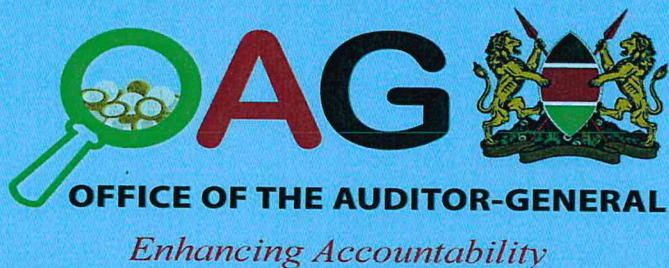



REPUBLIC OF KENYA



	
THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT DATE: 22 SEP 2021	DAY. Wednesday
TABLED BY:	chief whip Hon. Wanyenze Emmanuel
CLEARED AT THE-TABLE:	Christine Njoroge

THE AUDITOR-GENERAL

ON

KAREN TECHNICAL TRAINING INSTITUTE

**FOR THE YEAR ENDED
30 JUNE, 2019**



MINISTRY OF EDUCATION
STATE DEPARTMENT OF VOCATIONAL EDUCATION AND TECHNICAL TRAINING
KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF

P.O. BOX 24785-00502 Nairobi, Kenya. Tel. 0722677859

E-mail: kttid2007@yahoo.com

Website: www.kttideaf.ac.ke



VISION: *To be a Centre of Excellence in Integrated Technical and Vocational Education and Training for the Hearing Challenged and the Hearing*



International Public Sector Accounting Standards (IPSAS)
Annual Financial Reporting Template for
Technical Vocational Education Training (TVET) Institutions, National Polytechnics and
Teacher Training Colleges

KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2019

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

Karen Technical Training Institute for the Deaf was founded in the Year 1990 with the mandate to offer Technical and Vocational Education and Training to Students with Special Needs in Kenya (the Deaf). Since 2015 the Institution operates under the State Department of Vocational and Technical Training. From inception the Institute had been under the State Department of Basic Education; Ministry of Education.

At Cabinet level Karen Technical Training Institute for the Deaf is represented by the Cabinet Secretary for Ministry of Education who is responsible for the general policy and strategic direction of the Institute.

(b) Principal Activities - the provision of technical, vocational education and training to deaf students with special needs in Kenya.

Vision: A Centre of Excellence in Integrated Technical and Vocational Education and Training for the Hearing Challenged.

Mission: We dedicate ourselves to the provision of Technical and Vocational Education and Training using modern technology and innovation guided by the values of Commitment, Hard work, Integrity and Teamwork while upholding Professionalism at all times.

(c) Strategic Objectives

- Provide market driven and relevant training for students.
- Provide modern facilities, infrastructure and equipment for teaching and learning.
- Enhance financial stability by increasing revenue and managing costs.
- Improve access to and use of ICT.
- Develop human resource capacity and improve corporate image.

(d) Entity Headquarters

Karen Technical Training Institute for the Deaf
P.O. Box 24785-0050
Karen Road
Nairobi, KENYA

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(e) Entity Contacts

Telephone: (254) 0722-261453 (Principal's no.)

E-mail: kttid2007@yahoo.com

Website: www.kttideaf.ac.ke

(f) Entity Bankers

1. National Bank of Kenya
Harambee Avenue
P.O. Box 41862-00100
NAIROBI

2. Barclays Bank of Kenya
P.O. Box 24180-00502
NAIROBI

3. Kenya Commercial Bank
P.O. Box 224410-00502
NAIROBI

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

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I KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(a) BOARD MEMBERS OF KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF



LINDSEY ROUND-TURNER
BOG Chairperson

A vivacious, positive and highly motivated Senior Manager, creative thinker and Team player with over 15 Year's experience from hands on youth work, teaching and coaching to Programme Management and Consultancy having developed strategic interest in developing young people and supporting staff teams, both in and out of the Classroom having led various Youth Programs in Africa and Europe including The Challenge and Middlesmoor in the United Kingdom, Jeremy Steere Architects in South Africa, Inspire Worldwide in Uganda and Tanzania as well as Rhizomestudio and Bawa Designs in Kenya. She holds a Masters Degree in Humanitarian and Development Practice from the Oxford Brookes University in the United Kingdom as well as a Bachelor's Degree in Architecture and Diploma in Architecture. She was awarded the Hunter Johnston Doric Prize in recognition of her stellar contribution to the life and spirit to the Department of Architecture. She has exemplary volunteer experience having held different positions offering Architectural Advice and Fundraising Support at Lwala Community Alliance in the United States and Quest Overseas Youth Centre in Tanzania, Community Development Facilitation at Blackbird Leys Community Centre in the United Kingdom and Student Partnerships as an Environmental Teacher in Nepal, India.



TECLA M. CHEMOBO
Principal & Secretary BOG

She is a scintillating, successful, spiritual and highly skilled professionally Trained Educationist with 33 years of experience as a Teacher that elevated her to the position. She currently holds as the Principal of Karen Technical Training Institute for the Deaf in Nairobi, Kenya. She holds a Bachelor's Degree in Education (Upper 2nd Class Honors) from Kenyatta University, a Higher Diploma in Counselling Psychology from Kenya Institute of Professional Counselling [KIPC] as well as a Diploma in Education from Maseno-Siriba Diploma Teachers Training College. In the course of her working life, she has held various positions rising from a Class Teacher at Chepareria Girls High School in West Pokot, Kapsabet Girls High School, Kaaga Girls High School in Meru, Nairobi School and then to her promotion as a Lecturer, Head of Department, Dean of Students, Registrar and later Deputy Principal In-charge of Academic Affairs at Nairobi Technical Training Institute up to 2015 when she was appointed by the Teachers Service Commission to her current position as Principal TVET. She also serves as the Secretary to the Board of Governors at Karen Technical Training Institute for the Deaf. She has over 22 years' experience in inspiring and shaping policy within the TVET Sector having attended and participated in various Policy and Governance Workshops and Training for TVET Principals and Managers especially with the Government of Kenya and Ministry of Education as well as other Stakeholders such as Commonwealth Association of Technical Universities and Polytechnics in Africa {CAPA} and {KATTI}.

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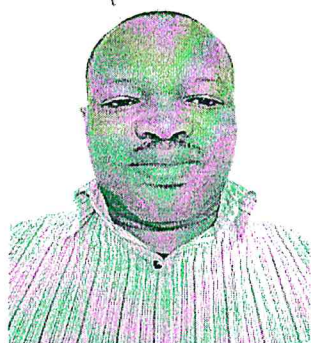
DR. MESHACK OPWORA,
Director TVET

He holds a Doctorate Degree [PhD] in Technical and Vocational Education and Training Reforms from the University of Newcastle, Australia, a Master Business Administration [MBA] in Entrepreneurship from Kenyatta University, a Master of Education [MED] in Educational Administration and Planning from the University of Nairobi and a Bachelor of Education in Tech-Building and Construction Technology from Moi University. He currently is the Acting Director of Technical Education at the State Department of Vocational and Technical Training at the Ministry of Education. His broad career in Technical and Vocational Education spans over 20 years and in which he has undergone professional training in project planning and management at the Kenya Education Staff Institute, a program-based budgeting course at the Kenya Institute of Administration, a Vocational Training Curriculum Planning in Kenya by the Seoul Institute of Vocational Advanced Training in South Korea and a Monitoring and Evaluation Program at Eastern and Southern African Management Institute [ESAMI] in Durban, South Africa.



