

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

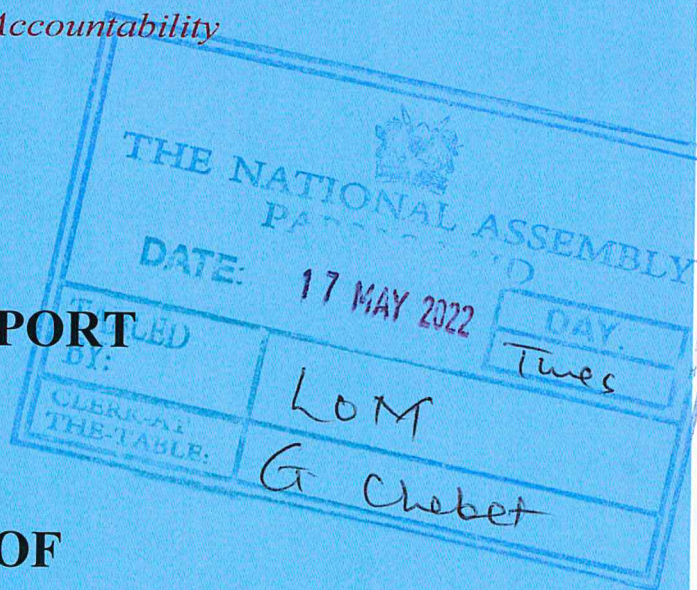
**OF**

**THE AUDITOR-GENERAL**

**ON**

**OL'LESSOS TECHNICAL TRAINING  
INSTITUTE**

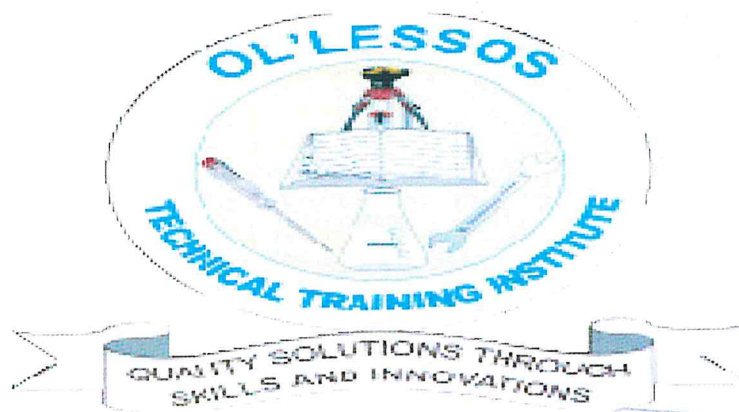
**FOR THE YEAR ENDED  
30 JUNE, 2018**











**OL'LESSOS TECHNICAL INSTITUTE**

*Technical Vocational Education Training (TVET) Institution*

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*OL'LESSOS TECHNICAL INSTITUTE*

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30<sup>TH</sup> JUNE 2018**

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OI, LESSOS TECHNICAL INSTITUTE

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018

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







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## **KEY ENTITY INFORMATION AND MANAGEMENT**

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

The inception and growth of OTTI dates back to 1975 when the local community of ol'lessos had a vision of having a Technical Secondary School. The community pooled together and raised funds by contributions from individual community members. However, the idea of a Technical Secondary School Changed to a Technical Institute through an Act of Parliament. This was realized in 1982 when the Institute admitted its first students. The Institute is registered as a public institution under the Ministry of Education: State Department of Vocational and Technical Training. The Institute is located in good serene learning environment suitable for offering skills and competencies, just along Kapsabet – Nabkoi Road in Nandi County and 1 km from Lessos market.

Ol'Lessos Technical Training Institute is an ISO 2009:2015 certified institution that offers various accredited programmes that are market driven. It is strategically located along Kapsabet – Nabkoi – Nakuru highway hence accessible at all times and from all directions. Its steady growth both in student enrolments and infrastructural facilities is a manifestation that the management is committed in ensuring the institute plays a vital role in the realization of the vision 2030, sustainable development goals (SDG) and in the achievement of the Big four agenda items. The institute has focused its attention in the development of ultra-modern infrastructure and relevant training facilities in the seven departments; the latest being medical laboratory, Electrical and Electronics workshop and the hospitality centre which has state of the art equipment geared towards meeting training standards as demanded by market needs. The management has also planned to continuously supplement government support in equipping workshops and laboratories.

The institute which now has over 3,000 students studying at various levels (Artisan, Craft and Diplomas, Capacity building and other flexible blended courses) has become increasingly the centre of attraction to a large number of KCSE graduates seeking for necessary skills required in the job market. The impact of the institute has been felt within Nandi County and all over the country and the last two years the institute has witnessed tremendous growth which has had a positive socio-economic impact to the surrounding community. It also intends to rollout CBET programmes in all the seven academic departments in accordance with the strength of each department.

Its participation in public exhibitions and research, linkages with other institutions and outreach programmes has ensured its position in technological advancement and innovation. All the departments have also undertaken ICT integrations in training programmes to take advantage of ICT and adopt modern approaches to successful curriculum implementation.

Being an ISO 9001:2015, Ol'Lessos Technical Training Institute intends to be a World class training facility. The future expectations of the community and other strategic stakeholders of TVET are to see the institute become a National polytechnic.

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

The principal activity/mission/ mandate of the Ol'lessos Technical Training Institute is a centre of excellence for technical and vocational Education and training and research that promotes creativity, innovation and incubation to meet local and global dynamic socio-economic and environmental challenges.

The Ol'Lessos Technical Training Institute has its mandate from the TVET Act 2013 as follows:



OL'LESSOS TECHNICAL INSTITUTE

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- To implement and promote TVET policy.
- To collect manage and account for funds obtained from trainee's ministry donors and development partners
- To recruit Remunerate, Discipline, Motivate and retain qualified teaching and non-teaching staff
- To implement the curriculum and supervise examinations on behalf approved examination bodies
- Embrace gender balance and equity in staff recruitment, promotion and student enrolment.
- Expand ICT facilities to enhance our technological capacity to remain relevant.
- Expand academic opportunities for qualified Kenyans to access TVET programs.
- To facilitate trainee's retention and completion of programmes through HELB Loans and Bursaries.
- To promote innovations, research and income generating projects.
- To develop and improve infrastructural facilities and programs
- To spearhead relevant exposure and linkages to both trainees and staff.
- To promote corporate social responsibility. (Under this section you may also include the entity's vision, mission and core objectives)

**(c) Key Management**

The Ol'lessos Technical Training Instituteday-to-day management is under the following key organs:

- Board of council members/ Council/ Management etc;
- Accounting officer/ Principal
- Top Management team

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	JOSPHAT KIPKEMBOI
2.	Head of Finance	VIOLAH CHELIMO
3.	Deputy Administration	PATRICIA TARUS
4.	Deputy Academics	PATRICK K. TOROREI
5.	Registrar	EDWIN MUTAI
6.	Dean of Students	MICAH LAGAT

*(Include all positions regarded as top management in your organisation).*

**(e) Fiduciary Oversight Arrangements**

*Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):*

- *Audit committee activities*
- *Development partner oversight activities*
- *Other oversight activities*

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

**(f) Entity Headquarters**





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P.O. Box 210  
LESSOS  
30-302

2

Kapsabet-Nabkoi Road

**(g) Entity Contacts**

Telephone: (254) 020-2395160  
E-mail: ollessostechnical@gmail.com  
Website: www.go.ke

**(h) Entity Bankers**

1. National Bank of Kenya  
kapsabet  
P.O. Box 34  
30301  
Nandi-hills,Kenya

2. Kenya Commercial Bank  
Nandi-Hills branch

P.O. Box 184  
30301  
Nandi-hills,Kenya

3. Transnational Bank  
Nandi-Hills branch

P.O. Box 384  
30301  
Nandi-hills,Kenya

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

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





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Nairobi, Kenya









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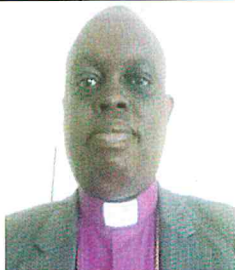
**THE COUNCIL/BOARD OF GOVERNORS**

