

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
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REPORT

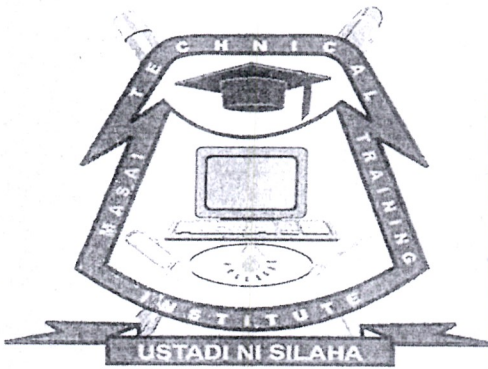
THE NATIONAL ASSEMBLY	
DATE: 25 JUL 2023	DAY: TUE
TABLED BY: HON. NAOMI WAQU MP	DEPUTY MAJORITY WITH
OF THE TABLE: ANNE SHIBICO	

THE AUDITOR-GENERAL

ON

MASAI TECHNICAL TRAINING INSTITUTE

**FOR THE YEAR ENDED
31 DECEMBER, 2022**



MASAI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Masai Technical Training Institute is a Government institution under Technical, Vocational Education & Training Authority (TVETA), under the Ministry of Education. It is situated in Kajiado Town (Along Nairobi – Namanga Road) 70 Kms from Nairobi. It's of fully qualified Trainers in their respective fields.

The institute started offering technical courses in 1986. Since then, the institute has registered more than twelve thousand (12,000) trainees.

A Board of Governors appointed by the Ministry of Education manages the institute. The day-to-day management of the institute is done by the principal.

b) 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/Sec BOG	Mr. Isaac Bwambok
2.	Deputy Principal Administration	Ms. Teresa Njue
3.	Deputy Principal Academics Affairs	Dr. Livingstone Mwaura
4.	Registrar	Mr. George Kimotho
5.	Finance Officer	Ms. Emily Nashipae
6.	Procurement Officer	Mr. Dominic Sang
7.	Dean Of Trainees	Ms. Lydia Gwendo
8.	Management Representative (QMR)	Mr. Raphael Kagwanja
9.	PC Coordinator	Ms. Vivienne Margai
10.	Industrial Liaison Officer	Ms. Millicent Onyango
11.	Human Resource Officer	Ms. Peris Kamanga
12.	Internal Auditor	Ms. Keziah Mantina

Fiduciary Oversight Arrangements

Audit, Finance & General Purposes committee activities

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The Committee shall exercise all the powers of BOG in financial matters except in relation to the items, which are reserved, to BOG in these Standing Orders, on which the Committee shall advise BOG. Terms of Reference The role of the Committee shall be to monitor the financial status of the Institute on behalf of BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

- i. To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters
- ii. To receive reports from the Principal and the Finance Officer
- iii. To monitor implementation of the strategy for the Institute
- iv. To receive reports of the extent and condition of the Institute estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements
- v. To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- vi. To determine the fees and charges made for Institute services and facilities.
- vii. To supervise the financial administration of the Institute and make recommendations to BOG where appropriate.
- viii. To supervise the arrangements for safeguarding the Institute's assets
- ix. To ensure the proper financial evaluation and control of projects
- x. To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments
- xi. To make recommendations to BOG on the financing of projects

Senior Management Activities

The main purpose of the Senior Management Team is to:

- i. Ensure that MTTI's BOG is able to take strategic decisions relating to MTTI's activities.
- ii. Provide leadership in communicating MTTI's mission, values, plans and achievements effectively and consistently to BOG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders.
- iii. Be accountable for the development and implementation of MTTI's strategic, corporate and business plans in line with the mission and values.
- iv. Take a strategic overview of performance in all areas of MTTI's activities.
- v. Makes recommendations to the BOG on the implementation and achievement of the BOG's Strategic Framework;
- vi. Agrees MTTI's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- vii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;