FRANCIS J.Y. ALLOO
Chairman Finance
Committee of the Board

He has had a stellar banking career spanning 32 years with different banks in East Africa. He holds a General Certificate of Education [GCE] from the University of Cambridge and certified by the East African Examinations Board and a Banking Diploma from the Institute of Bankers in the United Kingdom and followed by his appointment by the same institute as a Certified Associate of the Institute. In 2012; he went on to be appointed by the Board of the Kenya Institute of Bankers as a Fellow {FKIB} which he hold to date. He has served in various capacities in the financial and banking industry serving at different managerial positions at Barclays Bank of Kenya for 20 years and retired in 1998 as a Senior Risk Manager. He went on to be appointed Deputy Managing Director at Transnational Bank Limited and Head of Credit, a position he held for four years before moving on to Delphis Bank Limited as Head of Credit and Risk Management for a year. Akiba Commercial Bank Limited then appointed him General Manager of Operations based in Tanzania for two years. He went on to now become a Training Consultant with Family Bank Limited Credit Division as well as Banking Trainer with the Kenya Institute of Bankers {KIB}. Currently a Consultant with the {ICPAK} Finance. He has also previously served as the Treasurer for the Kenyan Branch of the London-based Institute of Bankers and a Member of the Agricultural Society of Kenya {ASK} rising to the Chairmanship of the Nanyuki ASK Branch and later the National Financial Advisor of the ASK.



GEORGE H. GACHANJA
MAHUGU
Chairman Academic Affairs
of the Board

He holds a Bachelor of Science Degree in Microfinance from the Kenya Methodist University, a Diploma from the Kenya Institute of Management and a Certificate from the Catholic University of Eastern Africa in Management of Child Centered Organizations, Child Rights and Paralegal Studies. He has over 19 years working experience with NGOs primarily within the PWD {Persons With Disabilities} sector especially with the deaf. He currently holds the position of Program Coordinator at the Kenya Society for Deaf Children {KSDC}. He has previously worked as a Program Consultant with the Kenya Association of Parents of the Deaf and coordinating programs of network and funding organizations including Stichting Operation Eardrop and Vitaal based in Netherlands as well as in education and rehabilitation of hearing loss in children with the Department for International Development [DFID] and in mobilisation and training of parents in Kenyan Sign Language for the U.S. Peace Corps. He has also been a trainer for the National Police Service of Kenya in Sign Language. He sits on the Board of Governors at Karen Technical Training Institute for the Deaf as a representative of KSDC. He has also previously been a Board Member of Mobil Oil.

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SUZAN MAYIENGA
BOG Member

She is a versatile personality with over 30 years' experience in Marketing, Public Relations, Administration and Communication. She holds a Diploma in Public Relations and Personnel Administration from ABMA Education in the United Kingdom, a Marketing Diploma from the Marketing Society of Kenya and an Advanced Marketing Diploma from the same institution. She also holds an SAP Accounting Systems from the Coca Cola University and a Counselling Certificate from Amani Counselling Centre. Currently; she holds the position of Senior Public and Consumer Affairs Coordinator at Coca Cola East, Central and West Africa. She previously served as a Community Based Support Unit Officer at AMREF and a Customer Care Officer at Telkom Kenya. She has also previously volunteered as a Member of the Pastoral Parish Board of Our Lady Queen of Peace Church and a Sponsor Member of the Mukuru-Kayaba Youth Empowerment Club as well as a Youth Matron of the St. Margaret Catholic Church. She is also the Founder and Director of Unique Tours and Travel Company.



NICKSON O. KAKIRI
BOG Member (Deaf)

He holds a Bachelor of Arts Degree in Governmental and International Development from Gallaudet University in Washington D.C., in the United States where he received numerous awards including the Edward Miner Gallaudet Presidential Scholarship Award, The Nippon Foundation Scholarship Award and the pioneer recipient of this award in 2003, The Olaf Hanson Service Award and the Graduate Student Association Commitment Award. His stellar recognition was mainly in the area of Persons With Disability [PWDs] especially the deaf. He has equally presented various internationally acclaimed papers and presentations around the needs, issues, human rights, women empowerment, collaborations and equality and inclusivity among the deaf in society at Dong Nai University in Vietnam, Mahatma Gandhi University in India, at the World Bank Tokyo Information Session in Tokyo, Japan (2008), at the Tokyo University of Foreign Studies Research Institute for Languages and Cultures of Asia and Africa, at Swarthmore College, Pennsylvania, USA at The Deaf around the World Conference among others facilitated by the Kenyan Government. He has also held positions in a similar capacity among them being the current National Chairman/C.E.O of the Kenya National Association of the Deaf [KNAD].



JAQUELINE MEBUR
BOG Member

She is a passionate individual with a blend of experience in engineering project management and operations. She has an exemplary track record of successfully managing small to large projects in leading Women in Technology Academy and various Mobile Core Network Optimization and Implementation Projects at Safaricom Limited in various positions starting off as a Specialist Engineer for Network Operations to a Senior Core Networks Engineer then rose to a Program Coordinator for the Women in Technology Academy and currently holds the position of Product Officer for Technology for Development. She holds a Bachelor of Science Degree in Electrical and Electronic Engineering from Jomo Kenyatta University of Agriculture and Technology [JKUAT]. She is also accomplished as a Fellow of the Mandela Washington Young Africa Leadership Initiative [YALI] and the international Visitors Leadership Program in Science and Technology Education at the United States Department of State as well as the Women in Leadership Program at Strathmore University.


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HILARY J.W. LUKHAFWA
BOG Member

He is a self-motivated individual with a strong personality in Leadership & Management having served in different key capacities rising from a Graduate Teacher at Bunyore Girls High School to an Education Officer at the Ministry of Education up to his retirement in 2017 having been promoted to the position of Acting Senior Deputy Director of Education. He went on to serve as a Member of the Committee of Vetting Expatriate Teachers, a Member of the Technical Teams for the Kenya Education Development [PRIEDE] Project and also a Member of the Special Committee on Students Unrest. He is an accomplished achiever in the standardization of admission requirements to Teacher Education Institutions which affected Primary Teacher Education [P1], Diploma in Education and Bachelor of Education Graduates to ensure professionalism in the teaching service, Implementation of registration of Early Childhood Development and Education [ECDE] , Facilitated online registration of Teachers and Enforced requirement for Teacher Registration before any person is employed as a teacher as provided for the in Constitution of the Republic of Kenya and Teachers Service Commission Act of 2012.



