REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

MUKIRIA TECHNICAL TRAINING INSTITUTE

FOR THE YEAR ENDED 30 JUNE, 2021

Revised 30th June 2021

MUKIRIA TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2021

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

Table of Contents

I. KEY INSTITUTE INFORMATION AND MANAGEMENT

(a) Background information

Mukiria Technical Training Institute (MTTI) is located in Nyweri Location,Abocentral Sub-county in Meru County. It is located 9km from Meru town towards Nkubu and 6km from Nkubu towards Meru town. It is approximately I km off Meru-Nkubu road along Mariara stage. It occupies an area of 2.5acres approximately. The area receives an annual rainfall of between 400mm and 600mm.The infrastructure is generally good, therefore making the accessibility easy.

Mukiria Technical Training Institute started in 1985 as a youth polytechnic. It was assessed and upgraded to a technical training institute by then Ministry of Higher Education Science and Technology in 2011 and started its operations in 2013. The first intake was January 2014. The Institute offers market driven courses in Business and Technical. The first intake was in January 2014 and the Institute has registered tremendous growth in student population and introduction of new courses.

Mukiria T.T.I is managed by a Board of Governors (BOG) under the direction of the Ministry of Education.It operates under the TVET Act (2013) of the Laws of Kenya as well as Constitution of Kenya 2010,KNEC Act ,PSC Act ,KASNEB Act ,policy guidelines among others.

(b) Principal Activities

VISION

To be a Centre of Excellence in the development and provision of innovative Technical Vocation Education and Training (TVET) programmes.

MISSION

To nurture and impact Technical Vocation Education and Training (TVET) knowledge skills and attitudes through research, innovation and technology for self-reliance and national development.

THE CORE MANDATE

To teach and train in Technical and Vocational Education & Training; Research and Innovation and Community Service.

(c) Key Management

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

- Board of Governors
- Accounting Officer (Principal)
- Deputy Principal and
- Heads of Departments

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Principal	David M.Mwangi (up to Sep 2021) Carolyne K. Muguna(from Sep 2021 to date)
2	Deputy Principal Administration	Mutuiri Juliah Kabiru
3	Deputy Principal Academics	Cecilia M Mwongera
4	Registrar	Joy Nkonge
5	Finance officer	Alfred Mugira (up to March 2021) Roseline Kanyiri(from March 2021 to date)
6	Procurement officer	Diana Wanja (up to Jan 2021) David Munene(from Jan 2021 to Date)
7	Dean of Students	Antony K Ndege
8	Performance contracting coordinator	Veronicah Kirigo Chege
9	HoD Hospitality & Tourism	Jocelyne Ntibuka Kinoti
10	Quality Assurance Officer	Doris Wangui Muturi

(e) Fiduciary Oversight Arrangements

S/No	Name of the Committee	Members
1	Finance, Operations and Development	1.Rephah Mumbua Kitavi- Chairperson 2.Maureen Njeri-Member 3.Mungeria Kirimania-Member 4.David Mwangi/Carolyne K.Muguna -Secretary
2	Audits, Risk and Governance	1.Shelmith Mugoh- Chairperson 2.Mungeria Kirimania- Member 3.Joy Riungu- Member 4.Internal auditor-Secretary
3	Academic and Human Resource	1.Joy Riungu- Chairperson 2.Mary Kanana-Member 3.Stanley Mwatsuma –Member 4.Margaret Nduhiu-County Director - TVET 5.David Mwangi/Carolyne K.Muguna -Secretary

KEY INSTITUTE INFORMATION AND MANAGEMENT (Continued)

(f) Mukiria Technical Training Institute Headquarters
P O Box 1093-60200
Meru
Meru- Nkubu Highway
Meru County,
Kenya.

(g) Mukiria Technical Training Institute Contacts
Telephone: (254)716674848
E-mail: info@mukiriatechnical.ac.ke/ mukiriatechnical@gmail.com
Website: www.mukiriatechnical.ac.ke

(h) Institute Bankers

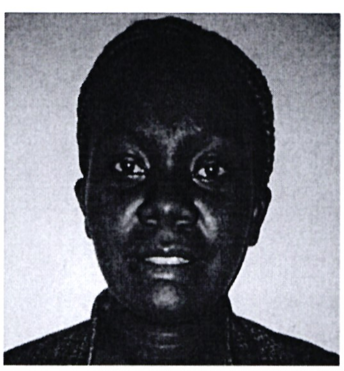
Co-operative Bank
Meru branch
P.O. Box 1328,
Meru-Kenya

National Bank
Meru Branch
P.o.Box 1174
Meru-Kenya

(i) Independent Auditors
Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. THE BOARD OF GOVERNORS

 Everlyn Mutave Chairperson of the Board	Date of birth 24/09/1984 Financial Management Consultant MSc. Finance & Investments, BA (Economics & Mathematics), CPA (K), CPS(K) Experience: 9 years in finance and audit, 3 years in research.
 Caroline K. Muguna- Secretary of the Board	Principal holds MEd, Education Planning & Management
 Ms Joy Nyawira Riungu -Board Member	DoB: 03/12/1974 MSc. Environmental Engineering and Management, BSc. Agricultural Engineering (Water and Irrigation option) Experience 11 years' experience as researcher in non-sewered sanitation
 Maureen Njeri – Board Member	Date of Birth: 26/09/1987 Quantity Surveyor Certified Trainer of Trainees Experience: 7 years' experience as a professional Quantity Surveyor. 4 years as Trainer of Trainees

 Rephah Mumbua Kitavi-BOG Member	Date of Birth: 08/09/1983 Financial Managements Consultants MSC finance and investments. B,A Economics and Business administration CPA K ,CISA Experience 12 years in finance and audits
 Mary Kanana- BOG –member	Date of Birth: 02/02/1964 Marketing and public relations B, COM marketing Experience 20 years of experience in finance and audits
 Stanley Mwatsuma – Board Member	International Technology Professional Date of Birth: 24/08/1967
 **Mungeria Kirimania – BOG Member**	Date of Birth: 24/08/1967 Professional civil engineer Experience 28 years' experience in building and highway design contract managements and maintenance
 Shelmith Mugo-BOG member	Date of Birth: 28/10/1971 IBA Finance, CPAK, Masters in Organizational development (Ongoing) Years of Experience – 28 Specialization – Commercial & Finance Expert, Certified Professional Mediator, Certified Productivity Coach Memberships: A member of ICPAK, Member of Women on Boards Network (WOBN), Accredited Mediator – Mediation Accreditation committee (MAC)

III. MANAGEMENT TEAM

No.		Designation
1.	 Caroline K. Muguna	Principal holds MEd, Education Planning & Management
2	 Cecilia M Mwongera	Deputy Principal academics holds BED science physics and mathematics
3	 Mutuiri Juliah Kabiru	Deputy principal administration holds BEd home economics,MEd Guidance and Counselling
4	 Joy Nkonge	Registrar Holds BEd Art and linguistic
5	 Roseline Kanyiri	Finance officer Holds CPA.K and Degree in Bachelor of Commerce

No.		Designation
6	 David Munene	Procurement Officer holds Degree in Supply chain Managements, A Member of KISM.
7	 Antony K Ndege	Dean of Students holds BSc General Agriculture
8	 Veronicah Kirigo Chege	Performance Contracting Coordinator. holds BSc fashion design and clothing technology
9	 Doris Wangui Muturi	Quality assurance officer holds BSc building and civil engineering

IV. CHAIRMAN'S STATEMENT

I am pleased to present the annual report and financial statement of Mukiria Technical Training Institute for the year ended 30^{th} June 2021. The year started with a lot of challenges due to effect of covid 19 pandemic where trainees were trained online but towards the beginning of January 2021 the activities resumed normally.