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- viii. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of MTTI, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- ix. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- x. Oversees and monitors MTTI's joint work with the other stakeholders
- xi. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BOG and/or its relevant Committees.
- xii. Leads all senior managers in motivating and developing MTTI staff to deliver the highest standards of performance and customer service

Government oversight activities

The Government of Kenya's oversight role includes provision of Grants for both Capitation and Development as well as provision of the regulatory framework. The Office of the Auditor General undertakes the audit of the Institutional activities.

c) Principal Activities

The principal activity of the institute is to impart technical and vocational skills to youths in Kenya. The institute offers a wide range of technical courses under the following academic departments:-

- i. Building and Civil Engineering
- ii. Hospitality and Institutional Management
- iii. Mechanical Engineering
- iv. Electrical and Electronics Engineering
- v. Liberal Studies
- vi. Business
- vii. E-Learning -Open and distance Learning
- viii. Information Communication Technology

Vision: A leader in providing quality technical and business education.

Mission: To excel in producing competent manpower in technical and business fields for self-Sustainability and responsible citizenship.

Core values

- i. Professionalism
- ii. Integrity
- iii. Customer focus

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- iv. Teamwork
- v. Innovation & creativity

Strategic Objectives:

- i. The specific strategic objectives of Masai Technical Training Institute are to;
- ii. To provide training in business and technical education.
- iii. To embrace science, technology and innovation in everyday life.
- iv. To produce market-oriented manpower.
- v. To implement the training objectives of the Ministry of Education.
- vi. To provide an environment for creativity and innovation.

d) Institute Headquarters

P.O. Box 125-011000
Kajiado
Kajiado, Namanga Road
Kenya

e) Institute Contacts

Telephone: 020 2064581
Mobile (254) 0727738161
E-mail: Info@masaitech.ac.ke
Website: www.masaitech.ac.ke

f) Institute Bankers

- 1. Kenya Commercial Bank
Kajiado Branch
P.O. Box 43-0100
Kajiado, Kenya
- 2. Equity Bank
Kajiado Branch
P.O. Box 536-0100
Kajiado, Kenya
- 3. Cooperative Bank
Kajiado Branch
P.O. Box 454-01100
Kajiado, Kenya

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g) Independent Auditors

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

h) Principal Legal Advisor

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

i) Independent Auditors





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

j) Principal Legal Adviser






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

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II. BOARD OF GOVERNORS

NAME	BIRTH AND QUALIFICATIONS
 Dr. Issac Mapenay CHAIRMAN BOARD OF GOVERNORS	Date of birth: 1966 PHD in Pharmacology and Toxicology from The University of Nairobi
 Mr. Isaac Bwambok PRINCIPAL & SECRETARY TO THE BOARD OF GOVERNORS	Born in 1967 BED Building and Civil from Moi University
 Irene Mati MEMBER	Date of birth: 1963 Master of arts in Economic policy Management from Makerere University
 Geoffrey Malakwen Langat MEMBER	Date of birth: 1974 MBA Finance from Kenyatta University; (C.P.A) K

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 <p>Dr. Wilfrida Itolondo MEMBER</p>	<p>Date of birth: 1957 PHD in Education from Kenyatta University</p>
 <p>Mrs. Olivia A. Odongo County Director TVET</p>	<p>Date of birth: 1962 MBA in Education Planning</p>
 <p>Eng. Joel Musembi Kiilu MEMBER</p>	<p>Date of birth: 1962 MBA from the University of Nairobi</p>
 <p>Nixon Mageka MEMBER</p>	<p>Date of birth: 1976 Master's in communication management from Kigali Institute of Science and Technology</p>
 <p>Antony G. Gatheca MEMBER</p>	<p>Date of birth: 1972 Bachelor of Science in Agriculture from Egerton University</p>





BOARD COMMITTEES

Name of the Committee	Members
The Audit & Risk Management	<ol style="list-style-type: none"> 1. Irene Mati 2. Eng. Joel Musembi 3. Internal Auditor