1.		ABSALOM KOSGEI	DATE OF BIRTH:15/08/1952 B.Sc (Eng'g); P, G.Dip (Env. Eng'g); MIEK; MCIBSE; C.Eng; R.Eng..
2.		LOICE LELEI	DATE OF BIRTH:11/03/1970 BBAM; CREDIT MANAGER & MICROFINANCE; BANKING&FINANCE
3.		JOHN NJENGA KARANJA	DATE OF BIRTH :18/02/1971 Dip ed. Mngt Prim teaching certificate
4.		JAMES MAINA	TEA STATE MANAGER DATE OF BIRTH:12/12/1958 TEA PLANTER & BLACK TEA PRODUCTION MANAGER WORKED WITH EASTERN PRODUCE FOR TWENTY YEARS CURRENTLY IN MANAGEMENT POSITION.
5.		JOSPHAT K. KIPKEMBOI-CHIEF PRINCIPAL	DATE OF BIRTH:31/12/1964 B.ED (Business Economics), M.Phil Agricultural Economics
6.		PETER WEKESA	DATE OF BIRTH :19/12/1958 Directorate of religious education Master of Christian counselling-Landmark Baptist Theological seminary Texas Bachelor in Biblical studies-Nabutacalifonia Dip clinical medicine& surgery
7.		MICHEAL RUGUT- COUNTY DIRECTOR	COUNTY DIRECTOR FOR TVET





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8.		FLORENCE AKUMU DATE OF BIRTH:04/12/1985 Public health officer NGO MEDICINES BRONGIERS
9.		REV. PAUL KORIR DATE OF BIRTH :20/03/1967 Master of Arts (MATS) in ASBURY theological seminary USA, Bachelor of Divinity BD Degree- Limuru Campus, Dip.in Theology ST. Paul school of Divinitykapsabet.






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

Name of the Committee	Members
Finance and Audit Committee	1.ABSALOM KOSGEI 2.LOICE LELEI 3.JOSPHAT KIPKEMBOI 4.JOHN N. KARANJA 5.MICHAELRUGUT
Governance, Research, Education, Training and Ethics Committee	1.DR. STEPHEN WEKESA 2.BISHOP PAUL KORIR 3.FLORENCE AKUMU 4.MICHAELRUGUT 5.JOSPHAT KIPKEMBOI



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**MANAGEMENT TEAM**

1.  JOSPHEAT KIPKEMBOI	DATE OF BIRTH:31/12/1964 B.ED (Business Economics), M.Phil Agricultural Economics
2.  PATRICIA TARUS	DEPUTY PRINCIPAL ADMINISTRATION AND FINANCE Date of Birth:20/08/1976 Master of Science (Animal Ecology) B.Ed (Science)
3.  TOROREIKIPKEMBOIPATRICK	DEPUTY PRINCIPAL ACADEMICS Date of Birth:22/07/1978 Master of Education (Technology Ed) B.Ed (Technology Education)
4.  EDWIN MUTAI	REGISTRAR Date of Birth:20/07/1980 Master of Science in microbiology
5.  MICAH LAGAT	DEAN OF STUDENTS Date of Birth: 13/02/1980 Master of Science in Industrial Engineering and Management; B.Ed (Technology Education)
6. VIOLAH CHELIMO	FINANCE OFFICER CPAK BCOM(Banking and Finance option)

**I. CHAIRMAN'S STATEMENT**

The BoardGovernors of Ol,lessos Technical Institute during the FY2017/2018 aligned the strategic plan 2019 - 2023 to the Big **FOUR** agenda so as to enable the Institute to contribute towards the attainment of our country's **vision 2030**. In order to give guidance/leadership to the institution, the Board undertook training on **Mwongozo code of governance for State Corporation** and Induction program for all Board members in the Institute The team has developed policies that guide the operations of the institute.

As theBoardGovernorswe were able to be in the forefront in ensuring that financial resources were utilized efficiently and effectively for optimum output. Despite the many challenges brought about by economic constraints, the institute nevertheless continues to discharge its mandate.

Indeed, the BoardGovernors of Ol,lessos Technical Institute committed to improving infrastructure for effective learning and teaching. To meet the demand of the growing enrolment, the Boardembarked on





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various projects. purchase of 62-seater bus, Construction of temporary classrooms, Perimeter wall, Drilling of the borehole, CBET Programme in the institute.

Eng. Absalom Kosgei

Board Chairman

The Ol'lessos Technical Institute

**REPORT OF THE PRINCIPAL**

The institution is well placed to providing adequate and relevant knowledge to its graduates that will enable them to contribute towards the attainment of our country's **vision 2030** and the Big **FOUR** agenda. In furtherance of our mandate therefore, we have committed ourselves to consistently review, improve and consolidate our academic programmes in several ways that will ensure their competitiveness in terms of quality and relevance.

We were able to attain ISO 9001:2015 Certificate during the year. As a , in line with our Vision 2030, our trainees participated in developing innovations which were recognised nationally i.e. making food spices out of indigenous trees, Electric power control system for PWDs, and Solar Driven home lighting among others.

The main source of funding to the institute during this period under review was the student fee with a contribution of **Kshs. 76,542,202** for capitation recurrent expenditure purposes. Internally generated revenue from other vote heads was **Kshs. 15,913,500** and **expected from GOK was kshs 30,153,326.**

The institute closed the year with a surplus. The surplus was attributed to the delay in NYS student fees and student HELB loan.

The Institute desires to enhance its visibility, performance and competitiveness in the Tertiary Education Sector in the face of stiff competition. To do so however, the Institute requires a lot of support from the Government and stake holders. We shall continue to appeal for such support for several years to come.

JOSPHAT K. KIPKEMBOI

Chief Principal

OL'LESSOS TECHNICAL INSTITUTE



## **CORPORATE GOVERNANCE STATEMENT**

Ol'lessos Technical Institute is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens Board of Governors and management accountability and helps build public trust in the Institute.

The Board of Governors is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, Science and Technology to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Board of Governors serves as the ultimate decision-making body of the institute, except for those matters reserved to or shared with the Government of Kenya. The Board selects and oversees the members of senior management, who are charged with the Board of Governors in conducting the business of the Institute in line with **the Technical, Vocational, Education & Training Act of 2013** and the constitution of the Republic of Kenya.

The Board of Governors has established Corporate Governance Guidelines which provide a framework for the effective governance of the Institute. The guidelines address matters such as the Board of Governors' Vision and mission, overall strategy, members' responsibilities, The Board of Governors committee structure, recommendation of the Chief principal, Over-sighting the performance and evaluation of management. The Board of Governors regularly reviews developments in corporate governance and updates the Corporate Governance Guidelines and other governance materials as it deems necessary and appropriate.

The Institute corporate governance materials, including the Corporate Governance Guidelines, the Institute legal order, the terms of reference for each Board committee, the Institute's Codes of Business Conduct, information about how to report concerns about the institute and the institute's public policy engagement and technological contributions policy.



## II. MANAGEMENT DISCUSSION AND ANALYSIS

### SECTION A

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

Currently the institute's strategic objectives are in line with the Government Big **FOUR** Agenda. I.e. support value addition through innovation and research. The institute embraced research and innovation in the financial year 2017/2018 and this led to students' participation in innovation activities at both regional and national levels.

#### Related Parties

The institute is mainly funded by the MOE, HELB, NYS, CDF and others and therefore have great influence in making financial and operating decision.

The table below shows related parties

	Name of The Parties	Types of transaction that have occurred	Expected Amount	Amount Received Kshs	Balance Ksh
1	Higher Education Loan Boards	Loan to our student	38,489,000	38,489,000	0
2	National Youth Service	College fee sponsorship	14,819,000	29,455,500	14,636,500
3	Ministry of Education State Department VTT	Capitation from the ministry	0	0	0
5	Constituency Development Fund	College fee sponsorship	3,245,273.00	3,245,273.00	0

#### Entity's compliance with statutory requirements

Currently the INSTITUTE fully complies with the statutory requirements i.e. NSSF, NHIF, tax compliance, **PFM Act 2012**





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period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets belonging to Ol'lessos Technical Institute; (v) Selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Governors accepts responsibility for the Ol'lessos Technical Institute 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 Public Finance Management Act, 2012** and **the State Corporations Act 2012[2010]**. The Board of Governors are of the opinion that the Ol'lessos Technical Institute financial statements give a true and fair view of the state of Ol'lessos Technical Institute transactions during the financial year ended June 30, 2018, and of the Ol'lessos Technical Institute financial position as at that date. The Board of Governors further confirm the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the 's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of Governors to indicate that the Ol'lessos Technical Institute will not remain a going concern for at least the next twelve months from the date of this statement.