Right from its inception to now, Mukiria Technical Training Institute has matched forward to spread the light of education and pave the path of academic excellence for every student. The demand for TVET programmes in the country has continued to rise prompting the institution to continually introduce academic programmes that respond to the demand of the market. The objective of the board is to position the Institute main programmes within the context of the market requirements, cost rationalisation, equity and customer satisfaction.

During the financial year 2020/2021 period, key achievements were realized, these are:

- Increased student's enrolment from 2488 to 2941.
- Establish and Strengthened collaboration and liaison with key local industries where the Institute can attach its trainees.
- Established collaboration with other TVET institutions.
- Established public private partnership to address the shortage of accommodation spaces for the increased population growth.
- Participated in KATTI activities at regional levels.
- Strengthened marketing strategies which prompted population growth.
- Established a conducive environment which led to excellent performance in exams and curriculum activities.
- Ensured competent students leaders were elected and inaugurated in their respective offices.
- Recruitment of competent and professional key officers.

The aim of Mukiria Technical Training Institute is to produce skilled globally competitive employable and self-reliant human resource. To achieve this, our highly committed staff and trainees aim even higher and work tirelessly to remain at the pinnacle of their achievements.

The Institute received HELB loans /bursary and GoK capitation for the trainees. This funding has enabled the Institute acquire equipment that will make it go a long way in ensuring that trainees are equipped with relevant skills therefore increasing their marketability.

I thank the Government for its financial support so far that has made it possible to implement the Core mandate of the Institute. The Board of Governors is committed to provide visionary leadership and take the Institute to the next level. The Board of Governors is robust in resource mobilization and aims to transforming the current status of the Institute in line with the Strategic Plan 2019-2023. I welcome all on board as we endeavor to undertake major projects to develop this Institute.

Albert Kobia Wakamau

Chairperson of the Board

. REPORT OF THE PRINCIPAL

Presented herein is the Annual report and financial statement of Mukiria Technical Training Institute for the year ended 30th June 2021 as per requirements of the Public Finance Management Act of 2012 and Public Audit Act, 2015.

Non-financial information

(a) Academic programme

During the financial year under review the Institute had 9 Academic programmes. Namely:

1. Business department
2. Information Communication Technology
3. Automotive Engineering
4. Cosmetology.
5. Building technology
6. Hospitality and Tourism
7. Fashion Design
8. Electrical and electronics
9. Agriculture.

(b) Student population

The Institute admits students allocated by KUCCPS, walk in placements and outsourcing them from high population catchment areas. By the end of the 2020/2021 financial year, the Institute had a population of 2941 trainees . The number is expected to rise to over 3500 trainees in the 2021/2022 financial year. This will be achieved through:

- Aggressive marketing of the institute programmes.
- Expansion of the institute training facilities to accommodate more trainees.
- Mounting of academic programmes that are market demand driven.
- Improved internal and external academic performance
- Strengthened collaborations with local industrials and other institutions of higher learning

(c) ISO/ISMS Certification

The Institute continued to maintain its ISO 9001:2015 & ISMS certification in the year under review. This certification led to improved internal operations mainly because the documented procedures are articulately followed and are being complied with. Internal audits were conducted in the year to determine the level of adherence with the ISO/ISMS and QMS procedures.

(d) Provision of requisite facilities.

As a strategy to increase competitive advantage, the management of the institute continued to expand the existing facilities to attract and accommodate more students.

(d) Performance contract

In the financial year 2020/2021, the institute made the following achievements;

- Increased exam performance index from 49.9% to 74.97%.
- Increased students' enrolment from 2488 to 2941.
- Renovated and Equipped workshops such as:
  - Catering & accommodation workshop.
  - Cosmetology
  - Automotive department
  - Masonary

- Implemented Covid 19 preparedness measures.
- Reviewed and translated the Citizens' Delivery Charter to English and Kiswahili.
- Upgraded the website to publicise the institution.
- Introduced and implemented online training.
- Improved ICT infrasructures.
- Equipped Library and Agriculture departments.
- Capacity Building for Guidance & Counselling committees.
- Overseen the construction of Igembe TVC 50%.

Challenges that hindered 100% achievement of the targets during the year include:

- Lack of sufficient resources.
- Disruption of the school calendar year caused by COVID-19 Pandemic.

(c) CORPORATE SOCIAL RESPONSIBILITY

The institute embarked on the following CSR activities within the year:

- Hiring the community on casual basis
- Mentorship programmes.

Financial information

During the financial year under review, the institute realized a surplus of **Kshs. 36,205,682**compared to the surplus of **kshs 6,173,045** for the year ended on 30th June 2020.
This has been attributed to increased trainees population and receivables from exchange & non exchange transactions.

On behalf of the management and staff of the institute, I take this opportunity to thank the Board of Governors for the support accorded to the key management and for their visionary direction in development of the institute.

I appreciate the support from the Ministry of Education and the County Government through -out the year under review though we appeal for more support especially for the purpose of establishing suitable facilities required towards becoming the TVET of choice for trainers and trainees in Kenya and beyond.

I thank all the staff and trainees of the Institute for their continued cooperation in this challenging but noble task of building the Institute and ensuring the achievement of its core mandate. I look forward to the same cooperation and enthusiastic participation in 2021/2022 financial year.

Mrs.Carolyne K. Muguna
Principal/Secretary to the Board

. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government Institute's performance against predetermined objectives.
Mukiria Technical training institute has *5* strategic pillars and objectives within current Strategic Plan for the FY 2018-2023. These strategic pillars are as follows:

- Pillar 1: Governance
- Pillar 2: Access and equity
- Pillar 3: Physical Infrastructure
- Pillar 4: Training and research
- Pillar 5: Collaboration

Mukiria TTI develops its annual work plans based on the above *5* pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *Institute* achieved its performance targets set for the FY 2020/21 period for its 5 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements/ output
Pillar 1: Governance	Improve institutional corporate governance	• Developed Policies • Competent leaders • Competent Finance and Procurement officers	• Review all institutional policies to align with the strategic plan. • Carry out capacity building for the Top Management and the Staff on leadership. • Carryout Benchmarking on leadership, finance, procurement and curriculum implementation. • Develop and issue Job descriptions to all staff in the institute.	• Reviewed policies • Capacity building for staff undertaken • Benchmarking carried out • Staff Job descriptions developed
	Mobilize financial resource to fund strategic plan	• Proposals	• Prepare and present 3 proposals per year for funding to the government through the MoE • Enhance	• More funding for the Institute • Income generating activities enhanced