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Education, Training & Research Committee	<ol style="list-style-type: none"> 1. Dr. Wilfrida Itolondo 2. Mr. Isaac Bwambok 3. Mr. Nixon Mageka
The Finance, Human Resource & Infrastructure Committee	<ol style="list-style-type: none"> 1. Geoffrey Malakwen Langat 2. Mr. Isaac Bwambok 3. Mrs. Olivia A. Odongo 4. Mr. Nixon Mageka

III. MANAGEMENT TEAM

NAME	QUALIFICATION
 Mr. Isaac Bwambok PRINCIPAL	BED Building and Civil from Moi University
 Ms. Teresa Njue DEPUTY PRINCIPAL ADMINISTRATION	Communication
 Dr. Livingstone Mwaura DEPUTY PRINCIPAL ACADEMIC AFFAIRS	Ph.D. - Project Management
 George Ileve Kimotho REGISTRAR	MBA - Financial Accounting

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 Ms.Emily Nashipae FINANCE OFFICER	<p>Finance</p>
 Mr Dominic Sang PROCUREMENT OFFICER	<p>Purchasing and Supplies Management</p>

IV. CHAIRMAN’S STATEMENT

Introduction

On behalf of the Board of Governors, I am pleased to present the institute annual Report statement for the year ended 30th June, 2022. I wish to point out an impressive performance characterized by remarkable improvements in operational performance as well as expansion of the Institute Infrastructure.

Institute Mandate

As a public TVET Institution, MTTI recognizes its pivotal role in helping Kenya to achieve development goals through training, research and innovation. In this respect Masai Technical Training Institute provides skills, knowledge and technology required to steer the country towards achieving the economic, social and political goals as enshrined in National development instruments.

The institute will continue to reposition its main brands within the context of the markets requirements, customer satisfaction and cost rationalization.

The need to meet this objective over the years has remained the central focus of the institute.

The Board of Governance is confident that the institute performance of its mandate is at high level to address the requirement for human resource for TVET’s in the country

Achievements

The Board has developed a cordial working relationship with devolved units of Government resulting to attraction of support in which the institute has had students sponsored by National Government Constituency devolvement fund (NG-CDF) and also from non-profit making

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organizations like Compassion and National Council for Persons with disability which has boosted the number of special needs students to undertake TVET courses. The resultant is a boost on innovation and research of which students were equipped with skills in various technical courses that would lead to self-employability.

Also, during the year the institute participated in the Regional Ball games at Thika Technical Training Institute amidst strict covid-19 guidelines. This was the first co-curricular activity after Covid-19 pandemic struck the nation.

This will go a long way in nurturing talents and creating all rounded students for self-employability.

The Board has reviewed 2019-2023 strategic plans for the Institute. It provides a clear direction of the institute specific targets that we seek to achieve in the next five years. Specifically the strategic plan sets out strategic issues for achievement in the planned period.

Future Outlook

The Board is spearheading the revision of policies to ensure they are properly aligned to the emerging governance issues. This will ensure that the institute Competitive edge is sharpened and it continues to offer training services in a more broadened perspective.

Challenges

The institute has grappled with an increased demand for technical education against constrained institute resources. Due to an increase in student's numbers, the Library, classes and workshops and equipment have been overstretched and this has been a major challenge due to inadequate funding thus the need to enhance development grants. In addition, the Covid-19 pandemic has resulted to increased expenditure in institution of mitigation measures.

Appreciation

Finally, I wish to thank the Government and other organizations for the support they have continued to give the on behalf of the Board of governors, I thank the institute staff for their exemplary dedication and commitment in institution.

.....

Dr. Isaac Mapenay

BOG Chairman

30th August 2022.

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V. REPORT OF THE PRINCIPAL

Masai Technical Training institute is well placed to providing adequate and relevant training to her graduates that will enable them to contribute towards the attainment of our country's Vision 2030 strategic objectives. In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs in several ways that will ensure their competitiveness in terms of quality and relevance.

