

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 11 SEP 2019

DAY:  
TUE

TABLED  
BY:

LEADER OF MAJORITY

REPORT

LEAH MWAURA

PARLIAMENT  
OF KENYA  
LIBRARY



OF

OFFICE OF THE AUDITOR-GENERAL  
**THE AUDITOR-GENERAL**

ON

**THE FINANCIAL STATEMENTS OF  
SIALA TECHNICAL TRAINING  
INSTITUTE**

**FOR THE YEAR ENDED  
30 JUNE 2018**



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**SIALA TTI FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED  
30<sup>TH</sup> JUNE 2018**

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

## INTRODUCTION TO THE FINANCIAL REPORTING TEMPLATES

### Legal Framework

In accordance with Section 83 of the PFM Act, all National Government Owned Entities should prepare a report for each quarter of the financial year in respect to their entity. The entities are required to submit quarterly reports to Cabinet Secretary responsible for the entity and the National Treasury in accordance with the formats prescribed by the Public Sector Accounting Standards Board of Kenya (PSASB-K) not later than fifteen days after the end of each quarter. The Public Sector Accounting Standards Board of Kenya approved the templates for quarterly reporting by National Government Entities on 25 February 2016.

### Contents of the Quarterly reports

The quarterly reports should contain financial and non-financial information as stipulated under Section 83 2 (a) and (b) and should be in the form that complies with the standards prescribed and published by the Public Sector Accounting Standards Board of Kenya (PSASB-K) from time to time.

The quarterly reporting template is structured as per the below summarized format:

Section	Comments
Key Entity Information & Management	<i>Under this section the entity should summarize key entity information as it appears in the annual financial report. Information such as entity's principal activities, contacts, bankers, board members, board committees, key management should be included here.</i>
Management Discussions and Analysis	<i>This is the section that summarises most of the non-financial information. This include overview of the entity performance compared with the budget, brief of the entity's strategic plan, challenges and opportunities in executing the entity's plan, compliance and governance issues at a very high level brief. This part has Section A to F.</i>
Statement of responsibilities	<i>Under this section, the officers responsible for preparing the financial statements should sign and take responsibility for the information included in the quarterly report.</i>
Statement of Financial Performance	<i>Per each quarter the entity should summarize the performance based on the breakdown of the notes. The figures should be populated in the excel notes tab which will automatically transfers the amount to the Statement of Financial Performance on a quarterly basis.</i>



Statement of Financial Position	<i>Per each quarter the entity should summarize the performance based on the breakdown of the notes. The figures should be populated in the excel notes tab which will automatically transfers the amount to the Statement of Financial Position on a quarterly basis. The statement of financial position must balance.</i>
Statement of Cash Flows	<i>This should be completed on a quarterly basis and at the beginning of every quarter, the cash and cash equivalent at the closing of each quarter should be brought forward.</i>
Statement of Comparison of Budget and Actual Amounts	<i>Based on the budget per quarter, actual figures should be populated such that at the end of each quarter, there will be a comparison of budget cumulative and actual cumulative. Variances above 10% must be explained.</i>
Notes to the Quarterly Financial Statements	<i>The notes are structured in such a way that they will be populated on a quarterly basis to feed in to the statement of financial performance and position. Notes that are not relevant should be deleted and any inclusion of an item not included in the template is acceptable.</i>

## **INTRODUCTION TO THE REPORTING TEMPLATES (Continued)**

### **Responsibility for submission of the Quarterly reports**

- i. The board of directors and the chief executives of the respective entities should ensure the compliance with the requirements of this template.
- ii. The chief executives should ensure compliance with the requirements of this template in order to avoid sanctions provided for in the Public Finance Management Act, 2012.
- iii. The quarterly reports should be submitted to the Office of the Cabinet Secretary responsible for the entity and Office of the Director Government Investments and Public Enterprises, The National Treasury with a soft copy forwarded through.

### **National Treasury responsibility for the Quarterly reports**

In accordance with Section 83 (5) of the Public Financial Management Act, 2012, the National Treasury shall not later than forty five days after the end of each quarter:

- i) Consolidate the quarterly reports and submit them to the National Assembly with copies of the reports to the Controller of Budget, Auditor-General and the Commission on Revenue Allocation; and
- ii) Publish and publicize the reports.

**In addition to the above introduction to the quarterly reports template, the following should be noted when completing the template:**

- i) *The template should be completed by all National Government Owned Entities.*
- ii) *Financial and non-financial performance of the entity must be included per quarter.*
- iii) *The template is available in excel spread sheet for the financial information.*
- iv) *Quarterly reporting should be done not later than **fifteen days** after the end of each quarter.*
- v) *The financial amounts should be rounded to nearest shilling.*
- vi) *The quarterly report should be signed by the responsible officers as authorised by the board of directors or equivalent authoritative arm.*
- vii) *The notes should be customized to fit the nature of the entity and anything not relevant deleted.*
- viii) *The comparative amounts for all the statements and notes should be as per the prior year audited amounts.*



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## **XX. KEY ENTITY INFORMATION AND MANAGEMENT**

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

Siala Technical Training Institute(STTI) was registered by TVETA in 2016. At cabinet level, STTI is represented by the Cabinet Secretary for Education, who is responsible for the general policy and strategic direction of the Institute.

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

The principal activity/mission of the Institute is to Promote Skills Training in Technical, Vocational Education and Training (TVET), Research, Science, Technology and Innovation commensurate with Industry and community demands.