			income generating activities	
Pillar 2: Access and equity	Increase student enrollment	• Student enrollment increased	• Marketing through advertisements, use of posters and brochures, • Participation in trade fairs and exhibitions and one on one meeting. • Introduce new programme • Sensitize students and parents on various avenues of funding • Capacity building and training of staff	• Increased student population and branding of the Institution
	Promote equity on the programs offered in the institute		• Sensitization on the programs offered in the institute • Industrial exposure through educational trips	• Electronic and Print • Advertisements • Print outs of brochures
Pillar 3: Physical Infrastructure	Improve and expand Institutional Infrastructure	• Workshops, lecture rooms and ICT infrastructure improved	• Complete the electrical mechanical workshop • Equip the library • Equip all the academic departments • Maintain current infrastructure in good condition • Construct a tuition block with a library and ICT lab. • Construct a food and beverage complex • Acquire additional 2 acres of land • Construct a tuition block	• Workshops, lecture rooms and ICT infrastructure in place

			funded by the board	
Pillar 4: Training and research	Introduce new academic programs	• Increased learning programs	• Establish general agriculture program • Establish at least 2 CBET curriculum	• Increased student population
	Streamline curriculum-based research	• Projects undertaken and written	• Assign trainee's supervisors during research project writing • Purchase research guide books • Establish research coordinator office	• Well-coordinated project writing process
	Enhance innovation	• Innovations developed	• Participate during innovation competitions • Patenting of innovations	• students acquire more knowledge
Pillar 5: Collaboration	Enhance collaboration with the industry	• Signed MoU"s	• Sensitization on skills offered at the institute • Sign MoUs • Timely feedback • Timely information • Competent personnel handling information	• Cordial relationship with industries

VII. CORPORATE GOVERNANCE STATEMENT

The mandate of TVET in Kenya is spelt out in the TVET Act.2013. Every TVET Institution is governed by a governing body in the form of a Board of Governors (BOG) which is responsible for providing the required leadership in developing appropriate plans and strategies that will contribute to a sustainable execution of its mandate to satisfy the socioeconomic advancement of the nation and the region. Each Institution is headed by a Principal, who acts as the secretary to the governing BOG. The BOG consists of the Chairperson and other members as spelt out in the existing Act. In Kenya, the TVET Act 2013 gives the composition of the BOG as follows:

(a) A chairperson;
(b) A representative of the PS in the Ministry responsible for TVET.
(c) A representative of the Governor in the county
(d) Six other persons appointed from the fields of;
  (i) Leadership and management;
  (ii) Financial management;
  (iii) Technology;
  (iv) Industry;
  (v) Engineering;
  (VI Information Communication Technology/legal

There must be at least two thirds gender representation in the membership.

The BOG meets quarterly on average, with a three-year term renewable once and for memory, one or two members are re-appointed. The BOG have working sub-committees like;

i. Academic and Human Resource,
ii. Finance, Operations and Development
iii. Audit and Risk Governance.

The Sub-Committees can co-opt persons of special expertise during their deliberations.

At the operational level, the Principal/Director is the team leader (CEO) assisted by the Deputy Principal(s)/Director(s) to ensure a smooth work/learning environment. For proper management and mentorship for sustainability, he/she appoints departmental heads, section heads and supervisors at each operational area. Together, the team ensures sustainable quality, access, relevance and equity in the programs and services offered to its customers and a back and forth smooth flow of feedback.

Each institution has clearly espoused its mandate in its statements of intention in the form of Vision, Mission and core values. There also exists a documented Strategic Plan (SP) with achievable strategic objectives with clear strategies and goals. The achievement of these objectives is monitored at the operational levels through measurable documented quality objectives.

V. MANAGEMENT DISCUSSION AND ANALYSIS

The BOG of the Institute has been very supportive to the management and has fully performed its oversight role in whole and through the BOG committees. The management team is also well constituted with the Principal being the team leader, two Deputy Principals ,the Registrar, Dean of Students, Head of Guidance and Counselling and the Industrial Liaison Officer. The Institute has a robust team of professional non-academic staff with a qualified Finance Officer, an Accountant, Procurement Officer and Human Resource Officer among others.

During the financial year, the management has endeavoured to satisfy both legal and regulatory requirement as per the jurisdiction in its mandate under the TVET act 2013, the Education act 2013, PFM Act 2012 and its regulations Our operations were smooth though interrupted by covid 19 pandemic during the financial year.
During the period, we were able to complete most of our Performance key projects as follows: -

FY 2020/2021 Key Projects Completion Rate

Project Name	Project Description	Location	Total Estimated Cost KSHS	Current status	Allocation for FY 2020/2021 KSHS	Expected Deliverables (output for FY 2020/2021)	End of FY Completion status
Construction of Tuition block	Preparing drawing and bill of quantities	Mukiria TTI	38, 000,000	new	34, 000,000	BQs and Drawings prepared	Stalled
Mentoring Igembe Central TVC	Construct Sub-structure work -Construct ground floor slabs	Mentoring Igembe Central TVC	59,062,877.50	new	30,000,000	-sub-structure constructed -Ground floor slabs constructed -Walling of ground floor completed	50% Completed.
Equipping library	Procure textbooks	Mukiria TTI	596,000	New	600,000	Textbook procured -	100 % Done
Renovation&Equipping cosmetology workshop	Prepare Bill of Quantities Procure labour	Mukiria TTI	1,937,545	New	1,937,545	Tilling,painting,partitioning, fabrication of manicure and salon tables. Procure salon and barber equipments. Roof repairs for outer classroom.	100% done
Renovation &	Prepare Bill of Quantities	Mukiria TTI	318,068		400,000		100% done

equipping Catering and Accommodation Workshop	-Procure materials -Procure labour on Casual basis						
Renovate D/Principal Administration office	Prepare of Bill of Quantities -Procure repairing materials -	Mukiria TTI	59,000		59,000	Shelves completed	100% done
Equip ICT Department	-procure cabling materials	Mukiria TTI	497,460		500,000	Instalation of LAN	100% done
Equip Automotive Department	-Prepare Bill of Quantities Procure items		760,000	new	760,000	procured 2 engines Procured motorvehicle KBY634Y	100%DONE
Equip Civil & Engineering Department	Prepare Bill of Quantities Procure items		112,000		150,000	TD top tables and stands	100% done
TOTAL			101,342,950				

. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Mukiria T.T.I exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

Sustainability strategy and profile

Mukiria Technical Training Institute has established several strategies to ensure sustainability of its programs amidst many challenges facing the management. The Board has engaged collaborations with the National Government through MoE under the State Department of Vocational and Technical Training for policy direction and funding on major projects. In addition; we have also enhance collaborations with the County Government through the CDF of Abothuguchi Sub –County for students' sponsorships and community mobilization in development activities. Mukiria TTI will strive to acquire additional land for expansion of the institute and idInstitute.

The management has aggressively invested in the installation Management Information Software for efficiency and effectiveness in management process and data processing. In addition, we are refurbishing the institute website for marketing and for effective communication to all our stakeholders. Marketing of courses both locally and nationally to attract trainees to equip them with hand on skills for employability and self-employment. The institute's location in a low settlement area with adverse cold climatic weather conditions has affected its growth. The management is committed to continual improvement of the face of the institute by, paving the pathways to improve cleanliness as well securing the facility by proper fencing.The institute in the FY has been affected by the covid 19 pandemic thus affecting the learning process but the Management has enhanced E-Learning system where trainers were trained on Online training hence the smooth learning.

Environmental performance

The management has implemented policy on planting of trees under the green economy for sustainable environment. In addition, we have improved our environment by planting flowers along designated pathways and gardens for general aesthetics. The Institute disposes its wastes appropriately both the WC waste and waste waters through the sewerage system. Adequate sanitation areas with hand wash have been provided for maintenance of hygiene. Provision of clean water for consumption and for general cleaning through collaborations with water companies in the locality. Need for increase water reservoirs and connectivity for treated water systems to prevent water borne diseases.