With the guidance of the Governing Board, we worked hard in setting up structures and policies aimed at guiding the institution in the right strategic direction.

HIGHLIGHTS OF FY 2021/2022 PERFORMANCE

The Financial Year 2021/2022 started on a relatively low note since it was post Covid-19 pandemic recovery that had grounded learning.

Previously, in a move to boost student enrolment the Government had introduced Capitation to the tune of Ksh. 30,000/= p.a to all joining and current students in all Technical Training Institutions. Annual trainees' fee nationally is capped at Ksh. 56,420/= with the Government pledging the above Ksh. 30,000/= capitation, while encouraging the needy students to apply through HELB for the balance of Ksh. 26,420/=

Students Enrolment;

During the year 2021/2022, there was an increase of leaners from 1744 to 1898 by end of June, 2022. This increase can be attributed to the government efforts of ensuring 100% transition from secondary schools to tertiary education.

I have confidence that the trainees are well equipped with the necessary skills that strategically aligns them with opportunities within our Counties, Country, Regionally and globally at the same time contributing to the realization of the Big 4 Agenda: Health, Manufacturing, and Affordable Housing and Food security.

Masai Technical Training Institute being a Tertiary institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition.

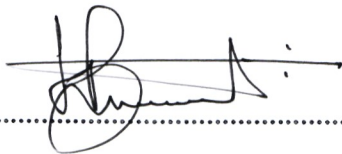
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To do so, however the Institute requires a lot of support from the Government and other stakeholders in this crucial transitional stage to a National Institute in terms of funding, material support and enhancement of Income Generating Activities to reinforce external support.

On behalf of the Institute Board and Management, I take this opportunity to thank the Government for its unequivocal support during the year under review.

I also appreciate the financial, material and moral support of our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as the cooperation of the Management team, all staff and our trainees that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

I look forward to their continued support in the new financial year and the years ahead.

A handwritten signature in black ink, appearing to read 'Isaac Bwambok', is written over a horizontal dotted line. The signature is stylized and includes a long horizontal stroke extending to the right.

Isaac Bwambok(Mr.)

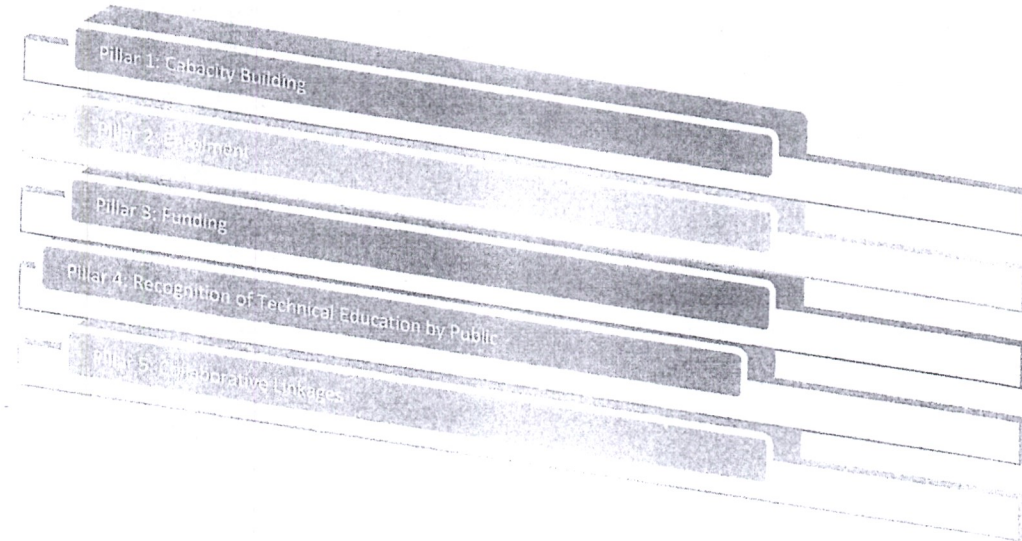
PRINCIPAL/SECRETARY BOG.