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## **REPORT OF THE COUNCIL/BOARD OF GOVERNORS**

The Council/Board members submit their report together with the audited financial statements for the year ended June 30,2018 which show the state of the institute's affairs.

### **Principal activities**

The principal activities of the entity continue to be centre of excellence in providing Technical, Vocational Education and Training and research to meet socio economic and global challenges.

### **Results**

The results of the entity for the year ended June 30 2018 are set out on page 14-19

### **COUNCIL/BOARD OF GOVERNORS**

The members of the Board who served during the year are shown on page 4. During the year no director retired/ resigned and no appointments made to date.

### **Auditors**

The Auditor General is responsible for the statutory audit of the *OL'LESSOS TECHNICAL INSTITUTE* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015, no Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *OL'LESSOS TECHNICAL INSTITUTE* for the year/period ended June 30, 2018 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board  
Corporate Secretary  
Nairobi  
Date: 30/09/19

### **STATEMENT OF BOARD OF GOVERNORS/COUNCIL MEMBERS' RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)*) require the council members to prepare financial statements in respect of that *OL'LESSOS TECHNICAL INSTITUTE*, which give a true and fair view of the state of affairs of *OL'LESSOS TECHNICAL INSTITUTE* at the end of the financial year/period and the operating results of the *OL'LESSOS TECHNICAL INSTITUTE* for that year/period. The Board members are also required to ensure that the *OL'LESSOS TECHNICAL INSTITUTE* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *OL'LESSOS TECHNICAL INSTITUTE*. The council members are also responsible for safeguarding the assets of the *OL'LESSOS TECHNICAL INSTITUTE*.

The council members are responsible for the preparation and presentation of the *OL'LESSOS TECHNICAL INSTITUTE* financial statements, which give a true and fair view of the state of affairs of the *OL'LESSOS TECHNICAL INSTITUTE* for and as at the end of the financial year (period) ended on June 30, 2018. This



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responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the *OL'LESSOS TECHNICAL INSTITUTE* ; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for the *OL'LESSOS TECHNICAL INSTITUTE* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*). The Board members are of the opinion that the *OL'LESSOS TECHNICAL INSTITUTE* financial statements give a true and fair view of the state of *OL'LESSOS TECHNICAL INSTITUTE* transactions during the financial year ended June 30, 2018, and of the *OL'LESSOS TECHNICAL INSTITUTE* financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the *OL'LESSOS TECHNICAL INSTITUTE* which have been relied upon in the preparation of the *OL'LESSOS TECHNICAL INSTITUTE* 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 *OL'LESSOS TECHNICAL INSTITUTE* will not remain a going concern for at least the next twelve months from the date of this statement.

#### Approval of the financial statements

The *OL'LESSOS TECHNICAL INSTITUTE* financial statements were approved by the Board on 20<sup>TH</sup> DECEMBER 2019 and signed on its behalf by:



Board Chairman

17/12/2019

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Board Member

Board secretary

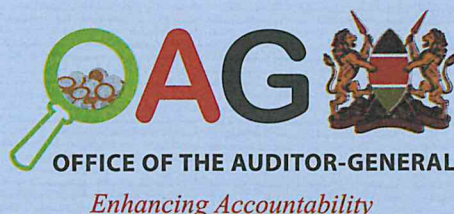






# REPUBLIC OF KENYA

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E-mail: [info@oagkenya.go.ke](mailto:info@oagkenya.go.ke)  
Website: [www.oagkenya.go.ke](http://www.oagkenya.go.ke)



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

## **REPORT OF THE AUDITOR-GENERAL ON OL'LESSOS TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2018**

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

#### **Disclaimer of Opinion**

I have audited the accompanying financial statements of Ol'Lessos Technical Training Institute set out on pages 14 to 60, which comprise the statement of financial position as at 30 June, 2018, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

#### **Basis for Disclaimer of Opinion**

##### **1.0 Presentation of Financial Statements**

The Institute's financial statements for the year ended 30 June 2018 provided for audit reflects the following presentation anomalies contrary to the format prescribed by the Public Sector Accounting Standard Board (PSASB).

- 1.1** The numbering of the financial statements is not consistent. Some pages have numbers appearing at the bottom of the page and others on top of the page.
- 1.2** The pages in the table contents are not aligned to the respective pages in the financial statements.
- 1.3** The financial statements do not have separators between figures.
- 1.4** Financial statements components including use of goods and services, remuneration of directors, depreciation and amortization expense, employee costs, general expenses Inventories, cash and cash equivalent, trade and other payables from exchange transaction, and refundable deposits from customers have not been aligned to the respective Notes.



**1.5** The financial statement for the year 2017/2018 also does not disclose the depreciation method used by the institution.

Consequently, the financial statements are not presented in accordance with International Public Sector Accounting Standards (Accrual Basis) as prescribed by PSASB.

## **2.0 Lack of Supporting Schedules**

The statement of financial performance for the year ended 30 June, 2018 reflects total expenses amount of Kshs.140,132,261. However, no schedules/ledgers were provided to support the expenditure.

Consequently, the accuracy and completeness of the financial statement total expenses figure of Kshs.140,132,261 as at 30 June, 2018 could not be confirmed.

## **3.0 Inaccuracies in the Financial Statements**

### **3.1 Misclassification of Expenses**

The statement of financial performance for the year ended 30 June, 2018 as disclosed in Note 22 to the financial statements reflects general expenses figure of Kshs.109,793,065 which included boarding equipment and stores balance of Kshs.4,530,540 out of which Kshs.1,829,250 was incurred in the acquisition of one hundred and fifty (150) double decker student beds supplied by a company vide cheque numbers 6031 and 6007 which should have been capitalized.

Further, included in the Kshs.109,793,065 is Kshs.30,416,263 on tuition expense which includes salary payments and part time allowances totaling to Kshs.6,570,433 charged to tuition expenses instead of employee costs.

Consequently, the validity accuracy and completeness of the general expenses figure of Kshs.109,793,065 for the year ended 30 June, 2018 could not be confirmed.

### **3.2 Non-Disclosure of Board Expenses**

Note 17 to the financial statements reflects a nil balance on remuneration of directors. However, an examination of expenditure records provided revealed expenditure relating to the Board amounting to Kshs.626,700.

Consequently, the accuracy of the nil balance in respect to remuneration of directors for the year ended 30 June, 2018 could not be confirmed.

## **4.0 Transfers from the National Government**

As disclosed in Note 6 to the financial statements, the statement of financial performance for the period year ended 30 June, 2018 reflects transfers from the National Government figure of Kshs.28,200,000 which includes operational grant amount of Kshs.27,000,000. However, supporting schedules provided for audit reflects a figure of Kshs.27,500,000 resulting in an unreconciled/unexplained variance of Kshs.500,000.

Under the circumstance, the accuracy and completeness of the operational grant figure of Kshs.27,000,000 could not be confirmed.

## **5.0 Net Surplus for the Year**

The statement of financial performance for the year ended 30 June, 2018 reflects net surplus figure of Kshs.48,603,098. However, the statement of comparison of budget and actual amounts reflects a balance of Kshs.985,865 resulting in a variance of Kshs.47,617,233 which has not been explained or reconciled.

Consequently, the accuracy and completeness of the net surplus figure of Kshs.48,603,098 for the year ended 30 June, 2018 could not be confirmed.

## **6.0 Statement of Changes in Net Assets**

The statement of changes in net assets for the year ended 30 June, 2018 reflects a nil opening balance under capital/development grants. However, records provided for audit indicate that the institutions accumulated development grants as at 30 June, 2017 was Kshs.42,127,646. In addition, reflected under fair value adjustment reserve for the year was a figure of Kshs.29,185,865 whose details was not provided.

Further, the statement of changes in net assets reflects a closing balance of Kshs.77,321,431 whereas the statement of financial position indicates a figure of Kshs.14,311,468 resulting in unexplained/unreconciled variance of Kshs.63,009,963. The statement also reflects the closing balance as at 30 June, 2019 instead of 30 June, 2018.