Employee welfare

The management recruits qualified BoG staff both trainers and support staff equity based on the need. The recruitment is guided by an MoE which details the terms and references of engagement of staff. The management observes integrity, professionalism, gender and disability inclusivity, as well as stakeholder involvement. The Board has developed staff establishment and career progression policy for Mukiria TTI BoG staff. We undertake annual staff appraisal and training Needs assessment to establish gap for capacity building. Mukiria TTI Occupational Safety and Health Act of 2007, (OSHA) regulations by providing protection clothing to our staff while on duty.

Market place practices-

The Institute should outline its efforts to:

a) Responsible competition practice.
The institute upholds section 6 of the constitution of Kenya for all of the officers while on duty. The management has continually sensitized both staff and students on corruption prevention matters. The service charter in English and Swahili has clearly been displayed at the main gate and at strategic service points such as the customer care office, library, registrar's office, dean's office, Guidance and counselling office, dining hall and procurement office.

b) Responsible Supply chain and supplier relations – The management implement the Public Procurement and Disposal Act of 2012 and its Regulations of 2016 in all its procurement for goods, services and contracts.

c) Mukiria TTI advertises our training programs through our website, the media, door to door marketing strategies through the Local administration and Personal selling through good examination performance and quality services and customer focus.

d) Product stewardship - Our customer rights and interests have been safe guarded by clear communications to our customers through relevant offices the dean's office. We also provide newsletters to convey crucial and authentic information to our customers. We used authorized communication channels the official addresses, mobile numbers and emails.

Corporate Social Responsibility / Community Engagements

Mukiria TTI engages in Social Corporate Responsibility activities.

i. By provision of face masks to the local administration nearby.
ii. Sensitization on Covid 19 through posters.
iii. The Institute also visits children's homes in our locality through the Christian movement in the institute and supported them with food and clothing.
iv. We undertake annual cleaning up of the Kariene Market and its environs.
v. Sensitize the community on the Government policies in relation to access to TVET courses, Procurement opportunities among others.

In this FY most of the activities were not achieved due to covid 19 pandemic.

. REPORT OF THE COUNCIL/BOARD OF GOVERNORS

The Board members submit their report together with the financial statements for the year ended June 30th June 2021, which show the state of the Mukiria Technical Training Institute's affairs.

Principal activities

The principal activities of the Institute are:
a. To conduct training at tertiary level in technical and vocational education and training fields.
b. To determine curricula appropriate for training of the various manpower category and specialization required by the labour market through careful selection of available syllabi from local or international institutions recognized by the Ministry of Education (MoE).
c. To foster linkages with industry and other institutions for the promotion of quality and relevant training.
d. To promote and inculcate Entrepreneurial skills and culture within the institute's staff and students.
e. To conduct Applied Research.
f. To undertake income-generating activities through production, consultancy and tailor-made short courses, in-service courses, equipment and facility hiring and hospitality services to compliment Government grants and fees revenue.
g. Foster spiritual growth among community members both staff and students.

Results

The performance of the Institute for the year ended 30th June 2021 is set out on page 1-34

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page v & vii. During the year the Chairperson- Everlyne Mutave resigned and Chairperson –Mr Albert Kobia Wakamau was appointed with effect from 19/07/2021.

Auditors

The Auditor General is responsible for the statutory audit of the Mukiria T.T.I in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

....
Albert Kobia Wakamau
Chairperson of the Board
Date: 28/09/2021

XI. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES.

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

The Board members are responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute, for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes:

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

The Board members accept responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The Board members are of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2021, and of the Institute's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Mukiria Technical Training Institute financial statements were approved by the Board on 28th September 2021 and signed on its behalf by:

Signature
Albert Kobia Wakamau

Chairperson of the Board

Caroline K Muguna

Accounting Officer/Principal

REPUBLIC OF KENYA

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OAG
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NAIROBI

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

PREAMBLE

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

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mukiria Technical Training Institute set out on pages 1 to 32, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mukiria Technical Training Institute as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Unsupported Expenditure on Use of Goods and Services

The statement of financial performance reflects an amount of Kshs.28,739,402 under use of goods and services and as disclosed under Note 11(a) to the financial statements. The amount includes tuition fees of Kshs.10,297,903 out of which Kshs.476,600 was paid to staff trainers and others within the school as allowances, including subsistence allowances. However, the criteria used to pay the subsistence allowance to the staff members who were at their duty stations was not provided for review. It was therefore not clear how the rates used to pay were determined by Management. Further, training schedules, attendance lists, evidence of training venue, letters of appointment to the respective committees for the members, the duration of the appointment of the committees and clarity on the end user of the committees reports were not provided.

In the circumstances, the accuracy of the Kshs.476,600 expenditure could not be confirmed.

2. Unsupported Receivables from Exchange Transactions

The statement of financial position reflects Kshs.70,333,110 in respect to receivables from exchange transactions. As further disclosed under Note 18 to the financial statements, the balance relates to student debtors and includes Kshs.45,503,871 that has been outstanding since the financial year 2019/2020. However, the debtors ageing analysis schedule was not provided for audit.

In the circumstances, the accuracy and recoverability of the receivables from exchange transactions balance of Kshs.45,503,871 could not be confirmed.

3. Property, Plant and Equipment

3.1 Land Without Ownership Documents and Valuation Reports

The statement of financial position reflects an amount of Kshs.51,050,741 under property, plant and equipment which as disclosed under Note 21 to the financial statements reflects nil balance for land and buildings. As previously reported, the land and buildings balance excludes two parcels of land measuring 2.75 and 2.6 acres. Further, the ownership documents and valuation reports of the two parcels were not provided for audit review.

In addition, the land and buildings balance also excludes two (2) parcels of land measuring 70 ft by 70 ft and 84 ft by 124 ft leased for a period of ten (10) years from two different parties whose details of ownership and valuation reports were not provided for audit.

In the circumstances, the accuracy, completeness, valuation and ownership of the institute's land and buildings could not be ascertained.

3.2 Motor Vehicle with Private Number Plate

Further the property, plant and equipment balance of Kshs.51,050,741 excludes motor vehicles with an original cost of Kshs.7,140,000 that are fully depreciated and have not been revalued despite being of economic value. In addition, and as previously reported, the fully depreciated motor vehicles include a vehicle, which bears a private registration number instead of the blue colour state corporation reflective sheet as required. No justification or explanation was provided for the anomaly. This is contrary to Section 12 of the Traffic (Registration Plates) Rules, 2016 which states that the registration plate for a State Corporation vehicle shall bear the required number of optical recognizable characters depending on the type of motor vehicle embossed and printed in white on blue aluminum reflective sheet.

In the circumstances, the accuracy, completeness, and ownership of the motor vehicles with a cost of Kshs.7,140,000 could not be confirmed.

3.3 Unsupported Work-In-Progress

The property, plant and equipment figure of Kshs.51,050,741 also includes Kshs.29,066,100 relating to Work-In-Progress. As previously reported, the supporting documents including bills of quantities, quotations, opening and evaluation committee minutes, professional opinion, letters of offer and acceptance, contract agreements and minutes/reports of site meetings were not provided for audit review. This is contrary to Section 9(1)(e)(i) of the Public Audit Act, 2015 which gives the Auditor-General unrestricted access to all books, records, returns, reports, electronic or other wise and other documents of entities listed under Article 229(4) of the constitution.