(b) Key Management

S/No.	Name of the Staff Responsibility/Designation	Profile Summary
1.	 <p>TECLA M. CHEMOBO Principal & Secretary BOG^[1]_{SEP}</p>	<p>She is a scintillating, successful, spiritual and highly skilled professionally Trained Educationist with 33 years of experience as a Teacher that elevated her to the position. She currently holds as the Principal of Karen Technical Training Institute for the Deaf in Nairobi, Kenya. She holds a Bachelor's Degree in Education (Upper 2nd Class Honors) from Kenyatta University, a Higher Diploma in Counselling Psychology from Kenya Institute of Professional Counselling [KIPC] as well as a Diploma in Education from Maseno-Siriba Diploma Teachers Training College. In the course of her working life, she has held various positions rising from a Class Teacher at Chepareria Girls High School in West Pokot, Kapsabet Girls High School, Kaaga Girls High School in Meru, Nairobi School and then to her promotion as a Lecturer, Head of Department, Dean of Students, Registrar and later Deputy Principal In-charge of Academic Affairs at Nairobi Technical Training Institute up to 2015 when she was appointed by the Teachers Service Commission to her current position as Principal TVET. She also serves as the Secretary to the Board of Governors at Karen Technical Training Institute for the Deaf. She has over 22 years' experience in inspiring and shaping policy within the TVET Sector having attended and participated in various Policy and Governance Workshops and Training for TVET Principals and Managers especially with the Government of Kenya and Ministry of Education as well as other Stakeholders such as Commonwealth Association of Technical Universities and Polytechnics in Africa {CAPA} and {KATTI}.</p>

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2.	 <p>GRACE MICERE MAMBO Deputy Principal <small>[SEP]</small></p>	<p>She started teaching in 1981 at Kiambu High School. Immediately was made the Head of Home Science Department. In 1986 took study leave to further her Studies. In 1988 she was awarded a Masters of Education in Primary Teacher Education. On completion, she was posted to Kenya Institute of Special Education to Head the Information and Documentation Centre. In 1992 she was transferred to Kenya Science Teachers College to head the Library Science Department. In 2008 she was again transferred to Karen Technical Training Institute for the Deaf to teach in the Institutional Management Department. In 2015 she was appointed Deputy Head of Institutional Management Department. In 2016, she was promoted to Head the same Department. In 2017, she was deployed as the Deputy Principal at Karen Technical Training Institute for the Deaf which she is still to date. She has attended may Workshops and Seminars for TVET. As the Deputy Principal she is In-charge of Academics at the Institute.</p>
3.	 <p>JAPHETH N. ONYIMBO Registrar</p>	<p>He started teaching in 1995 at Karen Technical Training Institute for the Deaf. In 2000 he was transferred to Sunshine Secondary School to teach Drawing and Design and Mathematics and was the Head of Examinations for two years. In 2004 he was transferred back to Karen Technical Training Institute for the Deaf and in 2005 he was appointed to chair the Institution's Tuition Time-table Committee and thereafter in 2008 appointed Deputy Registrar. In 2009 he was appointed Registrar and his Office is in-charge of Admission and Registration of Students in the Institution and Administration of both Internal and External National Examinations among other responsibilities. He has attended various Kenya Association of Technical Training Institute (KATTI) Trainings and Technical Vocational Education Training Workshops organized by the Ministry of Education State Department of Vocational and Technical Training.</p>

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4.	 <p>NORAH JOY ANANDA Dean of Students</p>	<p>She started teaching in 1988 in Mukumu Girls Boarding Primary School till 1993 when she took study leave to further her studies. She studied Diploma in Special Education at Kenya Institute of Special Education and was awarded Diploma Special Education 1st Class Honours in 1995 with another special Award of Best Citizen.</p> <p>She was posted to Agakhan Primary School Deaf Unit in May 1995. She taught in this school till 1997 where she took another study leave to further her education and enrolled in Kenyatta University in 1997 September for Bachelor of Education (Special Education) and successfully completed in the Year 2000 and was awarded B.ED Special Education with 2nd Class Honours – Upper Division.</p> <p>She was posted to Karen Technical Training Institute for the Deaf in 2001. In 2001 was appointed as a Sign Language facilitator. In 2005 was appointed as Head of Department of Audiology Department and Assistant Dean of Students.</p> <p>She was also appointed in 2006 as Head of Performing Arts. In 2015 she was promoted as Dean of Students till to Date.</p> <p>She is also in-charge of two targets in the Performance Contract namely Service Delivery and Resolution of Public Complaints respectively.</p>
5.	 <p>WILFRED KIMATHI <small>CFE</small> Finance Officer</p>	<p>He is a Resilience Character holds a Bachelor of Business Administration (Accounting and Finance option) from Kenya Methodist University (Kenya), a Diploma in Business Management, University of Nairobi (DBM). Certified Public Accountant (CPA II) KSNEB studied at Meru Technical Training Institute know Meru National Polytechnic, a Certificate of Accounts Clerk National Certificate (ACNC) (I & II) (KASNEB). Secondary Education, Gikumene Secondary School Meru, Primary Education, Michogomone Primary School Meru. He is currently the Finance Officer Karen Technical Training Institute for the Deaf. He has attended various capacity building workshop organized Nairobi County School /Tertiary Institution Audit (Nyayo House Educations) attended Training Workshops Organized by TVET the State Department of Vocational and Technical Training Institutions, attended Trainings by National Treasury on Public Sector accounting Standards Board (PSaSB) Training accordance with the Basis of accounting method under the International Public Sector accounting Standards (IPSaS). Sits in various Board Committee Treasurer Macho SACCO Ltd. He is a member Procurement Committee, Treasurer Ngong Methodist Church and Secretary Meban Self Help Group. He has 26 years working experience on the Finance field to date.</p>

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(c) Board Committees

Name of the Committee	Members
Executive Committee	1. Lindsey Round-Turner – Chairperson BOG 2. Francis Joseph Yoga Alloo – Member BOG 3. Suzan Mayienga – Member BOG 4. Tecla M. Chemobo – Principal & Secretary BOG
Planning, Finance and Resource Mobilization Committee	1. Francis Joseph Yoga Alloo – Member BOG 2. Representative PS – State Department of V.T.T. 3. George Habel Gachanja – Member BOG 4. Suzan Mayienga – Member BOG 5. Wilfred Kimathi – Finance Officer 6. Tecla M. Chemobo – Principal & Secretary
Education/Academic Affairs Committee	1. George Habel Gachanja – Member BOG 2. Nickson Kakiri – Member BOG 3. Hillary Lukhafwa – Member BOG 4. Jacqueline Mebur – Member BOG 5. Japheth Onyimbo – Registrar 6. Norah Ananda – Dean of Students 7. Wilfred Kimathi – Finance Officer 8. Tecla M. Chemobo – Principal & Secretary BOG

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CHAIRPERSON'S STATEMENT

Introduction

It is my pleasure to present the Annual Report and Financial Statements for Karen Technical Training Institute for the Deaf for the year ended 30 June 2019. This is my first year as the Board's Chairperson.