Consequently, the validity, accuracy and completeness of the statement of changes in net assets for the year ended 30 June, 2018 could not be confirmed.

## **7.0 Statement of Cash Flows**

The statement of cash flow for the year ended 30 June, 2018 reflects opening cash and cash equivalents at 01 July, 2017 of Kshs.22,242,630 of which bank certificates, bank reconciliation and cash book were not provided for audit.

Consequently, the accuracy and validity of the statement of cash flows for the year ended 30 June, 2018 could not be confirmed.

## **8.0 Undisclosed Biological Assets**

An audit verification of the Institutes biological assets revealed that the Institute owns one hundred and seventy-six (176) livestock with an estimated value of Kshs.841,000 as per the asset register. However, a review of the 2017/2018 financial statement revealed that the biological assets were not disclosed contrary to International Public Sector Accounting Standard (IPSAS) 27 paragraph 2(a) which stipulates that an entity that prepares and presents financial statements under the accrual basis of accounting shall apply this standard for the biological assets and paragraph 13 which states that an entity shall recognize a biological asset or agricultural produce when and only when the entity controls the asset as a result of past events; It is probable that future economic benefits or service

potential associated with the asset will flow to the entity; and the fair value or cost of the asset can be measured reliably.

Consequently, the validity, accuracy and completeness of the financial statements for the year ended 30 June, 2018 could not be confirmed.

#### **9.0 Undisclosed Value of Property, Plant and Equipment**

As disclosed in Note 32 to the financial statements, the statement of financial position reflects nil balances for property, plant and equipment (PPE) for the year ended 30 June, 2018. Although the Institute owns various assets including land, motor vehicles, computers, buildings tractors as reflected by an un-updated asset register, the reason for excluding them in the financial statement has not been given or explained.

In the circumstance, the accuracy and completeness of the nil property, plant and equipment figure as at 30 June, 2018 could not be confirmed.

#### **10.0 Intangible Assets**

As disclosed in Note 34 to the financial statements, the statement of financial position as at 30 June, 2018 reflects nil figure for intangible asset. However, the institute operates an Enterprise Resource Planner Operating Software which was supplied by a company in phases at a cost of Kshs.5,538,300.

In the circumstance, the accuracy and completeness of the nil intangible figure as at 30 June, 2018 could not be confirmed.

#### **11.0 Cash and Cash Equivalents**

The statement of financial position as at 30 June, 2018 reflects cash and cash equivalent figure of Kshs.53,241,330. However, Note 27(a) of the financial statements reflects a balance of Kshs.23,114,442 resulting in a variance of Kshs.30,126,88 which has not been explained or reconciled. Further, a scrutiny of the ABN system cash books held by the Institution revealed cash and cash equivalents balance of Kshs.52,897,040 resulting to an unexplained variance of Kshs.344,290. In addition, cash and cash equivalents as presented in Note 27 to the financial statement did not disclose bank account name, bank account number and the balance held in each account as per the cash book. Further, details of other cash equivalents making up the cash book balances such as cheques and money orders could not be confirmed as no board of survey was conducted as at the close of the financial year.

Consequently, validity, accuracy and completeness of the cash and cash equivalent balance of Kshs.53,241,330 as at 30 June, 2018 could not be confirmed.

#### **12.0 Bank Reconciliation Statements**

The statement of financial position as at 30 June, 2018 reflects cash and cash equivalents figure of Kshs.53,241,330. A review of the cash and bank records revealed that no monthly



bank reconciliation statements were prepared for eleven (11) out of 14 (fourteen) bank accounts maintained by the Institution.

Consequently, the accuracy and completeness of the cash and cash equivalents figure of Kshs.53,241,330 as at 30 June, 2018 could not be confirmed.

### **13.0 Unsupported Trade and Other Payables from Exchange Transactions**

As disclosed in Note 35 to the financial statements, the statement of financial position as at 30 June, 2020 reflects trade and other payables from exchange transactions balance of Kshs.4,699,517. However, the schedules and ledgers provided for audit revealed an additional amount of Kshs.2,208,858 owed to a Bank as at 30 June, 2018 being bank loan balance used to procure an Institution's vehicle. The Kshs.2,208,858 was not included in the Kshs.4,699,517 thereby understating the Institute's liabilities. Further, no evidence was provided to show that the loan was approved by the board and sanctioned by the relevant Ministry.

Further the aging analysis and the Institutes policy on long outstanding creditors was not provided for audit review.

Consequently, the accuracy of the Kshs.4,699,517 on trade and other payables from exchange transactions as at 30 June, 2018 could not be confirmed.

### **14.0 Unsupported Refundable Deposits**

As disclosed in Note 36 to the financial statements, the statement of financial position as at 30 June, 2018 reflects refundable deposits from customers/students balance of Kshs.1,632,769, which includes customer deposits of Kshs.933,882 and caution money of Kshs.698,887. However, a schedule provided for audit in support of the balances did not indicate each individual student's name and the respective amount as at 30 June, 2018.

Consequently. the accuracy and completeness of the refundable deposits to customer's/students amount of Kshs.1,632,769 for the year ended 30 June, 2018 could not be confirmed.

### **15.0 Unsupported Revenue from Student Fees**

As disclosed in Note 10 to the financial statements, the statement of financial performance for the year ended 30 June, 2018 reflects rendering of service-fees from student's balance of Kshs.65,020,450. However, the fees from students were not supported by the student fee movement schedule indicating the opening balances, additions/Invoiced amounts, amounts paid and balances as at 30 June, 2018.

Consequently, the accuracy and completeness of revenue from student fees of Kshs.65,020,450 for the year ended 30 June, 2018 could not be confirmed.

### **16.0 Unsupported Receivables from Exchange Transactions**

As disclosed in Note 28 to the financial statements, the statement of financial position reflects receivables from exchange transaction figure of Kshs.19,191,289 which relates to

student debtors. However, the receivables were not supported by aging analysis, the Institutes policy on long outstanding debtors, individual debtor ledgers, the debtor movement schedule indicating the opening balances, additions, amounts paid and balances as at 30 June, 2018.

Consequently, the accuracy, validity and completeness of receivables from exchange transactions amount of Kshs.19,191,289 as at 30 June, 2018 could not be confirmed.

#### **17.0 Unsupported Inventories**

As disclosed in Note 30 to the financial statements, the statement of financial position as at 30 June, 2018 reflects inventories amount of Kshs.1,777,498. However, stock sheets and stock take reports were not provided for audit.

Consequently, the accuracy and validity of the inventories figure of Kshs.1,777,498 as at 30 June, 2018 could not be confirmed.

#### **18.0 Budgetary Control and Performance**

The Institute approved expenditure budget for 2017/2018 amounted to Kshs.111,743,291. During the same period, the fund incurred expenditure of Kshs.140,132,261 or 125% of the approved expenditure budget resulting to overall over utilization of Kshs.28,388,970 or 25%. However, no evidence was provided for audit to confirm that the over utilization was authorized by Board.

#### **19.0 Lack of Independent Internal Audit Function**

An audit review of internal audit function revealed that the Institute does not have an internal auditor in place during the year ended 30 June, 2018 which would be responsible for reviewing the governance mechanisms of entity, conducting risk – based, value for money and systems audits, verifying the existence of assets administered by the Institute and ensuring that there are proper safeguards for their protection, providing assurance that appropriate institutional policies and procedures and good business practices are followed by the Institute and evaluating the adequacy and reliability of information available to management for making decisions with regard to the Institute and its operations contrary to Section 73 of the Public Finance Management Act, 2012.

Consequently, the Management of the Institute breached of the law.

#### **20.0 Failure to Establish an Audit Committee**

The Institute has not established an audit committee contrary to Section 174 and 175 of the Public Finance Management (National Governments) Regulations, 2015 which requires National Government entity to establish Audit Committees in accordance with prescribed regulations to monitor the entity governance process, accountability processes and control systems, offer objective advice on issues concerning risk, control, regulatory requirements and governance of the entity.

Consequently, the Management of the Institute breached of the law.

## **21.0 Board of Governors**

Documents provided for audit revealed that the oversight and the running of the Institution is done by a nine-member Board including the Chief Principal and Ministry representative. However, appointment letters for two Board members were not provided for audit.

Consequently, it was not possible to confirm if the Board is properly constituted.