#### **Entity Headquarters**

P.O. Box 164-40404  
RONGO-KENYA

### **(c) Entity Contacts**

P. O. Box 164-40404, Rongo  
Telephone :( 254) 706633334  
E-mail: [sialainstitute@gmail.com](mailto:sialainstitute@gmail.com)  
Website: [www.sialatti.ac.ke](http://www.sialatti.ac.ke)

### **(d) Entity Bankers**

1. KCB Bank  
Rongo Branch  
P.O. Box 266-40404  
RONGO

### **(e) Independent Auditors**

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya



**I KEY ENTITY INFORMATION AND MANAGEMENT (Continued)****(f) Principal Legal Adviser**

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

**(g) Board Members** *(it should be as they appear in the annual financial statements)*

Insert each Director's passport-size photo and name, and key profession/academic qualifications			Provide a concise description of each Director's date of birth, key qualifications and work experience
1.	Mr. Charles Ogalo	Board Chairman	Birth: 30 <sup>th</sup> October, 1955 B.Sc. (Econ); M.Sc. (Econ) Work experience: 36 years
2.	Ms. Evelyn Muchocho	Board Member	B.A (Hons); M.A. (Philosophy)
3.	Ms. Vivian Chemiron	Board Member	B.Com (Banking & Finance)
4.	Mr. John Kisyula	Board Member	Birth: 1966 Dip. Tech. Educ.; B. Sc.(Mech. Eng. CADM); Work experience: 31 years
5.	Ms. Evelyn Mwita	Board Member	B.Ed.; M.Ed. Lecturer Kisii University
6.	Mr. Joseph Owour	Board Member	Birth: 25 <sup>th</sup> September, 1961 B. A. (Sociology & Public Administ.) Work experience: 36 years
7.	Mr. Tom Anode	Board Member	B.A. (Hons); M.A. (Project Planning)
8.	Mr. Naftali Andang'o	Board Member	B.Sc. (Part II, Mech. Eng.)
9.	Ms Olivia Odongo	CD TVET	B.Ed; M.Ed.; M.BA
10.	Mr. Wilson Oroni	Principal/Secretary, BOG	Birth: 16 <sup>th</sup> October, 1960 Dip. Tech. Educ.; B.Ed.(Mech. Eng.); M.Ed.(Educational Foundations) Work experience: 31 years

**(h) Board Committees** *(it should be as they appear in the annual financial statements)*

Name of the Committee	Members
Full Board of Governors	<ol style="list-style-type: none"> <li>1. Mr. Charles Ogalo</li> <li>2. Ms Vivian C. Chemiron</li> <li>3. Ms. Evelyn Muchocho</li> <li>4. Mr. John Kisyula</li> <li>5. Ms. Evelyn Mwita</li> <li>6. Mr. Joseph Owour</li> <li>7. Mr. Naftali Andang'o</li> <li>8. Mr. Tom Anode</li> <li>9. Ms Olivia Odongo</li> <li>10. Mr. Wilson Oroni</li> </ol>
Executive Board of Governors Committee	<ol style="list-style-type: none"> <li>1. 1. Mr. Charles Ogalo</li> <li>2. Ms Vivian C. Chemiron</li> <li>3. Ms. Evelyn Mwita</li> <li>4. Mr. Naftali Andang'o</li> <li>5. Ms Olivia Odongo</li> <li>6. Mr. Wilson Oroni</li> </ol>
Audit Board of Governors Committee	<ol style="list-style-type: none"> <li>1. Ms Vivian C. Chemiron</li> <li>2. Mr. Wilson Oroni</li> <li>3. Mr. Peter Aduda</li> </ol>



**I KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(a) Key Management***(it should be as they appear in the annual financial statements and should be key personnel of the entity involved in Key decision making and running of the entity)*

Name of the Staff	Responsibility
1. Mr. Wilson G. C. Oroni	Principal, Secretary, BOG General administration
2. Mr. Arkipo Odede Ogwe	Ag. Registrar Students' admissions/Examinations
3. Ms. Jeniffer Auma Obuya	Ag. Dean of Students Students' welfare issues
4. Mr. Peter Aduda	Accountant Accounting issues
5. Mr. Sixtus Ojwang Masingira	Procurement Officer Procurement of products and services

**XXI. STATEMENT OF RESPONSIBILITIES**

Section 83 of the Public Finance Management Act, 2012 requires an Accounting Officer for a National Government owned Entity to prepare a report for each quarter of the financial year in respect of the entity.

In preparing a quarterly report for a National Government Entity, the Accounting Officer shall ensure that the report:

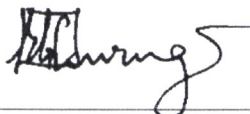
- (a) Contains information on the financial and non-financial performance of the entity; and
- (b) Is in a form that complies with the standards prescribed and published by the Public Sector Accounting Standards Board of Kenya from time to time.

In addition, not later than fifteen days after the end of each quarter, the Accounting Officer shall submit the quarterly report to the Cabinet Secretary responsible for the entity and the National Treasury. The Cabinet Secretary responsible for an entity shall forward a copy of the report to the Cabinet Secretary and Controller of Budget.

In the case of an entity that is a state corporation, the Accounting Officer for the corporation shall submit the quarterly report to the Cabinet Secretary responsible for the corporation who shall, upon approving it, forward a copy to the Cabinet Secretary.