In the circumstances, the accuracy, completeness and valuation of the balance of Work-In-Progress of Kshs.29,066,100 could not be confirmed.

4. Understatement of Cash and Cash Equivalents Balance

The statement of financial position and as disclosed under Note 17 to the financial statements reflects cash and cash equivalents balance of Kshs.59,640,217 which includes Kshs.12,497,325 held at local bank and Kshs.39,488,984 at another local bank account. However, the respective cashbooks had not been updated with two receipts in the bank statement and not in cashbook of Kshs.376,506 and Kshs.57,722 respectively totalling to Kshs.434,228 reflected in the bank reconciliation statements, thereby understating the cash book balance.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.59,640,217 could not be confirmed.

5. Unsupported Payments to Casual Workers

The statement of financial performance reflects an expenditure of Kshs.3,247,685 in respect to repairs and maintenance which includes Kshs.317,800 paid to casual workers. However, there was no master roll provided to confirm that the paid beneficiaries actually did the work. Further, minutes authorizing engagement of casual laborers were also not provided for audit review.

In the circumstances, the accuracy and completeness of the Kshs.317,800 expenditure on casual workers could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.152,898,000 and Kshs.86,085,971 respectively resulting to an under-funding of Kshs.66,812,029 or 44% of the budget. Similarly, the Institute expended Kshs.49,220,022 against an approved budget of Kshs.152,898,000 resulting to an under-expenditure of Kshs.103,677,978 or 68% of the budget.

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

In addition, the Institute did not present its budget to the parent Ministry for approval by the Cabinet Secretary in-charge of Education contrary to Regulation 218(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Cabinet Secretary responsible for the State Corporation shall approve the estimates of budget for the state corporation and shall not later than January every year, submit to The National Treasury for approval those estimates for the following financial year.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Law on Ethnic Composition

Review of the Institute's human resource records including the payroll revealed that the Institute had 50 employees. However, analysis of the payroll indicated that 36 employees or 72% were from the same ethnic community contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community.

Management was, therefore, in breach of the law.

2. Irregular Recruitment and Engagement of Trainers

The statement of financial performance and Note 12 to the financial statements reflects Kshs.6,723,456 in respect to employee costs. Review of payment vouchers and other supporting documents revealed that during the year under review, the Institute recruited 12 trainers, however no advertisement was done for the various posts recruited and no documentary evidence was provided on how the recruitment process and appointment was done by the Governing Council. In addition, the contracts signed were open on the contract period of engagement of the trainers.

In the circumstances, the regularity of the recruitment process could not be confirmed.

3. Irregular Repairs and Maintenance

The statement of financial performance reflects an expenditure of Kshs.3,247,685 in respect to repairs and maintenance which includes Kshs.337,970 paid to a Company for the supply of building materials but whose supporting documents including quotations and opening and evaluation committee minutes were not provided for audit review. Further, the procurement documents provided by the three companies were not signed or stamped by the suppliers hence doubtful on their authenticity. In addition, the suppliers were not in the Institute's list of prequalified suppliers for the category for which they were invited to quote.

In the circumstances, the value for money for the expenditure of Kshs.337,970 could not be confirmed.

4. Irregularities in Purchase and Supply of Building Materials

The statement of financial performance reflects an amount of Kshs.3,247,685 under repairs and maintenance, which as disclosed under Note 15 to the financial statements includes Kshs.651,619 for the supply of construction materials procured through direct procurement. This is contrary to Section 103(2)(a) of the Public Procurement and Asset Disposal Act, 2015 which states that a procuring entity may use direct procurement if any of the following are satisfied; the goods, works or services are available only from a particular supplier or contractor, or a particular supplier or contractor has exclusive rights in respect of the goods, works or services, and no reasonable alternative or substitute exists. Further, the suppliers' engaged were not registered for taxation purposes. In addition, the bill of quantities or plan for the classrooms that were being constructed was not provided for audit review.

In the circumstances, value for money on Kshs.651,619 could not be confirmed. In addition, Management was in breach of the law.

5. Irregular Expenditure on Motor Vehicle Insurance Cover

The statement of receipts and payments reflects an amount of Kshs.28,739,402 under use of goods and services as disclosed under Note 11(a) to the financial statements. The amount includes Kshs.2,173,593 for local travel and transport out of which Kshs.100,000 was paid for provision of comprehensive insurance cover for a motor vehicle. However, it was noted that the expenditure was not supported by the quotations and tender opening committee minutes, contrary to Regulation 104(1) of the Public Finance Management (National Government) Regulations, 2015 which states that all receipts and payment vouchers of public monies shall be supported by pre-numbered receipts, payment vouchers, appropriate authority and documentation. Further, there was no evidence of formal appointment of the evaluation committee and the evaluation minutes were signed by only one committee member who was the Secretary.

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

6. Lack of a Scheme of Service

Review of the payroll provided by the Institute indicated that 50 employees were engaged on contract terms during the year under review. However, the Institute did not provide an approved scheme of service to determine the staffing levels. As a result, the adequacy and appropriateness, job description, requirement, the existence and the necessity to fill vacancies or the possibility of staff progression could not be ascertained. This is contrary to Section 2.3 of the Public Service Commission - Guide for Career Management in the Civil Service of April, 2018 which states that a Scheme of Service is a Human Resource Management tool that is designed to provide career management for particular cadres of staff.

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

7. Lack of Public Finance Management Standing Committee

During the year under review the Institute did not have a Public Finance Management Committee (Standing Committee) in place as required by Regulation 18(1) of the Public Finance Management (National Government) Regulations, 2015 which states that every National Government entity shall have a Committee to be known as the Public Finance Management Standing Committee to provide strategic guidance to the entity on Public Finance Management matters.

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

8. Delay in Supply and Implementation of Enterprise Resource Planning (ERP) System

The statement of financial performance and as disclosed under Note 11(a) to the financial statements reflects an amount of Kshs.28,739,402 relating to use of goods and services which includes Kshs.660,000 relating to automation, paid to a Company for supply, installation, testing and training on an ERP system in March, 2020 at a contract sum of Kshs.1,650,000 and contract term ending on 30 April, 2020 or any other period as may have been subsequently agreed by the parties in writing. However, as at the time of audit the financial reporting modules of the ERP system had not been delivered yet full payment for the module had been made. In addition, the project had not been completed resulting to the delay in delivery of services to the Institute.

Further, there was no project implementation team appointed by the Accounting Officer as required by Section 151(1) of the Public Procurement and Asset Disposal Act, 2015 which states, for every complex and specialized procurement contract, the Accounting Officer of a procuring entity shall appoint a contract implementation team.

In the circumstances, value for money on expenditure of Kshs.660,000 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on

Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of an Internal Audit Function

The Institute has not established an internal audit function. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function, as a result, there was no audit report produced nor audit exercise conducted for presentation to the oversight body for purposes of reviewing and improving its operations.