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

#### **Conclusion**

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources/ Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

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

#### **Conclusion**

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Conclusion of Internal Controls, Risk Management and Governance/Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the ability to continue as a going concern/sustain services, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to terminate the Institute or to cease operations.

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



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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is 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. I also consider internal control, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance 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. However, because of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, and Internal Controls, Risk Management and Governance sections of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion.

I am independent of 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.

  
**CPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**09 December, 2021**

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*Report of the Auditor-General on Ol'lessos Technical Training Institute for the year ended 30 June, 2018*

REPORT OF THE INDEPENDENT AUDITOR ON THE OL'LESSOS TECHNICAL INSTITUTE

IV. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2017/2018	2016/2017
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government—grants/ gifts in kind	6	28200000	42699937
Grants from donors and development partners	7	0	0
Transfers from other levels of government	8	43820762	30234643
Public contributions and donations	9	0	0
<b>Total Revenue from non-exchange transactions</b>		<b>72020762</b>	<b>72934580</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	10	65020450	31466961
Sale of goods	11	366115	440445
Rental revenue from facilities and equipment	12	52200	34800
Finance income-external investments	13	19417233	
Consultancy fees	14	0	
Other income	15	31858599	26635208
<b>Revenue from exchange transactions</b>		<b>116714597</b>	<b>58577414</b>
<b>Total revenue</b>		<b>188735359</b>	<b>131511994</b>
<b>Expenses</b>			
Use of goods and services	16	3200956	2631055
Employee costs	17	24167422	20475712
Remuneration of directors	18	0	0
Depreciation and amortization expense	19	0	0
Repairs and maintenance	20	2970818	3505261
Contracted services	21	0	0
Grants and subsidies	22	0	0
General expenses	23	109793065	79649269
Finance costs	24	0	0
<b>Total expenses</b>		<b>140132261</b>	<b>106261297</b>
<b>Other gains/(losses)</b>			
Gain on sale of assets	25	0	0
Unrealized gain on fair value of investments	26	0	0
Impairment loss	27	0	0
<b>Total other gains/(losses)</b>		<b>0</b>	<b>0</b>
<b>Net Surplus for the year</b>		<b>48603098</b>	<b>25250697</b>
Attributable to:			
Surplus/(deficit) attributable to minority interest			



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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018

Surplus attributable to owners of the controlling entity			

The notes set out on pages 20 to 59 form an integral part of the Annual Financial Statements.

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**V. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2018**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

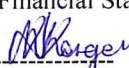
	Notes	2017/2018	2016/2017
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	28	53241330	24197260
Receivables from exchange transactions	29	19191289	16420115
Receivables from non-exchange transactions	30	0	0
Inventories	31	1777498	686780
Investments	32		
<b>Total Current Assets</b>		<b>74210117</b>	<b>41304155</b>
<b>Non-current assets</b>			
Property, plant and equipment	33	0	0
Intangible assets	34	0	0
Investment property	35	0	0
Long term receivables from exchange transactions	29	186000	381600
<b>Total Non-current Assets</b>		<b>186000</b>	<b>381600</b>
<b>Total assets</b>		<b>74396117</b>	<b>41685755</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	36	4699517	0
Refundable deposits from customers	37	1632769	1260979
Provisions	38	0	0
Finance lease obligation	39	0	0
Current portion of borrowings	44	0	0
Deferred income	40	0	0
Employee benefit obligation	41	0	0
Payments received in advance	42	933882	798868
<b>Total Current Liabilities</b>		<b>7266168</b>	<b>2059847</b>
<b>Non-current liabilities</b>			
Non-current employee benefit obligation	41	0	0
Non-current provisions	43	52818481	25314440
Borrowings	44	0	0



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Total Non-current liabilities		52818481	25314440
Total liabilities		60084649	27374287
Capital and Reserves			
Reserves			
Accumulated surplus		11581468	11581468
Capital Fund		2730000	2730000
Total Capital and Reserves		14311468	14311468
Total Liabilities and Capital & Reserves		74396117	41685755

**Control check**

The Financial Statements set out on pages 15 to 19 were signed on behalf of the Institute Council/ Board of Governors by: 

Chairman of Board of Governors

Finance Officer

Principal

Date: 17/12/2019

ICPAK No. 22812

Date: 17/12/19







**VI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2018**

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
<b>Balance b/f at July 1, 2017</b>			11581468		11581468
Revaluation gain					0
Fair value adjustment on quoted investments					0
Total comprehensive income		29,185,865.00			29185865
Capital/Development grants received during the year				2730000	2730000
Transfer of depreciation/amortisation from capital fund to retained earnings					0
<b>Balance c/d as at June 30, 2018</b>	0	29185865	11581468	2730000	43497333
<b>Balance b/f as at July 1, 2018</b>	0	29185865	11581468	2730000	43497333
Revaluation gain					0
Fair value adjustment on quoted investments					0
Total comprehensive income		33824098			33824098
Capital/Development grants received during the year					0
Transfer of depreciation/amortisation from capital fund to retained earnings					0
<b>Balance c/d as at June 30, 2019</b>	0	63009963	11581468	2730000	77321431

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.





**OL'LESSOS TECHNICAL INSTITUTE****TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**VII. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2018**

		2017/2018	2016/2017
	Note	Kshs	Kshs
<b>Cashflowsfromoperatingactivities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants	8	43820762	30234643
Publiccontributionsanddonations			
Renderingofservices- Fees from students	10	65020450	15046846
Saleofgoods	11	366115	440445
Rental revenue from facilities and equipment	12	52200	34800
Financeincome			
Consultancy income			
Otherincome,rentalsandagencyfees	15	31858599	26635208
<b>Total Receipts</b>		<b>141118126</b>	<b>72391942</b>
<b>Payments</b>			
Compensationofemployees	17	24167422	20475712
Use of goodsandservices	16	3200956	2631055
Financecost			
Rentpaid			
Taxationpaid			
Otherpayments	23	109793065	79649269
Grantsandsubsidiespaid			
<b>Total Payments</b>		<b>137161443</b>	<b>102756036</b>
<b>Netcashflowsfromoperatingactivities</b>	45	<b>3956683</b>	<b>-30364094</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangibleassets			
Proceedsfromsaleofproperty,plantand Equipment			
Decreaseinnon-currentreceivables			
Increaseininvestments			
<b>Netcashflowsusedininvestingactivities</b>		<b>0</b>	<b>0</b>
<b>Cashflowsfromfinancingactivities</b>			
Proceedsfromborrowings			
Repaymentofborrowings			
Increasein deposits			
<b>Netcashflowsusedinfinancingactivities</b>		<b>0</b>	<b>0</b>



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<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>0</b>	<b>-30364094</b>
Cash and cash equivalents at 1 July 2017		22242630	
<b>Cash and cash equivalents at 30 June 2018</b>	<b>28</b>		<b>-30364094</b>

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation).



(1/2)

(1/2)

**OL'LESSOS TECHNICAL INSTITUTE**  
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**VIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2018**

	Original budget 2017-2018 Kshs	Adjustments 2017-2018 Kshs	Final budget 2017-2018 Kshs	Actual on comparable basis 2017-2018 Kshs	Performance difference 2017-2018 Kshs
<b>Revenue</b>					
Transfers from other Govt entities Govt grants			30153326	43820762	-13667436
Public contributions and donations			0		0
Rendering of services- Fees from students			76542202	65020450	11521752
Sale of goods			860000	366115	493885
Financial income			0		0
Consultancy Income			0		0
Gains on disposal, rental income and agency fees			15153500	31910799	-16757299
<b>Total income</b>	<b>0</b>	<b>0</b>	<b>122709028</b>	<b>141118126</b>	<b>-18409098</b>
<b>Expenses</b>					
Compensation of employees			26638806	24167422	2471384
Use of Goods and services			3212552	3200956	11596
Finance costs			0		0
Rent paid			0		0
Remuneration of directors			0		0
General expenses			81891933	112763883	-30871950
Grants and subsidies paid			0		0
<b>Total expenditure</b>	<b>0</b>	<b>0</b>	<b>111743291</b>	<b>140132261</b>	<b>-28388970</b>
<b>Surplus for the period</b>	<b>0</b>	<b>0</b>	<b>10965737</b>	<b>985865</b>	<b>9979872</b>

**Budget notes**

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.



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## **IX. NOTES TO THE FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

Ol'lessos technical institute is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is Technical, Vocational, Education and Training.