**Approval of the quarterly financial statements**

Siala TTI's financial statements have been prepared in accordance with Section 83 of the PFM Act and were approved by the Board on 2<sup>nd</sup> September, 2018 and signed on its behalf by:



Principal



Board member

*(The signatories titles should be in line with the entities structure ie some may have different titles not necessarily the director)*

### III. MANAGEMENT DISCUSSION AND ANALYSIS

#### SECTION A

##### **The entity's operational and financial performance**

*(Per quarter the entity should provide an overview of performance as per its mandate in tandem with the National Government strategic objectives and policies. These include key performance indicators, observations with respect to the financial statements, profits, earnings, cash flows and whether or not past performance may be indicative of future results)*

*(In addition, under this section the entity should capture information pertaining to growth & strategy – touching on industry trends, financial flexibility, etc; challenges and opportunities – touching on key events, demands on the entity's principal activities etc).*

#### SECTION B

##### **Entity's compliance with statutory requirements**

*(An entity should clearly indicate the extent of compliance and whether there are any major non-compliance that may expose the entity to potential contingent liabilities. Ongoing or potential court cases and defaults should be summarized here clearly indicating the total exposure).*

#### SECTION C

##### **Key projects and investment decisions the entity is planning/implementing**

*(The entity should include here in the viability of such projects and how they are facilitating the entity in delivery of its mandate in line with the National Government strategic objectives and policies).*

*(The entity should also indicate how the projects and investments decisions are being financed ie are they being financed by equity/debt, internal generated revenue, grants from Government and Development partners, borrowings. A statement on sustainability of the same should be included).*



### III. MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

#### SECTION D

##### **Major risks facing the entity**

*(The entity should include under this section the key risks facing the entity ranging from Operational Risks, Market Risks, Capital Risk, Credit risks, Liquidity risks etc). This should be emanating from the entity's risk management framework.*

#### SECTION E

##### **Material arrears in statutory/financial obligations**

*(This should include but not limited to items such as loan default, pending bills, tax default, outstanding staff & pension obligations/actuarial deficit on pension schemes, non payment of dividends & loan redemption to the National Exchequer etc).*

#### SECTION F

##### **The entity's financial probity and serious governance issues**

*(Under this section the entity should indicate whether there are any major financial improbity as reported by internal audit/Board audit committee, external auditors, or other National Government Agencies providing oversight; and if there are serious governance issues among the Board or member of the Board and top management including conflict of interest.)*



# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: oag@oagkenya.go.ke  
Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR – GENERAL ON SIALA TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE 2018

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#### REPORT ON THE FINANCIAL STATEMENTS

##### **Adverse Opinion**

I have audited the accompanying financial statements of Siala Technical Training Institute set out on pages 1 to 17, which comprise the statement of financial position as at 30 June 2018, 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 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Siala Technical Training Institute as at June 30 2018, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management Act, 2012.

##### **Basis for Adverse Opinion**

###### **1. Presentation and Disclosures of the Financial Statements**

Contrary to the requirements of International Public Sector Accounting Standard (IPSAS) 1 on presentation of financial statements, a summary of significant accounting policies which should form part of the financial statements has not been presented and disclosed. Consequently, the measurement basis used in preparing the financial statements, the extent to which the Institute has applied any transitional provisions in the IPSAS and the accounting policies used in preparing the financial statements are missing.

###### **2. Unconfirmed Opening Balances and Comparatives Figures**

The management did not submit financial statements for 2015/2016 and 2016/2017 financial years to the Auditor General for audit. Consequently, the validity, completeness and accuracy of the opening balances of assets, liabilities, reserves and accumulated surplus in 2017/2018 financial year and the comparative figures reflected under year 2016/2017 in the financial statements for the year ended 30 June 2018 could not be ascertained.

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*Report of the Auditor-General on the Financial Statements of Siala Technical Training Institute for the year ended 30 June 2018*



### **3. Cash and Cash Equivalents**

The statement of financial position reflects cash and cash equivalents balance of Kshs.15,463,821 as at 30 June 2018. As disclosed in Note 1 to the financial statements, the balance includes an amount of Kshs.13,214,487 comprising Kshs.7,214,487 in the current account and on-call deposit of Kshs.6,000,000. However, the cash book reflects a balance of Kshs.12,270,309 for the two accounts, resulting in unreconciled variance of Kshs.944,178. Consequently, the accuracy and completeness of cash and cash equivalents balance of Kshs.15,463,821 as at 30 June 2018 could not be confirmed.

### **4. Unsupported Receivable from Exchange Transactions**

The statement of financial position reflects receivable from exchange transactions balance of Kshs.692,502 and which relate to fees arrears. However, no supporting documents such as the debtors' ledger, debtors schedule, invoices and ageing analysis were provided for audit review. Consequently, the accuracy, validity, and completeness of the receivable from exchange transactions balance of Kshs.1,692,502 as at 30 June 2018 could not be confirmed.

### **5. Non-Current Assets**

Included in the non-current assets balance of Kshs.20,379,814 are amounts Kshs.1,009,200 and Kshs.48,000 relating to purchase of computers and computer software for which supporting documents were not provided for audit review. In addition, the assets register was not provided for audit review. Consequently, the accuracy and completeness of the non-current assets balance of Kshs.20,379,814 as at 30 June 2018 could not be ascertained.