In the circumstances, the Institute did not benefit from the value of the internal audit function and its reports for management effectiveness and improvement.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls 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 controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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

CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 September, 2022

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

	Notes	2020/2021	2019/2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfer from the national governments grants/gift in kind	6a	59,827,500	23,898,100
Transfer from other governments entities-CDF	7		
Total Revenue from non-exchange transactions		**59,827,500**	**23,898,100**
Revenue from exchange transactions			
Rendering of services- Fees from students	8	26,122,396	36,563,465
Other income	9	124,075	455,392
Rental income	10	12,000	21,000
Revenue from exchange transactions		**26,258,471**	**37,039,857**
Total revenue		**86,085,971**	**60,937,957**
Expenses			
Use of goods and services	11(a)	28,739,402	20,848,891
Provision for audits fee	11(b)	660,267	660,267
Employee costs	12	6,723,456	10,513,669
Remuneration of directors	13	1,117,000	869,000
Depreciation and amortization expense	14	8,894,479	8,583,271
Repairs and maintenance	15	3,247,685	2,856,614
Contracted services	16	498,000	433,200
Transfer to Igembe technical training institute	25	0	10,000,000
Total expenses		**49,880,289**	**54,764,912**
Net Surplus for the year		**36,205,682**	**6,173,045**

The notes set out on pages 6 to 34 form an integral part of the Annual Financial Statements.

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

	Notes	**2020/2021**	**2019/2020**
		Kshs	**Kshs**
Assets			
Current assets			
Cash and cash equivalents	17	59,640,217	19,300,079
Receivables from exchange transactions	18	70,333,110	45,503,871
Total Current Assets		**129,973,327**	**64,803,950**
Non-current assets			
Property, plant and equipment	21	51,050,741	41,371,867
Long term receivables from exchange transactions		–	–
Total Non-current Assets		**51,050,741**	**41,371,867**
Total assets		**181,024,068**	**106,175,817**
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	22(a)	38,513,497	20,531,195
Audits fees	22(b)	1,980,801	1,320,534
Refundable deposits from customers	23	442,000	442,000
Total Current Liabilities		**40,936,298**	**22,293,729**
Total liabilities		**40,936,298**	**22,293,729**
Capital and Reserves			
Reserves		75,558,921	28,323,167
Accumulated surplus		64,528,849	55,558,921
Total Liabilities and Capital & Reserves		**140,087,770**	**83,882,088**
		181,024,068	**106,175,817**

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

Name: Albert Kobia Wakamau	Roseline Kanyiri	Caroline K Muguna
Sign: --------------------------------	Sign: --------------------------	Sign:………………...
Chairman of Council/Board of Governors	**Finance Officer** ICPAK No 26894	**Principal**
Date.28/09/2021	Date: 28/09/2021	Date: 28/09/2021

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

	Revaluation reserve	Fair value adjustment reserve	Retained earning	capital/Development Grants/Fund	Total
Balance b/f at July 1, 2019	-	-	**22,150,122**	**51,483,321**	**73,633,443**
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Surplus/deficits	-	-	6,173,045		**6,173,045**
Capitalized fund and Development grants received during the year(Appendix V)	-	-	-	4,075,600	**4,075,600**
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-		-
Balance c/d as at June 30, 2020	-	-	**28,323,167**	**55,558,921**	**83,882,088**
Balance b/f at July 1, 2020			**28,323,167**	**55,558,921**	**83,882,088**
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	36,205,682	-	**36,205,682**
Capitalized fund and Development grants received during the year(Appendix V)	-	-	-	20,000,000	**20,000,000**
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-		-
Balance c/d as at June 30, 2021	-	-	**64,528,849**	**75,558,921**	**140,087,770**

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

		2020/2021	2019/2020
	Note	Kshs	Kshs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Transfers from other Government entities/Govt. grants	6(a)	59,827,500	23,898,100
Transfer from other governments entities-CDF			
Rendering of services	8	26,122,396	36,563,465
Other income,	9	124,075	455,392
Rental income	10	12,000	21,000
Total Receipts		**86,085,971**	**60,937,957**
Payments			
Use of goods and services	11(a)	28,739,402	20,848,891
Audits fees	11(b)	660,267	660,267
Compensation of employees	12	6,723,456	10,513,669
Board of governers allowances	13	1,117,000	869,000
Depreciation and amortization expense	14	8,894,479	8,583,271
Repair maintainances and development	15	3,247,685	2,856,614
Contracted services	16	498,000	433,200
Transfer to Igembe technical training institute	25	0	10,000,000
Total Payments		**49,880,289**	**54,764,912**
Net Surplus		**36,205,682**	**6,173,045**
Depreciation		8,894,479	8,583,271
Less; (Increase)/Decrease in Receivable from Exchange trans.		-24,988,141	-20,242,966
Less; Increase/(decrease) in Trade and other payables		18,141,204	3,713,895
Less; Increase/(decrease) in Provision for audit fees		660,267	660,267
Less; (Increase)/Decrease in Refundable Deposit		0	
Less; (Decrease)/Increase in other payables		-	-
Net cash flow from operating activities		**38,913,492**	**-1,112,488**
cash flow from investing activities			-
Purchase of property, plant, equipment and intangible assets		-18,573,354	-7,199,255
Proceeds from sale of property, plant and Equipment		-	-
Net cash flows used in investing activities		**-18,573,354**	**-7,199,255**
Cash flows from financing activities			
Proceeds from borrowings		-	-
Government Development Grants		**20,000,000**	4,075,600
Net cash flows used in financing activities		**20,000,000**	**4,075,600**
Net increase/(decrease) in cash and cash equivalents		**40,340,138**	**-4,236,143**
Cash and cash equivalents at 1 July 2020		**19,300,079**	23,536,222
Cash and cash equivalents as at **30 June 2021**		**59,640,217**	19,300,079

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2020-2021	**2020-2021**	**2020-2021**	**2020-2021**	**2020-2021**
Revenue					
Transfers from other Govt entities	85,000,000	_	85,000,000	59,827,500	25,172,500
Rendering of services- Fees from studesnts	67,313,000	_	67,313,000	26,122,396	41,190,604
Other income	585,000	_	585,000	124,075	460,925
Rental revenue/hire of facility	0	_	0	12,000	-12,000
Total income	**152,898,000**	**0**	**152,898,000**	**86,085,971**	**66,812,029**
Expenses					
Use of goods and services	68,529,277	_	68,529,277	28,739,402	39,789,875
Compensation of employees	19,619,259	_	19,619,259	6,723,456	12,895,803
Board allowances	1,500,000	_	1,500,000	1,117,000	383,000
RMI	4,265,800	_	4,265,800	3,247,685	1,018,115
Provision for audits fee	660,267		660,267	0	660,267
Depreciation and amortization expenses	0	_	0	8,894,479	-8,894,479
Contracted services	720,000	_	720,000	498,000	222,000
Capital/development expenditure	57,603,397		57,603,397		57,603,397
Total expenditure	**152,898,000**	**0**	**152,898,000**	**49,220,022**	**103,677,978**
Surplus/deficits for the period	**0**	**0**	**0**	**36,865,949**	**-36,865,949**

Budget notes

1. *Due to disruption during the financial year caused by the Covid 19 pandemic, activities did not actualise as budgeted hence resulting to performance differences.*
2. *The difference on surplus between the statement of performance and budget comparison is because the provision for audit fees is not actually paid where budget is prepared on cash basis not accrual basis.*

XVII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Mukiria TTI is established by and derives its authority and accountability from TVET Act, 2013. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is to teach and train in Technical and Vocational Education & Training; Research and Innovation and Community Service.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

The financial statements have been prepared and presented in Kenya Sh illings, which is the functional and reporting currency of Mukiria T.T.I.

