,544,980
Borrowing – Development A/c	00	1,800,000
Fees Refund	00	59,600
Student Council	270,280	213,900
Student Identity Cards	00	45,900
Honoraria	00	49,400
Computer Packages	43,000	31,500
Accommodation Expenses	00	632,400
Admission Fees Expenses	66,500	68,000
Development bank charges	00	30
Covid 19	1,653,970	00
Electricity	159,387	00
Total general expenses	3,582,857	6,445,710

16. CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Recurrent account	12,092,166	7,562,393
Fees A/c	3,516,347	4,050,308
Development A/c	2,331,613	2,627,641
STIVES Project A/c	16,590	00
Total cash and cash equivalents	17,956,716	14,240,342

16 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2020-2021	2019-2020
		Kshs	Kshs
a) Recurrent account			
Kenya Commercial bank		12,092,166	7,561,952
Cash		0	441
Sub- total		12,092,166	7,562,393
b) Fees A/c			
Kenya Commercial bank		3,516,347	4,027,249
Cash		0	23,059
Sub- total		3,516,347	4,050,308
c) Development A/c			
Kenya Commercial bank		2,331,613	2,627,641
Sub- total		2,331,613	2,627,641
d) STIVES A/c			
Kenya Commercial bank		16,590	00
Sub- total		16,590	00
Grand total		17,956,716	14,240,342

17. RECEIVABLES FROM EXCHANGE TRANSACTIONS

(a) Current Receivables from Exchange Transactions

Description	2020-2021	2019-2020
	Kshs	Kshs
Current receivables		
Student debtors	20,035,994	16,184,626
Total current receivables	20,035,994	16,184,626

18. INVENTORIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Consumable stores	915,733	456,558
Catering stores	86,126	49,206
Total inventories at the lower of cost and net realizable value	1,001,859	505,764

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19. PROPERTY, PLANT AND EQUIPMENT

	Land Kshs.	Building Kshs.	Furniture and fittings Kshs.	Computers Kshs.	Plant and equipment Kshs.	Capital Work in progress Kshs.	Total Kshs.
At 1st July 2019	64,000,000	282,000,000	11,520,230	2,994,200	160,000,000	23,050,000	543,564,430
Additions	00	00	00	00	90,700	3,254,356	3,345,056
At 30th June 2020	64,000,000	282,000,000	11,520,230	2,994,200	160,090,700	26,304,356	546,909,486
At 1st July 2020	64,000,000	282,000,000	11,520,230	2,994,200	160,090,700	26,304,356	546,909,486
Additions	00	00	00	927,780	1,021,500	00	1,949,280
At 30th June 2021	64,000,000	282,000,000	11,520,230	3,921,980	161,112,200	26,304,356	548,858,766

The Institute is in the process of carrying out valuation of its non-current assets. Therefore, it has not providing for depreciation and impairment.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Valuation

Land and buildings have not been valued.

19(b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	64,000,000	0	64,000,000
Building	282,000,000	0	282,000,000
Furniture and fittings	11,520,230	0	11,520,230
Computers equipment	3,921,980	0	3,921,980
Plant and	161,112,200	0	161,112,200
Capital Work in progress	26,304,356	0	26,304,356
Total	548,858,766		548,858,766

20. INTANGIBLE ASSETS-SOFTWARE

Description	2020-2021	2019-2020
	Kshs	Kshs
Cost		
At beginning of the year	1,936,000	0
Additions	00	0
At end of the year	1,936,000	0
Additions-internal development	00	0
At end of the year	1,936,000	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	00	235,973
Fees paid in advance	6,435,624	1,500,382
Total trade and other payables	6,435,624	1,736,355