### **6. Revenue from Non-Exchange Transactions**

The statement of financial performance reflects an amount of Kshs.9,973,404 which is indicated as relating to the accumulated fund brought forward (cash and cash equivalents). However, adequate supporting documents for the amount were not provided for audit review. Further, the accumulated fund brought forward is required by the International Public Sector Accounting Standards to be presented in the statement of changes in net assets and not in the statement of financial performance. Consequently, the accuracy, validity and completeness of the balance brought forward from the previous year of Kshs.9,973,404 could not be confirmed.

### **7. Administration Costs**

#### **7.1. Board of Management Emoluments**

The statement of financial performance for the year ended 30 June 2018 reflects administrative costs of Kshs.18,104,948 and as disclosed in Note 6 to the financial statements. However, a review of records revealed that the Board of Management met on diverse dates during the year and were paid allowances, indicating existence of related party transactions which were not disclosed in the financial statements as required under IPSAS 20. Consequently, the accuracy and completeness of the administrative costs of Kshs.18,104,948 could not be confirmed.



## **8. Purchase of Sports Equipment**

Included in the general expenses of Kshs.4,116,656 is an amount of Kshs.232,210 which was paid to a supplier for the supply of assorted sports equipment. However, adequate support documents such as minutes of tender proceedings, inspection and acceptance committee report, goods received notes and stores register entries were not provided for audit review. Consequently, the validity, accuracy and completeness of the expenditure of Kshs.232,210 could not be confirmed.

## **9. Unaccounted Expenditure - Practical Examinations Expenses**

Included in the administration costs of Kshs.18,104,948 is an expenditure of Kshs.255,476 which was incurred on the students' practical examinations. However, adequate supporting documents such as quotations, LPO/LSO and stores ledger/register as proof that the items procured were taken on charge for controlled issuance were not provided for audit. Consequently, the validity, accuracy and completeness of the expenditure of Kshs.255,476 incurred on the students' practical could not be confirmed.

## **10. Repairs, Maintenance and Improvements**

Included in the administration costs of Kshs.18,104,948 is an expenditure of Kshs.636,045 which was incurred in respect of repairs, maintenance and improvements. However, the expenditure was not supported with adequate documents such as quotations and minutes of tender proceedings. Consequently, the validity, completeness and accuracy of the expenditure of Kshs.636,045 on repairs, maintenance and improvements incurred could not be confirmed.

## **11. Unsupported Expenditure on Hire of Services, Stationery and Participation Fees**

Included in administration costs of Kshs.18,104,948 is an expenditure of Kshs.1,521,297 which was incurred on hire of services, purchase of stationery and participation fees for students. However, adequate details and documentation were not provided for the expenditure, including specific details of services rendered; nature, quantity and value of stationery purchased; and activities undertaken by the students. Consequently, the validity, accuracy and completeness of expenditure of Kshs.1,521,297 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Siala Technical Training Institute in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters discussed in the Basis for Adverse Opinion and Basis for Conclusions on Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of

Internal Controls, Risk Management and Governance sections, I have determined that there are no other key audit matters to communicate in my report.

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

### Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusions on Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

### Basis of Conclusion

#### 1. Recruitment of Staff

During the year under review, Siala Technical Training Institute employed 11 trainers, 1 casual and 2 security guards. An audit of the recruitment process of these members of staff revealed the following anomalies:

- i. Siala Technical Training Institute(STTI) did not have an approved staff establishment in place to guide on staffing requirement.
- ii. There was no human resource manual in place to guide on manpower planning and management policy.
- iii. Siala Technical Training Institute did not invite applications through advertisement for the 14 members of staff recruited.
- iv. There were no minutes of the board of management decision to employ these members of staff.

#### 2. Budget Performance Analysis

The audit revealed that the Institute had huge variances between the budgeted and actual amounts for the year ended 30 June 2018 as shown in the table below:

	Approved Budget (Kshs)	Actual Amount (Kshs)	Difference (Kshs)
<b>Revenue</b>			
Government grants and subsidies	38,000,000	15,000,000	(23,000,000)
Income from rendering services	22,614,560	12,188,633	(10,425,927)
Other income	2,204,624	4,344,466	2,139,842
	<b>62,819,184</b>	<b>31,533,099</b>	<b>(31,286,085)</b>



	<b>Approved Budget (Kshs)</b>	<b>Actual Amount (Kshs)</b>	<b>Difference (Kshs)</b>
<b>Expenditure</b>			
Compensation of employees	4,379,028	4,150,477	(228,551)
Administration costs	28,882,156	20,230,159	(8,651,997)
Development	27,558,000	50,000	(27,508,000)
Other payments	2,000,000	1,941,445	(58,555)
<b>Total</b>	<b>62,819,184</b>	<b>26,372,081</b>	<b>(36,447,103)</b>

The under-receipt of the budgeted revenue negatively affected the achievements of some of the core objectives of the Institute, which in turn denied the students efficiency and effectiveness in service delivery by the Institute.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusions on Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

### Basis for Conclusion

#### 1. Lack of Segregation of Duties

A review of the internal control environment revealed that the Institute did not have during the year under review a substantive person heading the human resource function hence, the accountant was performing both finance and human resource function. In the circumstances, lack of segregation of duties created internal control and risk management challenges.

#### 2. Lack of Policy Manuals

The Institute did not have during the year under review Human Resource Policy Manual, Finance Policy Manual and Information Communication Technology Policy Manual to provide policy framework and to guide the operations of various functions.



The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standard requires that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and 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 control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability of Siala Technical Training Institute to sustain services, disclosing, as applicable, matters related to sustainability of services and using the International Public Sector Accounting Standards ( Accrual Basis) basis of accounting unless the management either intend to cease operations, or have no realistic alternative but to do so.