### **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Ol'lessos technical institute.

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

### **3. ADOPTION OF NEW AND REVISED STANDARDS**

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

<b>Standard</b>	<b>Impact</b>
<b>IPSAS 40:</b> Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2019</b> 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. <i>(State the impact of the standard to the entity if relevant)</i>





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><b>Applicable: 1<sup>st</sup> January 2022:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cashflows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>(State the impact of the standard to the entity if relevant)</i></p>
IPSAS 42: Social Benefits	<p><b>Applicable: 1<sup>st</sup> January 2022</b></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> <ol style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ol> <p><i>(State the impact of the standard to the entity if relevant)</i></p>



**iii. Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2018.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

**ii) Revenue from exchange transactions**

**Rendering of services**

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

**Sale of goods**

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

**Interest income**

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

**Dividends**

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



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

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

**a) Revenue recognition (Continued)**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2017/2018 was approved by the Board on **26<sup>TH</sup> 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. Accordingly, the entity recorded additional appropriations on the FY 2017/2018 budget following Board's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

**c) Taxes**

***Current income tax***

The Ol'lessos technical institute is not exempted from paying taxes.



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6. Buildings include: hospitality centre = kshs 29,350,125, Electrical and Electronics = kshs 53,000,000, Business Tuition kshs 8,491,665, Food and Beverage block kshs 12,000,000, Tuition block, Administration block, workshops, staff quarters, kitchen and Dining Hall
7. Cows, sheeps, poultry





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

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

**f) Leases**

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

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

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

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

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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



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

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

**i) Financial instruments**

***Financial assets***

***Initial recognition and measurement***

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

***Loans and receivables***

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

***Held-to-maturity***

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

***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 of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cashflows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:



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

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

**i) Financial instruments (Continued)**

***Financial assets (Continued)***

***Impairment of financial assets (Continued)***

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

***Financial liabilities***

***Initial recognition and measurement***

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

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

***Loans and borrowing***

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

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

**i) Inventories**

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

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

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





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

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

**i) Inventories (Continued)**

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

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

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

**j) Provisions**

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

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

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

***Contingent liabilities***

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

***Contingent assets***

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are 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.



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

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

**k) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

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

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

**m) Employee benefits**

**Retirement benefit plans**

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

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

**n) Foreign currency transactions**

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

**o) Borrowing costs**

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

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



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14 OTHER INCOME

Description	2016-2017	2017-2018
	KShs	KShs
Servicesconcessionincome	0	0
Skillsdevelopmentlevy	0	0
Income from disposal of assets	0	0
Application fee	212,600	301,300
Attachment fee	867950	1322207
Bank charges	0	27,000
Boarding fee	2218627	2,233,965
Catering fee	4993729	4,876,736
Caution money	933,111	1,139,887
Contingencies	756915	977468
Damages	6,660	15851
Development fund fees	532324	751924
Digital photo	72,700	226,200
Electricity and water conservancy	1243900	1662935
Examination centre fee	104,407	409,880
ICT fee	818486	1125290
Library fine income	905	6,060
Medical fees	620984	826608
Old fees arrears	0	24,200
PTA bus fee	2094221	2648368
Project practical fee	676,649	732,421
Repairs maintenance and improvements	592542	756049
Rent income	34,800	52,200
student ID	262,368	302,503
Student union	397977	509552
	17,696,363	21,418,878

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).





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

**15 USE OF GOODS AND SERVICES**

Description	2016-2017	2017-2018
	KShs	KShs
Electricity	2631055	3200956
Water	0	0
Security	0	0
Professional services	0	0
Subscriptions	0	0
<b>Total good and services</b>	<b>26321055</b>	<b>3200956</b>

**16 EMPLOYEE COSTS**

	2016-2017	2017-2018
	KShs	KShs
Salaries and wages	12856421	18465658
Employee related costs-contribution to pensions and medical aids	0	0
Travel, motor car, accommodation, subsistence and other allowances	7619291	5701764
Housing benefits and allowances	0	0
Overtime payments	0	0
Performance and other bonuses	0	0
Social contributions	0	0
<b>Employee costs</b>	<b>20475712</b>	<b>24167422</b>

**REMUNERATION OF DIRECTORS 2016-2017**

**17**

Description	2016-2017	2017-2018
	KShs	KShs
Chairman's Honoraria		
Directors emoluments		
Other allowances		
<b>Total director emoluments</b>		

**18 -DEPRECIATION AND AMORTIZATION EXPENSE**

Description	2016-2017	2017-2018
	KShs	KShs
Property, plant and equipment		
Intangible assets		
Investment property carried at cost		
<b>Total depreciation and amortization</b>		

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



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**19 REPAIRS AND MAINTENANCE**

<b>Description</b>	<b>2016-2017</b>	<b>2017-2018</b>
	<b>KShs</b>	<b>KShs</b>
Property	3505261	2970818
Investment property—earning rentals	0	0
Equipment and machinery	0	0
Vehicles	0	0
Furniture and fittings	0	0
Computers and accessories	0	0
Other	0	0
<b>Total repairs and maintenance</b>	<b>3,505,261</b>	<b>2,970,818</b>

**20 CONTRACTED SERVICES**

<b>Description</b>	<b>2016-2017</b>	<b>2017-2018</b>
	<b>KShs</b>	<b>KShs</b>
Actuarial valuations	0	0
Investment valuations	0	0
Property valuations	0	0
<b>Total contracted services</b>	<b>0</b>	<b>0</b>

**21 GRANTS AND SUBSIDIES**

<b>Description</b>	<b>2016-2017</b>	<b>2017-2018</b>
	<b>KShs</b>	<b>KShs</b>
Community development		
Education initiatives and programs		
Social development		
Community trust		
Sporting bodies		
<b>Total grants and subsidies</b>		



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

**22 GENERAL EXPENSES**

Description	2016-2017	2017-2018
	KShs	KShs
Advertising	96,190	1641860
Adminfees	3,464,058	3370427
Activity and sports expenses	1,885,502	3156460
Attachment expense	1,183,650	946358
Boarding equipment and stores	268,060	4530540
Catering expense	7,849,822	12090134
Development grants expense	197,425	0
Mentorship costs	413,000	315500
Insurance	99,513	374051
Farm expenses	658,575	776417
Development fund expense	554,360	1047369
Examination	5,321,783	5,373,375
salariess	2,648,748	0
ICT fees expense	810,254	594,904
Library expense	9,707	63,220
Medical expense	254,010	516,302
Operational grants expense	19,776,276	20,317,528
PTA Bus expense	931,396	2,080,656
Tuition expense	23,322,733	30,416,263
Student union expense	958,575	1,157,015
Project practical expense	48,623	58,998
Refund expense	4,922,590	1,255,915
Research expense	533,065	231,600
Bank charges	30359	0
Kitchen expenses	15751	0
Computer packages expense	32100	0
Hire of facilities	116000	0
Loan recoveries	91001	0
HNIF/NSSF	2358991	0
suspense account	36000	17440

**23 FINANCE COSTS**

Description	2016-2017	2017-2018
	KShs	KShs
Borrowings(amortizedcost)*	0	0
Financereleases(amortizedcost)	0	0
Unwindingofdiscount	0	0
Interest on Bankoverdrafts	0	0
Interest on loans from commercial banks	0	0





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

**24 GAIN ON SALE OF ASSETS**

Description	2016-2017	2017-2018
	KShs	KShs
	0	0
Property, plant and equipment	0	0
Intangible assets	0	0
Other assets not capitalised	0	0
<b>Total gain on sale of assets</b>	<b>0</b>	<b>0</b>

**25 UNREALIZED GAIN ON FAIR VALUE INVESTMENTS**

Description	2016-2017	2017-2018
	KShs	KShs
Investments at fair value	0	0
<b>Total gain</b>	<b>0</b>	<b>0</b>

**26 IMPAIRMENT LOSS**

Description	2016-2017	2017-2018
	KShs	KShs
Property, plant and equipment	0	0
Intangible assets	0	0
<b>Total impairment loss</b>	<b>0</b>	<b>0</b>

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

**27 CASH AND CASH EQUIVALENTS**

Description	2016-2017	2017-2018
	KShs	KShs
Current account	0	0
On - call deposits	0	0
Fixed deposits account	0	0
Staff car loan/ mortgage	0	0
Others (specify)	0	0
<b>Total cash and cash equivalents</b>	<b>0</b>	<b>0</b>