22. EVENTS AFTER THE REPORTING PERIOD

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

23. ULTIMATE AND HOLDING ENTITY

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

24. CURRENCY

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

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APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
REPORT ON THE FINANCIAL STATEMENTS				
Basis for Qualified Opinion				
1.	Inaccuracies in the Financial Statements The statement of financial position as at 30 June, 2020 reflects total net assets and liabilities balance of Kshs.577, 840,218 and a comparative balance of Kshs.559,704,909 while the statement of changes in net assets for the year then ended reflects a balance of Kshs.71,875,434 and a comparative balance of Kshs.47,467,154 resulting to unreconciled variances of Kshs.505,964,784 and Kshs.512,237,755 respectively. Further, the statement of cash flows for the year ended 30 June, 2020 reflects Kshs.1,500,382, and Kshs.3,856,915 in respect of increase in trade payables and development project grant respectively which have not been supported. Consequently, the accuracy of the financial statements for the year ended 30 June, 2020 could not be confirmed.	The Variance in the statement of financial position figures and in the statement of changes in net assets has been amended and reconciled	Solved	Immediately
2.	Overstatement of Property, Plant and Equipment The statement of financial position as at 30 June, 2020 and as disclosed in Note 13 to the financial statements reflects a	The college is in process of doing asset valuation hence the depreciation	Not solved	End of FY 2021/2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>balance of Kshs.546,909,486 in respect of property, plant and equipment. However, no provision for depreciation was made against non-current assets as required under International Public Sector Accounting Standards 17. In addition, assets register was not provided for audit review. In the circumstances, accuracy, valuation, and completeness of the property, plant and equipment balance of Kshs.546,909,486 as at 30 June, 2020 could not be ascertained</p>	<p>and impairment will be provided for in the subsequent year</p>		
<p>3.</p>	<p>Long Outstanding Receivables from Exchange Transactions</p> <p>The statement of financial position as at 30 June, 2020 and as disclosed in Note 11 to the financial statement reflects receivables from exchange transactions balance of Kshs. 16, 184,626 in respect of student fee debtors which has been outstanding for more than one (1) year with no evidence on any management's effort to recover the amounts owed from students.</p> <p>Further, there was no provision made to allow for any likely loss of revenue from non-collectable debtors.</p> <p>Consequently, the completeness, accuracy and recoverability of the receivables from exchange transactions of Kshs. 16, 184,626 as at 30 June, 2020 could not be confirmed</p>	<p>The college has developed debt management policy which will help in solving this issue of long outstanding receivables</p>	<p>Solved</p>	<p>Immediately</p>
	<p>III. Other Matter</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)	
	<p>Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amount for the year ended 30 June, 2020 reflects Ksh.71,535,400 and Ksh.44,880,069 in respect to budgeted and actual revenue on comparable basis respectively translating to an under-realization of 39%.</p> <p>Similarly, the statement reflects Kshs.71,535,400 and Kshs.36,656,541 in respect budgeted and actual expenditure respectively resulting to under absorption of 49 %.</p> <p>The budget under absorption of Kshs.36,879,695 is equivalent to services budgeted for but not delivered to the students of the Institute.</p>	<p>The year under review was a challenging one where Covid 19 pandemic affected learning process across the country leading to a shortfall collection of the said amount, However the college will hold its first graduation ceremony where all students will be required to clear the arrears</p>	Not Solved	2022/2023	
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES					
Basis For Conclusion					
Delay in Construction of Library Block					
<p>The statement of financial position as at 30 June, 2020 and as disclosed under Note 13 to the financial statement reflects a balance of Kshs.546,909,486 in respect of property plant and equipment which include capital work in progress balance of Kshs.26,304,356 relating to construction of Library Block. As previously reported, a company was awarded a tender for construction of a library block at a contract sum of Kshs.48,919,38 for a duration of thirty-six (36) weeks and expected to end on 14 April 2010. However, the contract completion period has been revised severally</p>		<p>The management has not paid the contractor all the amounts due for the work done according to the certificates presented for payment due to delays by the Ministry to release development funds intended for the project.</p>		Not Solved	2022/2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	but the project still remains incomplete to date contrary to Section 151(2)(d) of the Public Procurement and Asset Disposal Act, 2015 which requires right quality and within the time frame. Physical verification in February 2021 revealed that the that contractor was not on site and the project had stalled : In the circumstances, validity and value for money of Kshs.26,304,356 as at 30 June, 2020 could not be ascertained.	The delay in performance may not therefore be blamed entirely on the contractor. Attempting to institute recovery of liquidated damages is likely to attract litigation to the detriment of the Institute.		
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
Basis for Conclusion				
1.	Lack of Approved Staff Establishment and Human Resource Plan The Institute lacks an approved staff establishment to support achievement of goals and objectives in the strategic plan. In the circumstances, the Institute may face challenges in determining its optimal staffing levels while recruiting new staff since the available positions are not properly identified and defined in the organizational structure.	The management has developed The HR policy and has been attached for your reference	Solved	Immediately
2.	Lack of Risk Management Policy The review of the internal controls revealed that the Institute lacks a Risk Management Strategy to ensure that all operations are performed within the approved risk tolerance levels. There was no documented disaster recovery plan to deal with loss of data or information in case of systems	The Management is in the process of developing this policy and will be presented for review once its complete. A draft copy	Solved	2021/2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	failures to protect the IT infrastructure in the event of a disaster. Further, there is no assurance on the effectiveness of Risk Management strategies as required by the provisions of section 165(1a) of Public Finance Management (National Governments) Regulations, 2015. In the circumstance, the institute may not be able to respond effectively in an event of a disaster.	has been attached for your reference		
3.	Lack of Debts Management Policy The Institute does not have a clear policy and strategy on debts management; spelling out modalities on recovery of outstanding debts, when a debt becomes bad and doubtful, and when a bad debt is to be written off. In the circumstance, the Institute may not be able to manage its cash flow effectively.	Management has developed debts management policy and the copy has been attached for your reference	Solved	Immediately

Principal

Geoffrey N. Andama

Principal/BOG Secretary

Signature



Date 17/05/2022

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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

Projects implemented by the Ekerubo Gietai Technical Training Institute 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. STIVES	EGTTI002	CANADA	1 YR	2,663,763	YES	YES
2						

Status of Projects completion

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

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APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:			
Break down of Transfers from the State Department of Technical and Vocational Training			
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
a. Recurrent Grants	25/11/2020	6,742,500	2020/2021
	24/02/2021	6,742,500	2020/2021
	30/03/2021	6,742,500	2020/2021
	30/06/2021	7,815,000	2020/2021
	Total	28,042,500	
d. Donor Receipts	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	12/11/2020	992,800	2020/2021
	16/03/2021	50,690	2020/2021
	Total	1,026,900	

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

Finance Manager
Ekerubo Gietai TTI

Sign: 

Head of Accounting Unit
State Department of Technical and Vocational Training.

Sign: 

Ekerubo Gietai Technical Training Institute
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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount (Kshs)	Where Recorded/recognized				Total Transfers during the Year (Kshs)
				Statement of Financial Performance (Kshs)	Capital Fund	Deferred Income	Receivables	
Ministry of Education	30/06/2021	Recurrent	28,042,500	28,042,500				28,042,500
CANADA	12/11/2020	Donor Fund	1,043,490	1,043,490				1,043,490
Total			29,085,990	29,085,990				29,085,990