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 financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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



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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may

cast significant doubt on the ability of Siala Technical Training Institute 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 sustaining 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 Siala Technical Training 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 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.



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**09 July 2019**



**IV. STATEMENT OF FINANCIAL PERFORMANCE**  
**For The Period ended 30/6/2018**

		<b>Cumulative to date</b>	
	<b>Note</b>	<b>2017/2018</b>	<b>Actual Audited 2016/2017</b>
		<b>Shs</b>	<b>Shs</b>
<b>Revenue from non-exchange transactions</b>		0.00	0.00
Accumulated Fund B/f(Cash and cash equivalent)	1	9,973,404.00	0.00
GOK Operational Grants	2	13,500,000.00	12,825,908.00
GOK Development	2	1,500,000.00	0.00
Transfers from Mentor Institution	3	1,876,624.00	0.00
		<b>26,850,028.00</b>	<b>12,825,908.00</b>
<b>Revenue from exchange transactions</b>			
Tuition fee	4	12,188,633.00	12,056,598.00
Finance income-outstanding receivables	4	0.00	0.00
Other income	5	2,467,842.00	3,246,100.00
		<b>14,656,475.00</b>	<b>15,302,698.00</b>
<b>Total revenue</b>		<b>41,506,503.00</b>	<b>28,128,606.00</b>
<b>Expenses</b>			
Admin. Cost	6	18,104,948.00	13,924,364.00
Employee costs/ P-Emoluments	7	4,150,447.00	1,583,413.00
General expenses	8	4,116,656.00	2,647,425.00
<b>Total expenses</b>		<b>26,372,051.00</b>	<b>18,155,202.00</b>
<b>Other gains/(losses)</b>		0	0
<b>Surplus before Tax</b>		<b>15,134,452.00</b>	<b>9,973,404.00</b>
<b>Surplus for the period</b>		<b>15,134,452.00</b>	<b>9,973,404.00</b>

The notes set out on pages 5 to 16 form an integral part of the Annual Financial Statements.

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30/6/18

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30/6/2018

**V. STATEMENT OF FINANCIAL POSITION  
AS AT 30/6/2018**

	Note	Cumulative to Date	
		2017/2018	2016/2017
Assets		Shs	Shs
<b>Current assets</b>			
Cash and cash equivalents	1	15,463,821.00	9,973,404.00
Receivables from exchange transactions	10	1,692,502.00	2,889,060.00
Inventories	15	188,289.00	0
		<b>17,344,612.00</b>	<b>13,013,255.00</b>
<b>Non-current assets</b>			
Property ,plant and equipment	11	307,000.00	0.00
Others Assets	11	1,458,990.00	262,987.00
Furniture ,Fixture and Fittings	11	1,269,212.00	420,000.00
<b>Total assets</b>		<b>20,379,814.00</b>	<b>13,696,242.00</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	0	0.00	1,941,245.00
Refundable deposits from customers	12	275,500.00	203,000.00
Deferred income	13	2,547,668.00	654,563.00
Payments Received in advance (Examination fee)	14	512,482.00	514,180.00
		<b>3,335,650.00</b>	<b>3,312,988.00</b>
<b>Non-current liabilities</b>			
<b>Total liabilities</b>		<b>0.00</b>	<b>0.00</b>
<b>Net assets</b>		<b>17,044,164.00</b>	<b>10,383,254.00</b>
Reserves		0.00	0
Accumulated surplus		0.00	0
<b>Total net assets and liabilities</b>		<b>20,379,814.00</b>	<b>13,696,242.00</b>

The Annual Financial Statements set out on pages 1 to 16 were signed on behalf of the Board of Directors by:/C.E.O/ (Should include title of head of entity)

Chairman of the Board

for 

Date..03/4/2019.....



Date..03/4/2019....



**XIII. STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 30/6/18**

	Attributable to the owners of the controlling entity				Total
	Self insurance reserve	Reserves		Accumulated surplus	
		Capital replacement development reserve/Capital Reserve	Revaluation Reserve		
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Balance as at 1 July 2017</b>	0.00	0.00	0.00	9,973,404.00	9,973,404.00
Surplus/(deficit) for the period	0.00	0.00	0.00	5,161,048.00	5,161,048.00
Transfers to/from accumulated surplus	(0.00)	0.00	0.00	(15,134,452.00)	15,134,452.00
Transfer of excess depreciation on revaluation	0.00	0.00	0.00	0.00	0.00
Grants received during the year as at 30/6/18	0.00	1,500,000.00	0.00	0.00	1,500,000.00
Revaluation gain	0.00	0.00	0.00	0.00	0.00
<b>Balance as at 30 June 2018</b>	<b>0.00</b>	<b>1,500,000.00</b>	<b>0.00</b>	<b>15,134,452.00</b>	<b>16,634,452.00</b>