The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act 2012, the TVET Act 2013, 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 30th June 2021.

Standard	Impact
Other Improvements to IPSAS	**Applicable: 1st January 2021:** a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved. c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	**Applicable: 1st January 2023:** 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 Institute's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Institute's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	**Applicable: 1st January 2023** The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Institute provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Institute; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Institute's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	**Applicable: 1st January 2023:** a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

iii. Early adoption of standards

The Institute did not early – adopt any new or amended standards in year 2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Dividends

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2020/2021 was approved by the Board on 11th August 2021 Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Institute upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Institute did not record additional appropriations on the FY 2020/2021 budget.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section ***10*** of these financial statements.

c) Taxes

Current income tax

The Institute is exempt from paying taxes as per schedule

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

Sales tax/ Value Added Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of ***10*** years.

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

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Institute recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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 Institute. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Institute also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Institute will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Institute. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Institute determines the classification of its financial liabilities at initial recognition.
All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

i) Inventories

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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

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

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

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

The Institute does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Institute in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

n) Foreign currency transactions

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

o) Borrowing costs

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

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

q) Service concession arrangements

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

r) Cash and cash equivalents

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

s) Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6(a) .TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES	**KShs**	**KShs**
Description	**2020-2021**	**2019-2020**
Unconditional grants		
Capitation	16,395,000	12,735,000
Capitation	16,395,000	2,602,500
Capitation	10,807,500	2,122,500
Capitation	16,230,000	2,362,500
	59,827,500	**19,822,500**
Conditional grants		
Workshop grants		4,075,600
Workshop grants	_	
Total government grants and subsidies	**59,827,500**	**23,898,100**

6(b) Name of the entity sending grants	**Amount recognized to Statement of Comprehensive Income ks**	**Amount deferred under deferred income**	**Amount recognised in capital fund.**	**Total grant income during the year**	**2019/2020**
	KShs	**KShs**	**KShs**	**KShs**	**KShs**
State Department Of Technical Training	59,827,500	_		59,827,500	23,898,100
Total	**59,827,500**	_	**0**	**59,827,500**	**23,898,100**

7.TRANSFERS FROM OTHER LEVELS OF GOVERNMENT		
Description	**2020-2021**	**2019-2020**
	KShs	**KShs**
Unconditional grants		
Transfer from CDF	0.00	0
Total		**0**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. RENDERING OF SERVICES

	2020-2021	2019-2020
Description	**KShs**	**KShs**
Activity fee	3,827,437	654,458
Adminstration		163,902
KUCCPS placement fee	915,000	_
Electricity water and conservancy	592,415	559,994
Exams	1,987,410	6,593,494
Industrail attachments/insurance	4,397,000	759,469
Local travel and transport	4,376,010	534,553
Mecha tronic Training		_
Personal emoluments	1,927,680	1,926,735
Registration	94,900	_
Repair maintainance and improvements	2,410,104	464,240
Student identy card	121,400	_
Tuition	5,273,040	24,906,621
Total revenue from rendering of services	**26,122,396**	**36,563,465**

9. SALE OF GOODS/OTHER INCOME

Description	**2020-2021**	**2019-2020**
	KShs	**KShs**
Cosmetoogy sales		5,560
Gown fee		272,422
Smart card		9,000
Hotel sales	42,575	42,940
Bus hire	76,000	125,000
Agriculture production units	1,000	470
Tender sales	2,000	_
seats hire	2,500	_
	124,075	**455,392**

10. HIRE OF FACILITIES AND EQUIPMENT/RENTAL INCOME

Description	**2020-2021**	**2019-2020**
	KShs	**KShs**
Hire Of Facility	12,000	_
Hostel	0	21,000
	12,000.00	**21,000**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11a.USE OF GOODS AND SERVICES

	2020-2021	**2019-2020**
DESCRIPTION	**KShs**	**KShs**
Activity	579,870	1,604,420
Administration	2,537,677	1,557,265
Agriculture production units	700	18,950
Attachments		295,000
Automation	660,000	659,000
Bank charges	146,452	137,321
Bus hire		8,000
Commonwealth association of polytechnic in africa suscription		57,000
Electricity water and conservancy	480,788	618,231
Exam	9,376,809	2,159,230
Students wellfare		100,200
Graduation		1,426,560
Internets services	177,434	149,653
international standard organisation certification (iso)		1,143,540
Kenya association of technical training		60,000
value added tax witholding		186,083
Local travel and transport	2,173,593	2,047,668
Marketing	666,765	1,151,713
Medical fees		213,252
Performance contracts	406,760	521,100
Tuition expenses	10,297,903	3,364,014
Robotics/Trade fair		612,711
Students Welfare		100,200
Telephone/communication	362,856	309,100
Training/developments	871,795	2,348,680
Total	**28,739,402**	**20,848,891**

11 b). AUDIT FEES		
Description	**KShs**	**KShs**
	2020-2021	**2019-2020**
Audit fees	660,267	660,267
Total	**660,267**	**660,267**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12.EMPLOYEE COSTS

	KShs	KShs
DESCRIPTION	**2020-2021**	**2019-2020**
Name	**KShs**	**KShs**
Helb deductions	104,476	134,022
National security social fund	207,947	332,984
Nita levy	5,750	17,450
NationalHospital insurance fund	217,270	286,750
Paye as you earn	335,803	101,434
Personal emoluments	5,852,210	9,641,029
Partime teaching	–	–
Total	**6,723,456**	**10,513,669**

13. REMUNERATION OF DIRECTORS

Description	**KShs**	**KShs**
	2020-2021	2019-2020
Board of governers allowances	1,117,000	869,000
Total remuneration of directors	**1,117,000**	**869,000**

14. DEPRECIATION AND AMORTIZATION EXPENSE

Description	**2020-2021**	**2019-2020**
	KShs	KShs
Property, plant and equipment	8,894,479	8,583,271.00
Total depreciation and amortization	**8,894,479**	**8,583,271**

15. REPAIRS AND MAINTENANCE

Description	**2020-2021**	**2019-2020**
	KShs	**KShs**
Repairs and Maintenance	3,247,685	2,856,614
Total Repairs and Maintenance	3,247,685	2,856,614

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CONTRACTED SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Sanitary services	42,000	
Security services	456,000	433,200
Total contracted services	**498,000.00**	**433,200**

17a.CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020	
	KShs	KShs	
Current account			
Cooperative bank	12,497,325	11,338,631	
National bank developments acconuts	4,318,523	4,322,373	
National bank recurrents accounts	39,488,984	3,614,576	
National bank Igembe Central TVC	3,330,215	0	
Cash at hand	5,170	24,500	
Total cash and cash equivalents	**59,640,217**	**19,300,079**	
17 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS			
		2020-2021	**2019-2020**
Financial institution		**KShs**	**KShs**
a) **Current account**	**Accounts number**		
Cooperative bank	01129021590500	12,497,325	11,338,631
National bank developments accounts	01071226198200	4,318,523	4,322,373
National bank recurrents accounts	01248040062400	39,488,984	3,614,576
National bank Igembe Central TVC	01022218425000	3,330,215	
Sub- total		**59,635,047**	**19,275,579**
b) Others(specify)			
cash in hand		5,170	24,500
Unsurendered imprest		0	0
Sub- total		5,170	24,500
Grand total		**59,640,217**	**19,300,079**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Student debtors	70,333,110	45,503,871
Total receivables	**70,333,110**	**45,503,871**

19. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Description	**2020-2021**	**2019-2020**
	KShs	**KShs**
Current receivables		
Transfers from other govt. entities	_	_
Total current receivables	**0.00**	0

20.INVENTORIES		
Description	**2020-2021**	**2019-2020**
	KShs	**KShs**
Consumable stores	_	-
Total inventories at the lower of cost and net realizable value	_	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and Equipment	Work In Progress	Total
Depreciation rate		25%	12.5%	33%	12.5%		
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1July 2020	-	7,140,000	1,002,000	715,887	51,629,134	12,396,096	72,883,117
Additions				275,250	1,628,100	16,670,004	18,573,354
At end of year - June 2021	**0**	**7,140,000**	**1,002,000**	**991,137**	**53,257,234**	**29,066,100**	**91,456,471**
At 1July 2020	0	5,355,000	153,375	435,184	25,567,692	-	31,511,251
Depreciation	0	1,785,000	125,250	327,075	6,657,154		8,894,479
At 30 June 2021	0	7,140,000	278,625	762,259	32,224,846		40,405,730
At 30 June2020	0	1,785,000	848,625	280,704	26,061,442	12,396,096	41,371,867
At30 June2021	0	0	723,375	228,878	21,032,388	29,066,100	**51,050,741**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22a.TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020	
	KShs	KShs	
Trade payables	3,795,946	589,084	
Fees paid in advance	7,243,001	7,207,109	
Other payables	27,474,550	12,735,002	
Total trade and other payables	**38,513,497**	**20,531,195**	

22 (b) PROVISION FOR AUDIT FEES

Description	2020 -2021	2019 -2020
	Kshs	Kshs
Balance b/f 01.07	**1,320,534**	**660,267**
Additional provisions	660,267	660,267
Total Provisions as at 30.06.2021	**1,980,801**	**1,320,534**

23. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2020-2021	2019-2020
	KShs	KShs
Caution money	442,000	442,000
Total deposits	442,000	442,000

24. DEFERRED INCOME

Description	**2020-2021**	**2019-2020**
	KShs	**KShs**
National government	-	-
Total deferred income	-	-

25.Transfer to Igembe technical training institute

	2020-2021	2019-2020
DESCRIPTION	KShs	KShs
Developments grants	20,000,000	10,000,000

11. FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

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

At 30 June 2021	Total amount Kshs	Fully performing Kshs	Past due Kshs
Receivables from exchange transactions	70,333,110	70,333,110	-
Bank balances	59,640,217	59,640,217	-
Total	**129,973,327**	**129,973,327**	-
At 30 June 2020			
Receivables from exchange transactions	45,503,871	45,503,871	-
Bank balances	19,300,079	19,300,079	-
Total	**64,803,950**	**64,803,950**	-

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

The Institute has significant concentration of credit risk on amounts due from students. The board of governors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs .
At 30 June 2021				
Trade payables	18,295,496	10,807,500	9,410,501	38,513,497
Provisions		-	1,980,801	1,980,801
Refundable deposits from customers			442,000	442,000
Total	**18,295,496**	**10,807,500**	**11,833,302**	**40,936,298**
At 30 June 2020				
Trade payables	20,531,195	-	-	20,531,195
Provisions	1,320,534	-	-	1,320,534
Refundable deposits from customers	442,000	-	-	442,000
Total	**22,293,729**	-	-	**22,293,729**

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Institute's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Institute's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

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

a) Foreign currency risk

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

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

b) Interest rate risk

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

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

Sensitivity analysis

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

iv) Capital Risk Management

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

	2020-2021	**2019-2020**
	Kshs	Kshs
Reserves	75,558,921	28,323,167
Accumulated Fund	64,528,849	55,558,921
Total funds	**140,087,770**	83,882,088
Total borrowings	-	-
Less: cash and bank balances	(59,640,217)	(19,300,079)
Net debt/(excess cash and cash equivalents)	80,447,553	54,507,252

12. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

i) The National Government;
ii) The Parent Ministry;
iii) Key management;
iv) Board of Governors;

The transactions and balances with related parties during the year are as

	2020-2021 Kshs	2019-20xx Kshs
Transactions with related parties		
Training and conference fees paid to govt. agencies	-	-
Others (specify)	-	-
Total	-	-
a) Grants /Transfers from the Government		
Grants from National Govt	79,827,500	23,898,900
Grants from County Government	-	-
Donations in kind	0	-
Total	**79,827,500**	**23,898,900**
b) Expenses incurred on behalf of related party		
Payments of salaries and wages for BOG employees	6,723,456	-
Total	**6,723,456**	
c) Key management compensation		
Directors' emoluments	1,117,000	869,000
Compensation to key management	-	-
Total	**1,117,000**	**869,000**

13. CAPITAL COMMITMENTS

Capital commitments	2020-2021 Kshs	2019-2020 Kshs
Authorised for		
Authorised and contracted for	-	-
Total		

14. EVENTS AFTER THE REPORTING PERIOD

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

15. ULTIMATE AND HOLDING INSTITUTE

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

16. CURRENCY

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*

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 Institute 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.

Accounting Officer

Mrs Carolyne K. Muguna
Secretary to the Board/Principal

Signature
Date.02/08/2022

APPENDIX III: INTER-INSTITUTE TRANSFERS

	INSTITUTE NAME:	Mukiria Technical Training Institute		
	Break down of Transfers from the State Department of technical and vocational training			
	FY 2020/2021			
a.	capitation Grants			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
		6/11/2020	16,395,000	2020/2021
		9/11/2020	16,395,000	2020/2022
		30/03/2021	10,807,500	2020/2021
		30/06/2021	16,230,000	2020/2021
		Total	**59,827,500**	
b.	Development Grants	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	Igembe Central TVC	9/09/2020	20,000,000	2020/2021
		Total	**0**	
c.	Direct Payments			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			–	
		Total	**0**	
d.	Donor Receipts			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			–	
		Total	**0**	

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

Finance Manager
Mukiria Technical Institute

Sign

Head of Accounting Unit
Ministry of Education

Sign-------

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

	Date received			Where Recorded/recognized					
Name of the MDA/Donor Transferring the funds	**as per bank statement**	**Nature: Recurrent/Development/Others**	**Total Amount - KES**	**Statement of Financial Performance**	**Capital Fund**	**Deferred Income**	**Receivables**	**Others - must be specific**	**Total Transfers during the Year**
Ministry of Education	6/11/2020	capitation	16,395,000	16,395,000	–	–	–	–	16,395,000
Ministry of Education	9/11/2020	capitation	16,395,000	16,395,000	–	–	–	–	16,395,000
Ministry of Education	30/03/2021	capitation	10,807,500	10,807,500	–	–	–	–	10,807,500
Ministry of Education	30/06/2021	capitation	16,230,000	16,230,000	–	–	–	–	16,230,000
Ministry of Education	09/09/2020	Direct Payment	20,000,000	0		–	–	–	20,000,000
Total			**79,827,500**	**59,827,500**	**20,000,000**	–	–	–	**79,827,500**