Financial Performance

In the year under review, the Institution reported a total income of Kshs. **81,654,498** compared to Kshs. **82,679,381** for the FY 2017/2018 financial year. This represents a slight decrease from the previous year. This was mainly due to delayed funding by the National Government which poses a great risk to achievement of the core mandate of the institution due to resources constraint. Tuition fees however grew by Kshs. 8,697,906 representing 26% growth. This was attributed to increased student enrolment of 760 as at June 2018 to 836 in June 2019.

The Board of Governors

The Board is committed to ensure prosperity of the Institution by collectively directing its affairs whilst meeting the diverse interests of its stakeholders. The Board charter guides the operation of the Board while defining the functions and responsibilities of the Board of Governors and that of Management. The Board strives to maintain the highest standards of corporate governance and ethics in providing the policy and strategy of the Institution.

Achievements and Challenges


In addition to increased student's enrolment, Karen Technical Training Institute for the Deaf has had notable improvement in general service delivery and corporate image. Over the last 5 years to date there has been increasing enrolment of students gradually. However, the increase in the number of students is not commensurate with Government funding. This poses a great challenge to finance the programs and activities.

Appreciation

On behalf of the Board of Governors, I wish to thank all the Stakeholders for the confidence placed on the Board during the entire period and look forward to serving even better. In a special way, I thank the Ministry of Education, State Department of Vocational and Technical Training and the Rotary Club of Karen that have stood with us during the entire financial year. Your continued support is highly appreciated. Further, I thank members of Management, Staff and Students for dedication and commitment towards the growth of the Institution.

LINDSEY ROUND-TURNER

Board Chairperson


17.07.2020

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REPORT OF THE PRINCIPAL

Introduction and Background

It is my great pleasure to present the Annual Report and Financial Statements for Karen Technical Training Institute for the Deaf for the year ended 30 June 2019. Karen Technical Training Institute for the Deaf is a Public Tertiary Institution under the State Department of Vocational and Technical Training that started in 1990 to offer Technical Training to the Deaf Youth in Kenya. The Institute trains students mainly at the level of Artisan, Craft and in Diploma courses based on the minimal number of Deaf Youth who successfully complete the Kenya Certificate of Primary Education (KCPE) and the very few who even proceed to the Kenya Certificate of Secondary Education (KCSE) Level. Effective January 2015, the Institute moved from the Department of Basic Education to the State Department of Vocational and Technical Training, Directorate of TVET and assumed new status with a higher profile.

Academics

The Institution has continued to provide quality Technical Vocational and Educational Training under the newly approved Competence Based Education and Training (CBET) Curriculum. The Government posted additional trainers during the year.

Overview of the Financial Performance

In the year under review, the Institution reported a total income of Kshs. **81,654,498** compared to Kshs. **82,679,381** for the FY 2017/2018 financial year. This represents a slight decrease from the previous year. This was mainly due to delayed funding by the National Government which poses a great risk to achievement of the core mandate of the institution due to resources constraint. Tuition fees however grew by Kshs. 8,697,906 representing 26% growth. This was attributed to increased student enrolment of 760 as at June 2018 to 836 in June 2019.

Infrastructure

To cater for the increased population of both Staff and Students, the Institution, in the year under review, continued to grow its infrastructure. The Institution spent a total of Kshs. 6,867,474 (2017/18: Kshs. 4,699,990) on repairs and maintenance, ICT infrastructure developments of Kshs. 3,431,200 (2017/18: Kshs. 932,565). The Institution received Kshs. 13,424,007 as Development Grant from the Government which is yet to be utilised as approval for construction of workshop for clothing technology is yet to be given.

Compliance with Statutory Guidelines

In the year under review, Karen Technical Training Institute for the Deaf diligently fulfilled its entire statutory obligation and guidelines set by government agencies and commissions. The Institution signed

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Performance Contracting with the Ministry of Education and the same was cascaded to relevant officers and Staff of the Institution with continuous monitoring and evaluation.

Challenges

Over the last 5 years, the Institution has been increasing enrolment of students gradually. However, the increase in the number of students is not commensurate with Government funding. This poses a great challenge to finance the growth of the Institution.

Appreciation

I note with appreciation that the Government of Kenya through the Ministry of Education, our collaborators, and other institutions that have rendered their support during the entire financial year under review. Further, I would like to appreciate the support accorded to me by Staff and Students in ensuring smooth running of the Karen Technical Training Institute for the Deaf. The Institution acknowledges the guidance of the Board of Governors in ensuring the Management is kept on the move towards attainment of the set targets.


TECLA M. CHEMOBO
Principal

17/7/2020

LINDSEY ROUND-TURNER
CHAIRPERSON BOG



17.07.2020

CORPORATE GOVERNANCE STATEMENT

The Board of Governors is responsible for providing overall leadership through oversight, review and guidance in addition to the setting the strategic and policy direction of the institution.

During the year under review, the Board of Governors comprised of 9 Members, all appointed by the Cabinet Secretary in the Ministry of Education and the Principal who is secretary to the Board of Governors. The Board is responsible for ensuring that Institution complies with the law and best practices in corporate governance.

Functions of the Board of Governors

The functions and powers of the Board Governors are as stipulated as indicated below:

- Determining the Institution's vision, mission, purpose and core values.
- Setting and overseeing the overall strategy.
- Approve significant policies of the institution.
- Ensuring that the Institution's strategy is aligned with its purpose, legitimate interests and expectations of the stakeholders.
- Monitoring the Institution's performance and ensuring sustainability.

Board Meetings Attendance and Members' Participation

The Board holds regular meetings to transact planned business of the Institution. Special meetings may also be called when there is significant business to discuss. During the year under review, the Board held 4 mandatory meetings attended by all members with exception of the representative of the Governor of the County of Nairobi. Board members receive adequate notices and detailed issues for discussion in order to for them to prepare for the meetings in advance.

Board Induction and Training

During the year, members of the Board went through Board induction in order to equip them with the knowledge required to effectively discharge their responsibilities and to understand the Institution and its operations well. The Board was inducted on April 2019.

Board Remuneration

Members of the Board are paid taxable sitting allowances for meetings attended as well as travel allowances while carrying out duties on behalf of the Institution as per the guidelines provided by Salaries and Remuneration Commission and approval by the Cabinet Secretary for Education.