**(Provide details on the nature and purpose of reserves)**

**VI. STATEMENT OF CASHFLOWS AS AT 30/6/2018**

	Note	Budget 2017/2018 Shs	Budget 2016/2017 Shs
<b>Cash and cash equivalents at the beginning of the Year</b>		<b>9,973,404.00</b>	<b>0.00</b>
<b>Cash flows from operating activities</b>		0	
<b>Receipts</b>		0	
Government grants and subsidies	2	15,000,000.00	12,825,908.00
Rendering of services (Tuition fee)	4	12,188,633.00	12,056,598.00
Transfer from Mentor Institution	3	1,876,624.00	0.00
Other income	5	2,467,842.00	3,246,100.00
		<b>31,533,099.00</b>	<b>28,128,606.00</b>
<b>Payments</b>			
Compensation of employees /P-Emoluments	7	4,150,447.00	1,583,413.00
Admin Cost.	6	18,104,948.00	13,924,364.00
Other payments	8	4,116,656.00	2,647,425.00
		<b>26,372,051.00</b>	<b>18,155,202.00</b>
<b>Net cash flows from operating activities</b>		<b>5,161,048.00</b>	<b>9,973,404.00</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		0.00	0.00
Proceeds from sale of property, plant and Equipment		0.00	0.00
			0.00
<b>Cash flows from financing activities</b>			0.00
Proceeds from borrowings		0.00	0.00
Repayment of borrowings		0.00	0.00
Increase in deposits		0.00	0.00
<b>Net cash flows used in financing activities</b>		<b>0.00</b>	<b>0.00</b>
			0.00
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5,490,417.00</b>	<b>0.00</b>
<b>Cash and cash equivalents at end of the Year</b>	<b>1</b>	<b>15,463,821.00</b>	<b>9,973,404.00</b>

*[Handwritten Signature]*  
30/6/18

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30/6/2018



VII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AS AT 30/6/2018

	Budget 2017/2018 Shs	Actual 2017/2018 Shs	Variance Shs	Budget 2016/2017 Shs	Actual 2016/2017 Shs	Variance Shs	Explanation of material variances
<b>Revenue</b>							
Government grants and subsidies	38,000,000.00	15,000,000.00	23,000,000.00	15,983,716.00	12,825,908.00	3,157,808.00	
Rendering of services	22,614,560.00	12,188,633.00	10,425,927.00	21,323,900.00	12,056,598.00	9,267,302.00	Low enrolment.
Other Income	2,204,624.00	4,344,466.00	2,139,842.00	3,036,000.00	3,246,100.00	-210,100.00	Rise in examination fee
<b>Total income</b>	<b>62,819,184.00</b>	<b>31,533,099.00</b>	<b>31,286,085.00</b>	<b>40,343,616.00</b>	<b>28,128,606.00</b>	<b>12,215,010.00</b>	
<b>Expenses</b>							
Compensation of employees/P-Emoluments	4,379,028.00	4,150,477.00	228,581.00	3,541,167.00	1,583,413.00	1,957,754.00	Expenditure was within budget.
Admin. cost	28,882,156.00	20,230,159.00	8,651,997.00	33,192,449.00	16,234,789.00	16,957,660.00	Fall in revenue collection
Development	27,558,000.00	50,000.00	27,508,000.00	3,610,000.00	337,000.00	3,273,000.00	Funds not wired to the institution.
Other payments	2,000,000.00	1,941,445.00	58,555.00	0.00	0.00	0.00	Payment to vendors.
Grants and subsidies paid	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Total expenditure</b>	<b>62,819,184.00</b>	<b>26,372,051.00</b>	<b>36,447,133.00</b>	<b>40,343,616.00</b>	<b>18,155,202.00</b>	<b>22,188,414.00</b>	
<b>Surplus/Deficit for the period</b>	<b>(0.00)</b>	<b>5,161,048.00</b>	<b>(5,161,048.00)</b>	<b>0.00</b>	<b>9,973,404.00</b>	<b>(9,973,404.00)</b>	

NB: The explanation of material variances should include explanations of unused budget activities for the quarter. Explanations of material variances can be done on the face of this statement or notes to the quarterly financial statements.

**VIII. NOTES TO THE FINANCIAL STATEMENTS**

*(The notes should be tailored to the entities operations and activities and any irrelevant not delete*

<b>1.Cash and Cash Equivalents</b>	<b>2017/2018</b>	<b>2016/2017</b>
	Ksh.	Ksh.
Current account	7,214,487.00	3,973,404.00
On- call deposits	6,000,000.00	6,000,000.00
Fixed deposits account	0.00	0.00
Savings acc(Siala TTI 2)	243,934.00	0.00
Dev A/c	1,448,934.00	0.00
M-pesa	553,414.00	0.00
Cash.	3,052.00	
<b>Total Cash and Cash Equivalents</b>	<b>15,463,821.00</b>	<b>9,973,404.00</b>

<b>2.Transfers from Government</b>	<b>2017/2018</b>	<b>2016/2017</b>
<b>Conditional and Un Conditional grants</b>	Ksh.	Ksh.
Operational grant	13,500,000.00	12,825,908.00
Development grant	1,500,000.00	0.00
<b>Total Government grants and subsidies</b>	<b>15,000,000.00</b>	<b>12,825,908.00</b>

The significant accounting policy for recognition of revenue from non exchange transactions is that the revenue shall only be recognized when it is received or earned.(IPSAS 23).