*(The amount should agree with the closing and opening balances as included in the statement of cash flows)*



## 28 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2016-2017	2017-2018
	KShs	KShs
<b>Currentreceivables</b>		
Student debtors	16420115	19191289
Rent debtors	0	0
Consultancy debtors	0	0
Other exchange debtors	0	0
Less:impairmentallowance	(0)	(0)
<b>Totalcurrentreceivables</b>	<b>16,420,115</b>	<b>19,191,289</b>
<b>Non-currentreceivables</b>	0	0
Refundable deposits-overpayments	798,868	933,882
Advance payments-advance salary	381,600	186,000
Publicorganizations	0	0
Less:impairmentallowance	(0)	(0)
<b>Total</b>	<b>16,801,715</b>	<b>20,311,171</b>
Currentportiontransferredtocurrentreceivables	(0)	(0)
<b>Totalnon-currentreceivables</b>	<b>0</b>	<b>0</b>
<b>Totalreceivables</b>	<b>16,606,115</b>	<b>20,311,171</b>

## 29 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2016-2017	2017-2018
	KShs	KShs
<b>Currentreceivables</b>		
Transfers from other govt. entities	0	0
Undisbursed donor funds	0	0
Otherdebtors(non-exchangetransactions)	0	0
Less:impairmentallowance	(0)	(0)
<b>Totalcurrentreceivables</b>	<b>0</b>	<b>0</b>

## 30 INVENTORIES

Description	2016-2017	2017-2018
	KShs	KShs
Consumablestores	150,400	260,000
Maintenance stores	82,500	152,000
Health Unit stores	146,210	350,620
Electrical stores	220,120	350,628
Cleaning materials stores	38,650	215,620
Catering stores	48,900	448,630
<b>Totalinventoriesatthelowerofcostandnetrealizablevalue</b>	<b>686,780</b>	<b>1,777,498</b>



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

**31 INVESTMENTS**

<b>Description</b>		<b>2016-2017</b>	<b>2017-2018</b>
		<b>KShs</b>	<b>KShs</b>
<b>a) Investment in Treasury bills and bonds</b>			
<b>Financial institution</b>			
CBK			
CBK			
<b>Sub- total</b>			
<b>b) Investment with Financial Institutions/     Banks</b>			
Bank x			
Bank y			
<b>Sub- total</b>			
<b>c) Equity investments (specify)</b>			
Equity/ shares in company A			
<b>Sub- total</b>			
<b>Grand total</b>			





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

**32 PROPERTY, PLANT AND EQUIPMENT**

<b>Cost</b>	<b>Land and Buildings</b>	<b>Motor vehicles</b>	<b>Furniture and fittings</b>	<b>Computers</b>	<b>Other Assets (Specify)</b>	<b>Plant and equipment</b>	<b>Capital Work in progress</b>	<b>Total</b>
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July xxx	0	0	0	0	0	0	0	0
Additions	0	0	0	-	0	-	0	0
Disposals	(0)	(0)	-	-	(0)	-	(0)	(0)
Transfers/adjustments	0	0	0	(0)	(0)	-	0	(0)
<b>At 30<sup>th</sup> June xxx</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additions	0	0	0	-	0	0	0	0
Disposals	(0)	-	-	-	(0)	-	(0)	(0)
Transfer/adjustments	(0)	0	0	0	(0)	-	0	(0)
<b>At 30<sup>th</sup> June xxx</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Depreciation and impairment</b>								
At 1 July xxx	(0)	(0)	(0)	(0)	(0)	-	(0)	(0)
Depreciation	(0)	(0)	(0)	(0)	(0)	-	(0)	(0)
Impairment	(0)	-	-	-	(0)	-	-	(0)
<b>At 30<sup>th</sup> June xxx</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)
Disposals	0	-	-	-	0	-	0	0
Impairment	(0)	(0)	-	-	(0)	-	-	(0)
Transfer/adjustment	0	(0)	(0)	0	(0)	-	(0)	0
<b>At 30<sup>th</sup> June xxx</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net book values</b>								
<b>At 30<sup>th</sup> June xxx</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 30<sup>th</sup> June xxx</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>[Include brief description of WIP as a footer]</i>								





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

**33 INTANGIBLE ASSETS-SOFTWARE**

<b>Description</b>	<b>2016-2017</b>	<b>2017-2018</b>
	<b>KShs</b>	<b>KShs</b>
<b>Cost</b>		
<b>At beginning of the year</b>	0	0
Additions	0	0
<b>At end of the year</b>	0	0
Additions—internal development	0	0
<b>At end of the year</b>	0	0
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	0	0
Amortization	0	0
<b>At end of the year</b>	0	0
Impairment loss	0	0
<b>At end of the year</b>	0	0
<b>NBV</b>	0	0

**34 INVESTMENT PROPERTY**

<b>Description</b>	<b>2016-2017</b>	<b>2017-2018</b>
	<b>KShs</b>	<b>KShs</b>
<b>At beginning of the year</b>	<b>0</b>	<b>0</b>
Additions	0	0
Fair value gain	0	0
Depreciation (where investment property is at cost)	(0)	(0)
<b>At end of the year</b>	<b>0</b>	<b>0</b>

**35 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

<b>Description</b>	<b>2016-2017</b>	<b>2017-2018</b>
	<b>KShs</b>	<b>KShs</b>
Tradepayables	0	4,699,517.00
Fees paid in advance	798,868	933,882.00
Employee advances	381,600	186,000
Third-party payments	0	0
Other payables	0	0
<b>Total trade and other payables</b>	<b>1,180,468</b>	<b>5,819,399</b>



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

**36 REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS**

Description	2016-2017	2017-2018
	KShs	KShs
Consumer deposits	798,868	933,882
Caution money	462,111	698,887
Other refundable deposits	0	0
<b>Total deposits</b>	<b>1,260,979</b>	<b>1,632,769</b>

**37 CURRENT PROVISIONS**

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
<b>Balance at the beginning of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additional Provisions	0	0	0	0
Provision utilised	(0)	(0)	(0)	(0)
Change due to discount and time value for money	(0)	(0)	(0)	(0)
Transfers from non -current provisions	0	0	0	0
<b>Total provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**38 FINANCE LEASE OBLIGATION**

Description	Minimum lease payments	Future finance charges	Present value of minimum lease payments	2017-2018
	KShs	KShs	KShs	KShs
Within current year				
Long term portion of lease payments				
<b>Total provisions</b>				

**39 DEFERRED INCOME**

Description	2016-2017	2017-2018
	KShs	KShs
National government	0	0
International funders	0	0
Public contributions and donations	0	0
<b>Total deferred income</b>	<b>0</b>	<b>0</b>



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

The deferred income movement is as follows:

	National government	International funders/ donors	Public contributions and donations	Total
Balance brought forward	0	0	0	0
Additions during the year	0	0	0	0
Transfers to Capital fund	(0)	(0)	(0)	(0)
Transfers to income statement	(0)	(0)	(0)	(0)
Other transfers	(0)	(0)	(0)	(0)
Balance carried forward	0	0		0

**40 EMPLOYEE BENEFIT OBLIGATIONS**

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2016-2017	2017-2018
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation	0	0	0	0	0
Non-current benefit obligation	0	0	0	0	0
<b>Total employee benefits obligation</b>	0	0	0	0	0

The Institute do not operate a defined benefit scheme for all full-time employees. The scheme is based on 0% percentage of salary of an employee at the time of retirement. During the year, AA actuarial valuers were engaged to value the scheme. The liability at the end of the year is as follows:

	2016-2017	2017-2018
	KShs	KShs
Valuation at the beginning of the year		
Changes in valuation during the year		
Valuation at end of the year	0	0
	=====	=====

The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.400 per employee per month.