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Board Committees

During the 2018/2019 financial year, the following were the committees in place:

- Executive Committee comprised of 4 members of the Board.
- Planning, Finance and Resource Mobilization Committee comprised of 5 members of the Board and 1 member of key management.
- Education/Academic Affairs Committee comprised of 5 members of the Board and 3 members of key management.

Conflict of Interest

The Institution has a conflict of interest policy which applies to all members of the Board, key management and other employees as per the requirements of section 29 of schedule 2 of the Technical and Vocational Education, 2013. They are obligated to disclose and remove themselves from discussion or decision making authority in matters which they may have material personal interest that could result in impairing their objectivity or interfere with the execution of their duties.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Financial and Operational Performance

Income

The main source of income for the institution is grants from the Government of Kenya. Internally, the institution generates revenue in the form of tuition fees and other income from rental of facilities and equipment. During the financial year 2018/2019 the institution's approved budget was Kenya Shillings 124,095,000. The below is the breakdown of the income for the year:

Recurrent Grant – The Institution was initially allocated Kshs. 39,612,764 in the approved budget for the financial year 2018/2019. The balance of Kshs. 19,838,831 relating to Quarters 3 and 4 was subsequently received after the year end.

Development Grant – in the approved budget, the institution was allocated Kshs. 13,424,007. The entire amount was disbursed however it is yet to be utilised. There was additional development grant of Kshs. 13.7m brought forward from FY 17/18 which is captured in the financial statements.

Tuition Fees – budgeted amount of Kshs. 69,884,236 against actual fees collected of Kshs. 41,964,636 during the year.

Other Income – this comprises rental of facilities and equipment was budgeted at Kshs. 1,598,000 against actual income of Kshs. 1,198,810.

Expenditure

Actual expenditure for the year was Kshs. 94,541,120. Major expenditure related to Boarding Equipment and Stores (BES) (Kshs. 21,833,324) and School Equipment Store (SES) (Kshs. 15,222,387). Other major expenditure related to student activities (Kshs. 7,144,509), salaries and wages (Kshs. 8,018,024).

2. Key projects or investments decision implemented or ongoing

The Institution has the following ongoing projects:

- i) **GOK/AFDB TVET PHASE II PROJECT** which is fully financed by the African Development Bank and the Government of Kenya. The project involves the construction of ICT, Electrical and Electronics Engineering departments and two hostel blocks for both male and female students with a capacity of 100 students. The project is at 90% and is expected to be completed by December 2019.

- ii) The construction of a workshop for the department of clothing technology which is also fully funded by the Government of Kenya through Development Grant. The total amount received during the financial year 2018/2019 stands at Kenya Shillings 13,424,007.

3. Compliance with Statutory Requirements

Karen Technical Training Institute for the Deaf as a public entity has a duty to ensure that all the relevant laws and regulations are adhered to and complied with. In addition, the Institution does acknowledge its obligation to have all statutory dues such PAYE, NHIF, NSSF, withholding tax and NITA levies processed and remitted before the set timelines. There are no non-compliance issues that may expose the institution to potential contingent liabilities neither are there ongoing or potential court cases and defaults that could expose the institution to adverse liability.

4. Major Risks facing the Organisation

The institution's activities expose it to a variety of strategic, operational, liquidity and financial risks:

- i. **Strategy risk** – the risk associated with an institution's inability to formulate and/or execute a successful strategy. The risk has been mitigated by having a Board in place whose members are professional and well versed with the requirements of running a special needs tertiary institution. The education programmes at Karen Technical Training Institute for the Deaf are carefully selected and formulated to ensure its mandate is achieved in a sustainable manner
- ii. **Operational risk** - the risk of failure or loss resulting from inadequate or failed processes, people, or systems failure. This risk has been managed through defining and embedding internal controls in all the processes. These internal controls include but not limited to obtaining authorizations for all transactions and ensuring compliance with laws and regulations.
- iii. **Liquidity risk** – the risk that an entity will be unable to meet its obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances to cover anticipated expenditures through a consultative budgeting process with the parent ministry.

5. Material arrears in Statutory and other Financial Obligations

Karen Technical Training Institute for the Deaf has no existing material financial obligations and has been able to settle all statutory obligations as at the yearend.

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6. Financial Probity and serious Governance issues

There has been no financial improbity reported by the external auditors or other oversight bodies.

The institution has a duly constituted Board of Governors that is supported by Board Committees.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

During the year under review, Karen Technical Training Institute for the Deaf did not carry out any Corporate Social Responsibility activities.

KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF
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REPORT OF THE MEMBERS OF THE BOARD

The Board members submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of affairs of Karen Technical Training Institute for the Deaf.

Principal activities

The principal activities of the entity are the provision of technical, vocational education and training to deaf students with special needs in Kenya.

Results

The results of the entity for the year ended June 30, 2019 are set out on page 1.


MEMBERS OF THE BOARD

The Members of the Board of Governors who served during the year are shown on page iii. During the year the Chairman of the Board, Dr. Kevit Desai ceased to be member of the Board in September 2018 and the current Chair was appointed with effect from 05 October 2018.

Auditors

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

By Order of the Board


TECLA M. CHEMOBO
Corporate Secretary
Nairobi
Date: 17/7/2020

LINDSEY ROUND-TURNER
CHAIRPERSON BOG


17.07.2020

KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF
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STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE BOARD

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

The Board members are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2019. 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 entity; (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 entity'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 entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity'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 entity 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 *entity's* financial statements were approved by the Board on 17/7/2020 ~~2019~~ and signed on its behalf by:

LINDSEY ROUND-TURNER
CHAIRPERSON BOG



Board Member

17.07.2020

FRANCIS J. Y. ALLOO



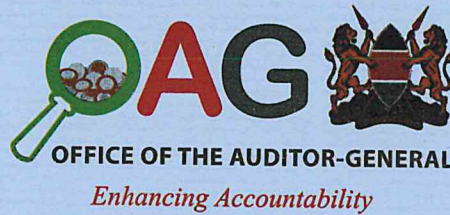
Board Member

GEORGE H.
GACHANDA


Board Member

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Karen Technical Training Institute for the Deaf set out on pages 1 to 21, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of cash flows, statement of changes in net assets 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, because 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 Karen Technical Training Institute for the Deaf as at 30 June, 2019 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 do not comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1.0 Unconfirmed Comparative balances

The financial statements for the year ended 30 June, 2019 reflect unconfirmed comparative balances brought forward from previous years of total assets of Kshs.33,953,675 and accumulated surplus of Kshs.33,953,675 as at 30 June, 2018 whose audited reports on the financial statements were not availed for audit review.

Consequently, the completeness, validity and correctness of the comparative balances could not be confirmed.