**3) Transfers from Agencies (Mentor Institution)**

<b>Name of the Entity sending the grant</b>	<b>Amount recognized to Statement of Comprehensive Income</b>	<b>Amount deferred</b>	<b>Cumulative transfers to date</b>
Mawego TTI	1,876,624.00	0.00	1,876,624.00
<b>Total</b>	<b>1,876,624.00</b>	<b>0.00</b>	<b>1,876,624.00</b>

*(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending entity Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry).*



## VIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Cumulative to date	Actual Audited
	2017/2018	2016/2017
<b>4 TUITION FEE(Fee from students)</b>	<b>Shs</b>	<b>Shs</b>
Tuition	3,988,851.04	4,280,768.00
LT& T	3,307,321.10	3,063,622.60
EWC	1,731,202.10	1,593,595.90
ADMIN./Contingency	2,304,256.20	2,147,940.00
RMI	2,017,413.21	2,072,093.00
Library	365,645.75	501,283.40
Boarding	45,500.00	39,000.00
Medical	272,773.30	384,140.90
Activity	892,406.90	968,370.60
Practical	1,511,815.10	1,386,190.00
Student Council	184,146.55	209,600.00
Student Id	29,000.00	1,600.00
Research and Innovation	2,700,000.00	2,437,315.00
Attachment	510,084.00	22,000.00
Fee transfer	79,250.00	0.00
ICT	124,647.00	146,200.00
Insurance	122,597.00	143,200.00
Personal Emoluments	6,877,864.10	7,409,916.60
Registration	43,800.00	122,400.00
Application	58,200.00	0.00
Caution Money	72,500.00	203,000.00
Development fee	325,983.65	0.000
Less GOK/MOE Grants (Absorbed)	(13,500,000.00)	(12,186,578.00)
Less Transfers from Mentor Instituton (Absorbed)	(1,876,624.00)	(0.00)
Less Fee Debtors (Absorbed)	0	(2,889,060.00)
<b>Total Tuition fee</b>	<b>12,188,633.00</b>	<b>12,056,598.00</b>

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

<b>5.Other income</b>	<b>2017/2018</b>	<b>2016/2017</b>
Examination fee	2,241,789.00	2,821,000.00
Rent and Center fee	9,100.00	0.00
Tender	14,000.00	23,000.00
Investment Interest	202,953.00	0.00
Development fee	0.00	402,100.00
<b>Total other income</b>	<b>2,467,842.00</b>	<b>3,246,100.00</b>



## VIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Cumulative to date	Actual Audited
	2017/2018	2016/2017
<b>6 ADMINISTRATION COST.</b>	<b>Shs</b>	<b>Shs</b>
SEE/Tuition	6,290,864.00	5,547,190.00
LT& T	4,900,965.00	2,734,376.00
EWC	236,009.00	2,703,204.00
ADMIN./Contingency	2,709,460.00	1,640,691.00
Library	107,911.00	213,037.00
RMI	681,665.00	334,918.00
Boarding	40,435.00	384,582.00
Medical	130,950.00	87,525.00
Activity	543,520.00	1,009,710.00
Practical	268,696.00	353,396.00
Student Council	134,870.00	233,690.00
Student Id	24,100.00	40,800.00
Research and Innovation	887,340.00	582,490.00
Attachment	457,584.00	0.00
Fee transfer	66,600.00	0.00
BOG Paye Deductions	573,979.00	0.00
Development(Dev A/c)	50,000.00	0.00
Less Creditors ( Absorbed)	0.00	(1,941,245.00)
<b>Total Admin. Cost</b>	<b>18,104,948.00</b>	<b>13,924,364.00</b>

## VIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Cumulative to date	Actual Audited
	2017/2018	2016/2017
<b>6 ADMINISTRATION COST.</b>	<b>Shs</b>	<b>Shs</b>
SEE/Tuition	6,290,864.00	5,547,190.00
LT& T	4,900,965.00	2,734,376.00
EWC	236,009.00	2,703,204.00
ADMIN./Contingency	2,709,460.00	1,640,691.00
Library	107,911.00	213,037.00
RMI	681,665.00	334,918.00
Boarding	40,435.00	384,582.00
Medical	130,950.00	87,525.00
Activity	543,520.00	1,009,710.00
Practical	268,696.00	353,396.00
Student Council	134,870.00	233,690.00
Student Id	24,100.00	40,800.00
Research and Innovation	887,340.00	582,490.00
Attachment	457,584.00	0.00
Fee transfer	66,600.00	0.00
BOG Paye Deductions	573,979.00	0.00
Development(Dev A/c)	50,000.00	0.00
Less Creditors ( Absorbed)	0.00	(1,941,245.00)
<b>Total Admin. Cost</b>	<b>18,104,948.00</b>	<b>13,924,364.00</b>



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

<b>7 Employee costs</b>	<b>2017/2018</b>	<b>2016/2017</b>
	<b>Ksh.</b>	<b>Ksh.</b>
Salaries and wages /P-Emoluments	4,150,447.00	1,583,413.00
Other Employee related costs-	0.00	0.00
<b>Total Employee costs</b>	<b>4,150,447.0</b>	<b>1,583,413.00</b>

*(Note: Employee benefits are those paid through the payroll. If travel and other allowances are a reimbursement of in the line of duty, they should be disclosed under general expenses).*

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

	<b>Cumulative to date</b>	<b>Actual Audited</b>
	<b>2017/2018</b>	<b>2016/2017</b>
<b>8.General expenses(Other payments)</b>	<b>Shs</b>	<b>Shs</b>
Examination fee	2,095,987.00	2,413,220.00
Tender Expenses	13,470.00	30,214.00
Supplementary Exams	12,100.00	23,200.00
Investment interest	34,354.00	0.00
Creditors (Payments to vendors for goods supplied in FY2016/2017).	1,941,445.00	0.00
Materials (Development)	19,300.00	0.00
Refund	0	30,000.00
<b>Total General expenses</b>	<b>4,116,656.00</b>	<b>2,496,634.00</b>



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

<b>9. Inventory (Consumables)</b>	<b>2017/2018</b>	<b>2016/2017</b>
	Ksh.	Ksh.
Inventory (Stores consumables)	118,289.00	0.00
<b>Total Inventory</b>	<b>118,289.00</b>	<b>0.00</b>

Inventories are valued at cost using FIFO(First in first out)method.

## VIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>10.Finance income - outstanding receivables</b>	<b>2017/2018</b>	<b>2016/2017</b>
	Ksh.	Ksh.
Fee debtors	1,692,502.00	2,889,060.00
<b>Total receivables finance income–outstanding</b>	<b>1,692,502.00</b>	<b>2,889,060.00</b>



VIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Property, plant and equipment	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets	Plant and equipment	Capital Work in progress	Total
<b>Cost</b>	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As At June 30 <sup>th</sup> 2017	0.00	0.00	420,000.00	69,950.00	193,037.00	0.00	0.00	682,987.00
Additions for 2017/2018	307,000.00	0.00	849,212.00	48,000.00	1,265,953.00	0.00	0.00	2,470,165.00
Disposals	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Transfers/adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>As At 30 June 2018</b>	<b>307,000.00</b>	<b>0.00</b>	<b>1,269,212.00</b>	<b>117,950.00</b>	<b>1,458,990.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,153,152.00</b>
<b>Net book values</b>								
At end of year	307,000.00	0.00	1,269,212.00	117,950.00	1,458,990.00	0.00	0.00	3,153,152.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Note : Depreciation policy is being developed and shall be adopted as soon as its approved.

## VIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>12. Refundable deposits from students</b>	<b>2017/2018</b>	<b>2016/2017</b>
	<b>Ksh.</b>	<b>Ksh.</b>
Refundable deposits (caution money)	275,500.00	203,000.00
<b>Total Refundable deposits</b>	<b>275,500.00</b>	<b>203,000.00</b>

<b>13 Differed income (fee prepayments)</b>	<b>2017/2018</b>	<b>2016/2017</b>
	<b>Ksh.</b>	<b>Ksh.</b>
Fee prepayments	2,547,668.00	654,563.00
<b>Total Differed income</b>	<b>2,547,668.00</b>	<b>654,563.00</b>



## VIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>14 Finance income – Income Received In advance</b>	<b>2017/2018</b>	<b>2016/2017</b>
	<b>Ksh.</b>	<b>Ksh.</b>
Examination fee prepaid	512,482.00	366,680.00
Helb Loan	0.00	147,500.00
<b>Total income received in advance</b>	<b>512,482.00</b>	<b>514,180.00</b>

## VIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 1(a) Detailed analysis of the cash and cash equivalents

Financial institution	Account number	Actual	Actual
		2017/2018	2016/2017
		Shs 000	Shs 000
<b>a) Current account</b>			
Kenya Commercial bank		8,907,355.55	3,973,404.00
Equity Bank, et		0.00	0.00
<b>Sub- total</b>		<b>8,907,355.55</b>	<b>3,973,404.00</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank		0.00	0.00
Equity Bank - etc		0.00	0.00
<b>Sub- total</b>		<b>0.00</b>	<b>0.00</b>
<b>c) Fixed deposits account</b>			
Kenya Commercial bank		6,000,000.00	6,000,000.00
Bank B		0.00	0.00
<b>Sub- total</b>		<b>6,000,000.00</b>	<b>6,000,000.00</b>
<b>d) Staff car loan/ mortgage</b>			
Kenya Commercial bank		0.00	0.00
Bank B		0.00	0.00
<b>Sub- total</b>		<b>0.00</b>	<b>0.00</b>
<b>e) Others(specify)</b>		0.00	0.00
Cash in transit		0.00	0.00
cash in hand		3,052.00	0.00
M pesa		553,414.00	0.00
<b>Sub- total</b>		<b>563,164.00</b>	<b>0.00</b>
<b>Grand total</b>		<b>15,463,821.55</b>	<b>9,973,404.00</b>



## VIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Cumulative to date	Actual Audited
<b>10.Receivable from exchange transactions</b>	<b>2017/18</b>	<b>2016/17</b>
	Shs	Shs
<b>Current receivables</b>		
Other exchange debtors	1,692,502.00	2,889,060.00
Less: impairment allowance	(0.00)	(0.00)
<b>Total current receivables</b>	<b>1,692,502.00</b>	<b>2,889,060.00</b>
<b>Non-current receivables</b>		
Current portion transferred to current receivables	(0.00)	(0.00)
<b>Total non-current receivables</b>	<b>0.00</b>	<b>0.00</b>
<b>Total receivables</b>	<b>1,692,502.00</b>	<b>2,889,060.00</b>

	0-30 days	60-90 days	90-120 days	Over 1 year old	Total
	Shs '000	Shs'000	Shs'000	Shs '000	Shs'000
<b>10 (a)Receivables in arrears</b>					
Student receivables	0.00	0.00	1,152,000.00	540,502.00	1,692,502.00
Staff receivables	0.00	0.00	0.00	0.00	0.00
Others(specify)	0.00	0.00	0.00	0.00	0.00
	<b>0.00</b>	<b>0.00</b>	<b>1,152,000.00</b>	<b>540,502.00</b>	<b>1,692,502.00</b>

Note: The total column of individual receivables in arrears should tie to the respective elements