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

**41 NON-CURRENT PROVISIONS**

Description	Long service leave	Gratuity	Other Provisions	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year				
Additional Provisions				
Provision utilised	(0)	(0)	(0)	(0)
Change due to discount and time value for money				
Less: Current portion	(0)	(0)	(0)	(0)
<b>Totaldeferredincome</b>				

(NB: The current portion deducted in this note should tie to line on current portion transferred from non- current provisions under note 37)

**42 BORROWINGS**

Description	2016-2017	2017-2018
	KShs	KShs
Balance at beginning of the period		
External borrowings during the year		
Domestic borrowings during the year		
Repayments of external borrowings during the year	(0)	(0)
Repayments of domestic borrowings during the year	(0)	(0)
Balance at end of the period		

**42 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS**

	2016-2017	2017-2018
	KShs	KShs
<b>External Borrowings</b>		
Dollar denominated loan from 'A organization'		
Sterling Pound denominated loan from 'yyy organization'		
Euro denominated loan from A organization'		
<b>Domestic Borrowings</b>		
Kenya Shilling loan from KCB		
Kenya Shilling loan from Barclays Bank		
Kenya Shilling loan from Consolidated Bank		
<b>Total balance at end of the year</b>		



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

**42 b) BREAKDOWN OF LONG AND SHORT TERM BORROWINGS**

Description	2016-2017	2017-2018
	KShs	KShs
Short term borrowings(current portion)		
Long term borrowings		
<b>Total</b>		

*(NB: the total of this statement should tie to note 42 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).*

**43 SERVICE CONCESSION ARRANGEMENTS**

Description	2016-2017	2017-2018
	KShs	KShs
Fair value of service concession assets recognized under PPE		
Accumulated depreciation to date	(0)	0
Net carrying amount	<u>0</u>	<u>0</u>
Serviceconcessionliabilityat beginning of the year		
Serviceconcessionrevenue recognized	(0)	(0)
Serviceconcessionliabilityat end of the year	<u>0</u>	<u>0</u>

**44 CASH GENERATED FROM OPERATIONS**

	2016-2017	2017-2018
Surplus for the year before tax	KShs	KShs
<b>Adjustedfor:</b>		
Depreciation		
Non-cashgrantsreceived	(0)	(0)
Contributedassets	(0)	(0)
Impairment	0	0
Gainsandlossesondisposalofassets	(0)	(0)
Contributiontoprovisions	0	0
Contributiontoimpairmentallowance	0	0
Financeincome	(0)	(0)
Financecost	0	0
<b>Working Capital adjustments</b>		
Increaseininventory	(0)	(0)
Increaseinreceivables	(0)	(0)
Increaseindeferredincome	0	0
Increaseinpayables	0	0
Increaseinpaymentsreceivedinadvance	0	0





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<b>Net cash flow from operating activities</b>	<b>0</b>	<b>0</b>
--	----------	----------

*(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)*

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

**45 FINANCIAL RISK MANAGEMENT**

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

The 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.

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

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

	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30 June 2018</b>				
Receivables from exchange transactions	19,191,289	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances				
<b>Total</b>	<b>19,191,289</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 30 June 2018</b>				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	00	0	0	0



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<b>Total</b>	<b>19,191,289</b>			
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*(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)*

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

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

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

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

The entity has significant concentration of credit risk on amounts due from xxxx

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

**(ii) Liquidity risk management**

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

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

	<b>Less than 1 month</b>	<b>Between 1-3 months</b>	<b>Over 5 months</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June 2018</b>				
Trade payables	4,699,517	0	0	4,699,517
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
<b>Total</b>				
<b>At 30 June 2019</b>				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				





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<b>Total</b>	<b>4,699,517</b>	<b>0</b>	<b>0</b>	<b>4,699,517</b>
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

**(iii) Market risk**

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the 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. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

**a) Foreign currency risk**

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

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

	<b>Ksh</b>	<b>Other currencies</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June 20xx</b>			
Financial assets(investments, cash ,debtors)			
Liabilities			
Trade and other payables			
Borrowings			
Net foreign currency asset/(liability)	<b>0</b>	<b>0</b>	<b>0</b>

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



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

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

a) Interest rate risk

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

*Management of interest rate risk*

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

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

**45 FINANCIAL RISK MANAGEMENT (Continued)**

(iii) Market risk (Continued)

b) Interest rate risk(continued)

*Sensitivity analysis*

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

**iv) Capital Risk Management**

The objective of the entity's capital risk management is to safeguard the Board's ability to continue as a going concern

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

**46 RELATED PARTY BALANCES**

**Nature of related party relationships**

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





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**Government of Kenya**

The Government of Kenya is the principal shareholder of the ol'lessos technical institute, holding 100% of the *ol'lessos technical institute* 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) Ministry of education state department of TVET;
- iii) Students
- iv) Institute's Banks
- v) Suppliers;
- vi) Key management;
- vii) Board of directors;
- viii) Statutory organizations-nhif,KRA,nssf

	2016-2017	2017-2018
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>		
Sales of goods/Food to students-CATERING	4,993,729	4,876,736
Sales of services	0	0
<b>Total</b>	<b>4,993,729</b>	<b>4,876,736</b>
<b>b) Grants from the Government</b>		
Grants from National Govt	42,669,937	27,000,000
Grants from County Government	0	0
Donations in kind	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for Kiptaragon TVC employees	0	103,000
Payments for goods and services for supplies	0	0
<b>Total</b>	<b>0</b>	<b>103,000</b>
<b>d) Key management compensation</b>		
Directors' emoluments	0	0
Compensation to the CEO	0	0
Compensation to key management	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



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

**47 SEGMENT INFORMATION-departmental budgets**

*(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)*

**48 CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

<b>Contingent liabilities</b>	<b>2016-2017</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Court case xxx against the company		
Bank guarantees in favour of subsidiary		
<b>Total</b>		

*(Give details)*

**49 CAPITAL COMMITMENTS**

<b>Capital commitments</b>	<b>2016-2017</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of 16 computers	0	971,639
Purchase of 200 lecture chairs	0	1,000,000
Purchase of 20 white boards	0	150,000
Automation and Robotics	0	6,332,198
Hospitality Equipment and furniture	0	2,600,000
Conference chairs	0	900,000
Motor vehicle Isuzu Dimax pick-up	0	803,577
		<b>12,757,414</b>

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

**50 EVENTS AFTER THE REPORTING PERIOD**

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

**51 ULTIMATE AND HOLDING ENTITY**

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

**52 Currency**

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



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

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

**Guidance Notes:**

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



Eng. Absalom Kosgei (enter title of head of entity)  
 Chairman Board of Governors

Date.....17/12/2018.....





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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)
HOSPITALITY CETRE		GOK		29,350,125		
MEDICAL LABORATORY		GOK		35,000,000		

**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	Hospitality centre	29,355,010	27,595,771	94%	29,355,010	27,595,771	GOK
2	Kiptaragon TVC	51,837,890	49,277,993.65	95.10%	51,837,890	49,277,993.65	GOK
3	Elburgon TVC	57,570,912.65	38,911,204.80	67.588%	57,570,912.65	38,911,204.80	GOK



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**APPENDIX III: INTER-ENTITY TRANSFERS**

	<b>ENTITY NAME:</b>			
	<b>Break down of Transfers from the State Department of TVET</b>			
	<b>FY 2017/2018</b>			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		24/10/2017	6,000,000	2017/2018
		22/12/2017	6,000,000	2017/2018
		10/04/2018	8,000,000	2017/2018
		15/05/2018	7,000,000	2017/2018
		<b>Total</b>	27,000,000	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Project account	22/12/2017	2,730,000	2017/2018
	Kiptaragontvc	11/01/2018	7,125,962	2017/2018
	Elburgontvc	10/04/2018	5,125,962	2017/2018
	Operational grants for new tti	24/07/2017	1,200,000	2017/2018
		<b>Total</b>		
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		<b>Total</b>		
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		<b>Total</b>	9,781,596	

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

Finance Manager

Head of Accounting Unit



**OL'LESSOS TECHNICAL INSTITUTE**

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)**

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

Ol'lessos technical institute

Ministry of Education state

Department of TVET

Sign -----

Sign-----



**OL'LESSOS TECHNICAL INSTITUTE**  
**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)**  
**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

**APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount – KES	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	-	Recurrent	27,000,000	0	0	0	0	0	28,200,000
Ministry of Education	-	Development	16,181,924	0	0	0	0	0	14,981,924
USAID	0	Donor Fund	0	0	0	0	0	0	0
Ministry of Education	0	Direct Payment	0	0	0	0	0	0	0
			0	0	0	0	0	0	0
<b>Total</b>			0	0	0	0	0	0	0