2.0 Undisclosed Property, Plant and Equipment

The statement of financial position and as disclosed under Note 17(a) to the financial statements reflects Nil balance under property, plant and equipment. However, excluded in these financial statements is undetermined value of land measuring forty (40) acres on

which the Institute's Headquarters is built. To date, the Institute's land is not defined with an exterior boundary or barrier and has been encroached upon by informal settlers. In addition, the Nil balance also excludes the value of motor vehicles, furniture and fittings, buildings, work-in-progress, biological assets and loose tools.

Consequently, the completeness, validity correctness of property, plant and equipment of Nil balance as at 30 June, 2019 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.124,095,000 and Kshs.95,078,505 respectively resulting to an under-funding of Kshs.29,015,849 or 23% of the budget. Similarly, the Institute expended Kshs.95,841,120 against an approved budget of Kshs.124,095,000 resulting to an under-expenditure of Kshs.12,418,758 or 10% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the stakeholders and the public.

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 section 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 for Conclusion

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 section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management is aware of the intention to liquidate 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 the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

13 August, 2021

KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF
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IV. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2018-2019	2017-2018
		KShs	KShs
Revenue from non-exchange transactions			
Transfers from other government entities	6	38,491,052	49,052,651
Revenue from non-exchange transactions		38,491,052	49,052,651
Revenue from exchange transactions			
Rendering of services- Fees from students	7	41,964,636	33,266,730
Other income	8	1,198,810	360,000
Revenue from exchange transactions			33,626,730
Total revenue		81,654,498	82,679,381
Expenses			
Use of goods and services	9	5,737,413	5,201,388
Employee costs	10	8,018,024	7,591,248
Remuneration of Board members	11	2,884,030	1,333,700
Repairs and maintenance	12	6,867,474	4,699,990
Grants and subsidies	13	1,513,315	7,674,978
General expenses	14	70,820,864	60,090,502
Total expenses		95,841,120	86,591,806
Deficit for the year		(14,186,622)	(3,912,425)


The notes set out on pages 6 to 20 form an integral part of the Annual Financial Statements.

KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

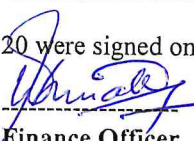
V. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	2018-2019 KShs	2017-2018 KShs
Assets			
Current assets			
Cash and cash equivalents	15	28,859,813	33,953,675
Receivables from exchange transactions	16	13,620	-
Receivables from non-exchange transactions	17	19,141,126	
Inventories	18	264,060	-
Total current assets		48,278,619	33,953,675
Non-Current Assets			
Property, Plant & Equipment	17(a)	-	-
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	19	1,367,770	-
Total current liabilities		1,367,770	-
Net assets		46,910,849	33,953,675
Non-current liabilities			
Deferred income	20	27,143,795	
Total non-current liabilities		27,143,795	-
Reserves			
Accumulated surplus		19,767,053	33,953,675
Total reserves		46,910,849	33,953,675

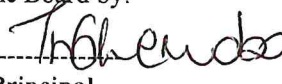
The Financial Statements set out on pages 6 to 20 were signed on behalf of the members of the Board by:


Board Chairperson
LINDSEY ROUND-TURNER

Date: 17.07.2020


Finance Officer
ICPAK No

Date: 17/7/2020


Principal

Date: 17/7/2020

KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF
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VI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2019

	Accumulated surplus	Total
At July 1, 2017	37,866,100	37,866,100
(Deficit) for the year	(3,912,425)	(3,912,425)
At June 30, 2018	33,953,675	33,953,675
At July 1, 2018	33,953,675	33,953,675
(Deficit) for the year	(14,186,622)	(14,186,622)
At June 30, 2019	19,767,053	19,767,053

KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF
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VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2018-2019 KShs	2017-2018 KShs
Cash flows from operating activities			
Receipts			
Transfers from other government entities	(appendixIII)	19,014,126	49,052,651
Other grants	6b	335,800	
Rendering of services- Fees from students	7	41,964,636	33,266,730
Other income	8	1,198,810	360,000
Fees paid in advance	19	67,770	
Total Receipts		62,581,142	82,679,381
Payments			
Use of goods and services	9	5,737,413	5,201,388
Compensation of employees	10	8,018,024	7,591,248
Remuneration of Board members	11	2,884,030	1,333,700
Repairs and maintenance	12	6,867,474	4,699,990
Grants and subsidies	13	1,513,315	7,674,978
General expenses (less provision sh.1,300,000)	14	69,520,864	60,090,502
Net increase in receivables	16	13,620	
Net increase in inventories	18	264,060	
Total Payments		94,818,800	86,591,806
Net cash flows from operating activities		(32,237,658)	(3,912,425)
Cash flows from financing activities			
Development grant	20	27,143,795	-
Net (decrease) in cash and cash equivalents		(5,093,862)	(3,912,425)
Cash and cash equivalents at 1 July	15	33,953,675	37,866,100
Cash and cash equivalents at 30 June	15	28,859,813	33,953,675

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

VIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019

	Original budget 2018-2019 Kshs	Adjustments 2018-2019 Kshs	Final budget 2018-2019 Kshs	Actual on comparable basis 2018-2019 Kshs	Performance difference 2018-2019 Kshs	%ge difference	Budget notes
Revenue							
Transfers from other government entities	52,612,764	-	52,612,764	51,915,059	(697,059)	-1%	1
Rendering of services - Fees from students	69,884,236	-	69,884,236	41,964,636	(27,919,600)	-40%	2
Other income	1,598,000	-	1,598,000	1,198,810	(399,190)	-25%	3
Total income	124,095,000	-	124,095,000	95,078,505	(29,015,849)	-23%	
Expenses							
Use of Goods and services	6,000,000	-	6,000,000	5,737,413	(262,587)	-4%	4
Compensation of employees	11,000,000	-	11,000,000	8,018,024	(2,981,976)	-27%	4
Remuneration of Board members	2,000,000	-	2,000,000	2,884,030	884,030	44%	5
Repairs and maintenance	10,000,000	-	10,000,000	6,867,474	(3,132,526)	-31%	7
General expenses	82,095,000	-	82,095,000	70,820,864	(11,274,136)	-14%	7
Grants and subsidies paid	13,000,000	-	13,000,000	1,513,315	(11,486,685)	-88%	8
Total expenditure	124,095,000	-	124,095,000	95,841,120	(28,253,880)	-23%	
Surplus for the period	-	-	-	-762,615	-761,969		

Budget notes

1. Not material
2. Overlap in academic terms.
- 3.
4. Delay in funding
5. Board induction
6. Delay in funding
7. Delay in funding
8. Delay in funding

KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF
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IX. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Karen Technical Training Institute for the Deaf is established by and derives its authority and accountability from the TVET Act of 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is the provision of technical, vocational education and training to students with special needs (deaf) in Kenya.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis unless stated otherwise. 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 *entity's* accounting policies.

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

The financial statements have been prepared in accordance with the PFM Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Impact
IPSAS 40: Public Sector Combinations	<p>Applicable: 1st January 2019</p> <p>The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.</p> <p><i>This standard has no impact on these financial statements since there were no business combinations arising from non-exchange transactions.</i></p>

KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2022:</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. <p><i>The entity is yet to adopt this standard hence no impact on the financial statements.</i></p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p><i>The entity is yet to adopt this standard hence no impact on the financial statements.</i></p>

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2019.

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 financial performance.

Development/capital grants are recognized in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services – Fees from Students

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

The institute recognises student fees and charges in the year in which the service is provided to the student. Students' fees and charges received that relate to the service rendered in the future period are treated as income in advance.

Other Income

Other income represents miscellaneous receipts not derived from the core business and it is recognised when earned.

b) Budget Information

The original budget for FY 2018/2019 was approved by the Board or Board on 28 June 2018. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget Information (Continued)

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.

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.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per the Income Tax Act.

d) 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.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity's 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 an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

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.

e) Inventories

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Provisions

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

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

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

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

g) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. The entity maintains reserves in respect of accumulated surpluses at the end of every period

h) Changes in accounting policies and estimates

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) 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.

j) Cash and cash equivalents

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

k) Comparative figures

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

l) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2019.

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.

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 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	KShs	KShs
Unconditional grants		
Operational grant	38,155,252	38,941,164
Other grants	335,800	671,600
	38,491,052	39,612,764
Conditional grants		
Development grant	13,424,007	9,439,887
Total government grants and subsidies	51,915,059	49,052,651

6b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund KShs	Total grant income during the year KShs	2017-2018 KShs
Ministry of State Department for Vocational and Technical Training	38,491,052	13,424,004	-	51,915,056	49,052,651
Total	38,491,052	13,424,004	-	51,915,056	49,052,651

7 RENDERING OF SERVICES - FEES FROM STUDENTS

Description	2018-2019	2017-2018
	KShs	KShs
SES Tuition	12,067,350	10,194,632
Boarding (BES)	17,164,848	11,617,958
Medical	365,838	514,648
Activities	1,909,900	1,374,750
Library	1,021,627	702,370
Contingencies	314,259	377,318
Student identity card	114,640	82,770
Industrial attachment	285,200	712,010
PTA Development projects	4,879,602	3,434,660
Practical training materials	3,380,910	3,743,080
Students governing Board	369,372	356,584
Application form	91,090	155,950
Total revenue from the rendering of services	41,964,636	33,266,730

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 OTHER INCOME

Description	2018-2019	2017-2018
	KShs	KShs
Rental revenue from facilities	1,198,810	360,000
Total rentals	1,198,810	360,000

Other income relates to rental income from staff quarters.

9 USE OF GOODS AND SERVICES

Description	2018-2019	2017-2018
	KShs	KShs
Electricity and water	5,737,413	5,201,388
Total good and services	5,737,413	5,201,388

10 EMPLOYEE COSTS

	2018-2019	2017-2018
	KShs	KShs
Salaries and wages	8,018,024	7,591,248
Employee costs	8,018,024	7,591,248

11 REMUNERATION OF BOARD MEMBERS

Description	2018-2019	2017-2018
	KShs	KShs
BOG meetings	1,454,030	1,333,700
Board induction	1,430,000	-
Total Board remuneration	2,884,030	1,333,700

12 REPAIRS AND MAINTENANCE

Description	2018-2019	2017-2018
	KShs	KShs
Property	6,867,474	4,699,990
Total repairs and maintenance	6,867,474	4,699,990

13 GRANTS AND SUBSIDIES

Description	2018-2019	2017-2018
	KShs	KShs
Development- dining hall	553,160	-
Social development-ablution	960,155	7,674,978
Total grants and subsidies	1,513,315	7,674,978

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 GENERAL EXPENSES

Description	2018-2019	2017-2018
	KShs	KShs
Advertising (marketing services)	776,560	2,093,400
SES Tuition	15,222,387	10,742,397
Boarding (BES)	21,833,324	26,433,863
Local transport & travel	2,891,570	2,366,629
Medical	447,470	99,500
Activities	7,144,509	4,607,730
Library	160,700	183,786
Contingencies	829,708	383,736
Student identity card	28,300	13,900
Industrial attachment	905,700	251,000
PTA development projects	2,641,815	1,724,060
Practical training materials	4,105,852	2,113,596
Students governing Board	23,900	83,310
Security reinforcements	1,629,900	1,879,600
Performance contract	2,067,832	1,732,800
Staff development, KATTI & CAPA events	4,098,475	3,911,830
Generator	127,805	120,600
ICT infrastructure developments	3,431,200	932,565
Ball Games and Athletics	828,353	82,200
Tender	45,500	-
Bank charges	280,004	-
Safety measures	-	334,000
Audit fees-2018/2019	1,300,000	
Total general expenses	70,820,864	60,090,502

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 CASH AND CASH EQUIVALENTS

Description	2018-2019	2017-2018
	KShs	KShs
Current account	28,805,834	33,951,252
Others(specify)	53,979	2,423
Total cash and cash equivalents	28,859,813	33,953,675

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

Financial institution	Account number	2018-2019	2017-2018
		KShs	KShs
a) Current account			
National Bank of Kenya	01003002830300	10,901,193	16,705,675
National Bank of Kenya	01003002830301	14,244,175	13,860,939
	228336	3,660,466	3,384,637
Barclays Bank of Kenya			
Sub- total		28,805,834	33,951,252
b) Others(specify)			
Cash in hand		53,979	2,423
Sub- total		53,979	2,423
Grand total		28,859,813	33,953,675

16 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Current receivables		
Student debtors	13,620	-
Total receivables	13,620	-

17 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Current receivables		
Recurrent grant receivable	19,141,126	-
Total receivables	19,141,126	-

The amount relates to Q3 and Q4 recurrent grant subsequently received in July 2019.

17(a) NON-CURRENT ASSETS

Description	2018-2019	2017-2018
	KShs	KShs
Property Plant & Equipment		
Land	-	-
Equipment	-	-
Motor Vehicles	-	-
Borehole	-	-

NOTE: Kindly note that the Institutional Assets (Property, Plant and Assets for F/Y 2018/2019) have not been Valued but the Institute has disclosed all the Assets in Appendix 1 hereby attached named as: PERMANENT STORES LEDGER FOR INSTITUTIONAL ASSETS AS AT 30TH OF JUNE, 2019.

18 INVENTORIES

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Description	2018-2019	2017-2018
	KShs	KShs
Consumables	264,060	-
Total inventories at the lower of cost and net realizable value	264,060	-

19 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Audit fees-2018/2019	1,300,000	
Fees paid in advance	67,770	-
Total trade and other payables	1,367,770	-

20 DEFERRED INCOME

Description	2018-2019	2017-2018
	KShs	KShs
Development Grant	27,143,795	-
Total deferred income	27,143,795	-

The amount relates to development grant disbursed during the year and brought forward from FY 2017/2018 amounting to Kshs. 13.7m.

21 FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks including credit, liquidity risks and market risk. The entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

(a) Credit risk (Continued)

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

(i) Credit risk

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

The entity's credit risk is primarily attributable to deposits with banks, however the risk is not significant since the entity's bank are reputable institutions.

The receivables under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is therefore minimal. No allowance for uncollectible amounts has recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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21 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2018				
Receivables from non-exchange transactions	-	-	-	-
Bank balances	33,953,675	33,953,675	-	-
Total	33,953,675	33,953,675	-	-
At 30 June 2019				
Receivables from non-exchange transactions	19,141,126	19,141,126		
Receivables from exchange transactions	13,620	13,620	-	-
Bank balances	28,859,812	28,859,812	-	-
Total	48,014,558	48,014,558	-	-

The Board members set the entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Liquidity risk is the risk that the entity will not have sufficient financial resources to meet its obligations as they fall due or will have to do so at excessive costs. This arises due to the mismatching of the timing of cash flows from revenue and capital/operational outflows.

Ultimate responsibility for liquidity risk management rests with the entity's Board, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements.

The entity is a government funded institution and faces the risk of delayed/inadequate funding. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

(iii) Market risk

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Interest rate risk is minimal since the entity does not have any borrowing. Foreign exchange risk is also minimal as cash and cash equivalents held with banks are denominated in Kenya Shillings.

22 RELATED PARTY BALANCES

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Nature of related party relationships

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

Government of Kenya

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

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

	2018-2019	2017-2018
	KShs	KShs
Transactions with related parties		
a) Grants from the Government		
Grants from National Government	51,915,059	49,052,651
Total	51,915,059	49,052,651
b) Key management compensation		
Directors' emoluments	2,884,030	1,333,700
Total	2,884,030	1,333,700

23 EVENTS AFTER THE REPORTING PERIOD

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

24 ULTIMATE AND HOLDING ENTITY

The entity is a Technical and Vocational Education and Training (TVET) under the Ministry of Education, State Department of Vocational Education and Technical Training. Its ultimate parent is the Government of Kenya.

25 Currency

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
No Prior Issues					

Principal & Secretary BOG

LINDSEY ROUND-TURNER

Date... 17.07.2020...



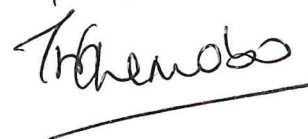
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Chairperson
BOG.

Trichembo

TECLA M. CHEMBO

17/7/2020



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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
TVET PHASE II PROJECT		GOK & AFDB	To be completed 31 Dec 2019	AFDB	No	No

Status of Projects completion

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	TVET PHASE II PROJECT			90%			GOK
2	Construction of Workshop for the Department of Clothing Technology						GOK

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APPENDIX III: INTER-ENTITY TRANSFERS

	ENTITY NAME:	Karen Technical Training Institute for the Deaf		
	Break down of Transfers from the State Department for Vocational and Technical Training			
	FY 2018/2019			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		11.10.2018	9,903,190	2018 - 2019
		26.02.2019	9,110,936	2018 - 2019
		10.07.2019	19,141,126	2018 - 2019
		Total	38,155,252	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		23.10.2018	3,356,002	2018 - 2019
		18.03.2019	3,356,002	2018 - 2019
		11.06.2019	6,712,000	2018 - 2019
		Total	13,424,004	

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

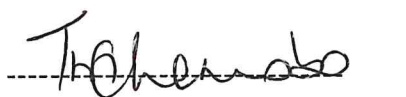
Principal
 Karen Technical Training Institute for the Deaf
 P.O. Box 24785 – 00502
 NAIROBI

LINDSEY ROUND - TURNER
 CHAIR PERSON BCG



17.07.2020

Sign


 17/7/2020

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APPENDIX IV: INSTITUTE ASSETS 2018/2019			
ASSET TYPE			
MOTOR VEHICLES		QUANTITY	LOCATION
1	ISUZU BUS (REG NO. KBQ 575D)	1	INSTITUTE'S GARAGE
2	PICK-UP (REG NO. KAD 816F)	1	INSTITUTE'S GARAGE
3	TRACTORS		
	1. REG NO. KBB 297S	1	INSTITUTE'S GARAGE
	2. REG NO. KBB 297S	1	INSTITUTE'S GARAGE
FURNITURE AND FITTINGS			
CHAIRS			
1	WOODEN	34	ALL DEPARTMENTS
2	BANQUATE CHAIRS	360	DINNING HALL
3	PLASTIC	10	ALL DEPARTMENTS
TABLES			
		22	ALL DEPARTMENTS
CABINETS			
		26	ALL DEPARTMENTS
LIBRARY BOOKS		5,873	LIBRARY
BUILDINGS			
1	ADMINISTRATION BLOCK	1	WITHIN THE INSTITUTE
2	CLASSROOMS	13	WITHIN THE INSTITUTE
3	STAFF QUARTERS		
	TEACHING STAFF	6	WITHIN THE INSTITUTE
	SUPPORT STAFF	14	WITHIN THE INSTITUTE
4	HOSTELS		
	PERMANENT	6	WITHIN THE INSTITUTE
	SEMI PERMANENT	1	WITHIN THE INSTITUTE
5	ABLUTION BLOCK	2	WITHIN THE INSTITUTE
6	WORK IN PROGRESS - ELECTRICAL ENGINEERING COMPLEX (AfDB & GoK)	1	WITHIN THE INSTITUTE
BIOLOGICAL ASSETS			
1	Milking Cows	4	WITHIN THE INSTITUTE
2	Heifer	5	WITHIN THE INSTITUTE
3	Bulls	2	WITHIN THE INSTITUTE
4	Calves	1	WITHIN THE INSTITUTE
TOOLS AND EQUIPMENT IN EACH DEPARTMENT			
1	INSTITUTIONAL MANAGEMENT	3766	DEPTMENT
2	CARPENTRY AND JOINERY	546	DEPTMENT
3	BUILDING AND CONSTRUCTION	248	DEPTMENT
4	GENERAL AGRICULTURE	75	DEPTMENT
5	HAIR DRESSING & BEAUTY	70	DEPTMENT
6	ELECTRICAL & ELECTRONICS	155	DEPTMENT
7	CLOTHING TECHNOLOGY	120	DEPTMENT
8	COMMUNICATION AND SIGN LANGUAGE	28	DEPTMENT
9	AUTOMOTIVE DEPARTMENT	81	DEPTMENT
10	BUSINESS STUDIES	54	DEPTMENT
11	GUIDANCE AND COUNSELLING	11	DEPTMENT
12	GAMES	280	DEPTMENT
13	MAIN KITCHEN	1771	KITCHEN
14	SECURITY	54	SECURITY ROOM
15	STORES	498	STORES ROOM
16	STUDENT BOARDING FACILITIES	134	HOSTELS