Date: 30th August 2022

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VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Masai Technical Training Institute has 5 strategic pillars and objectives within its Strategic Plan for the FY 2017/2018- 2021/2022. These strategic pillars are as follows:



Masai Technical Training Institute 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 2020/2021 period for its 5 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
PILLAR 1: CAPACITY BUILDING	- Upgrade and modernize.	-Installation of Management Information Systems.	-Institutionalized Management Information System (MIS)	-Management Information system being implemented
	- Enhance human resources across departments.	Increased number of teaching and non-teaching staff	-Advertisement and promotions	-ICT courses are being offered in the institution
	- Increase financial resources to support Institute programs.	-Increased student population		
		-Increased demand for IGA products and services -Complete ICT infrastructures		

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PILLAR 2: ENROLMENT	Increase trainee enrolment in STEM course	Increased number of trainees enrolled in STEM courses	-Advertisement in Print, mainstream, and social media.	Increased number of trainees enrolled in STEM courses
			-Community sensitization campaigns	
PILLAR 3: FUNDING	-To establish adequate source of funding for the Institutes projects	-Increased enrollment to increase fee collection - Increased demand for IGA products and services	-Marketing, advertising and outreach	-Increased student population
PILLAR 4: RECOGNITION OF TECHNICAL EDUCATION BY THE PUBLIC	-Exploit existing good will to enhance awareness, appreciation and Positioning of Technical Education	-Increase trainee enrolment. -Increased student sponsorships by the public.	-Involvement in Corporate Social Responsibility initiatives	-Increased participation in community activities
PILLAR 5: COLLABORATIVE LINKAGES	-Strengthening collaboration linkages	Development partners on board Mentorship	-Establish collaborations and linkages - Strengthen existing collaboration and linkages -Establish benchmarks and joint cooperation networks with international TVET institutions	Collaboration with NYS and KCB Bank and AFDB in sponsoring students.

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VII. CORPORATE GOVERNANCE STATEMENT

Corporate governance comprises rules, procedures, regulations and processes through which the Institute is directed. It involves balancing the interests of the Institute in order to achieve long-term strategic objectives of the Institute.

The roles and functions of the Board members are clearly defined and include giving the overall oversight of management and giving the strategic direction of the Institute. The Board members defines the Institute's strategies, objectives, values and ensures that procedures and practices are put in place to ensure effective control over strategic, financial, operational and compliance issues. The Board members develops short and long-term goals of the Institute, develops strategies to achieve those goals and monitors the performance of the Institute against the set goals. The Board members also spearheads the preparation of financial statements and reports of the Institute, approves and reviews annual budgets and ensures that the Institute has adequate systems of internal controls together with appropriate monitoring of compliance activities to ensure business continuity.

The Board members provides oversight to the Institute's top management and has unrestricted access to timely and relevant information as well as advice and services of the Corporation Secretary to discharge its duties effectively.

Masai Technical Training Institute Board members operates in compliance with the Mwongozo code that offers corporate governance framework for all state corporations. The members of Board have duly undergone training under this code.

The Board members prepares an annual almanac showing the schedule of meetings planned for each year. During the year, the Institute Board members held regular quarterly meetings, while special meetings were called when necessary.

The Board is headed by the Chairman and is composed of nine members inclusive of the Principal who is the only executive member. The constitution of the Board members takes into consideration requirements of the sector, diversity of skills, academic qualifications, gender, age and experience necessary to add value to the operations of the Institute. The Board members are appointed to various Board Members' Committees mandated to carry out specified functions. The Board members therefore bring their diverse experiences in deliberations during Board meetings.

The Board members' committees have well defined terms of reference. The committees are intended to facilitate efficient decision making by the Board members in them discharging their duties and responsibilities.

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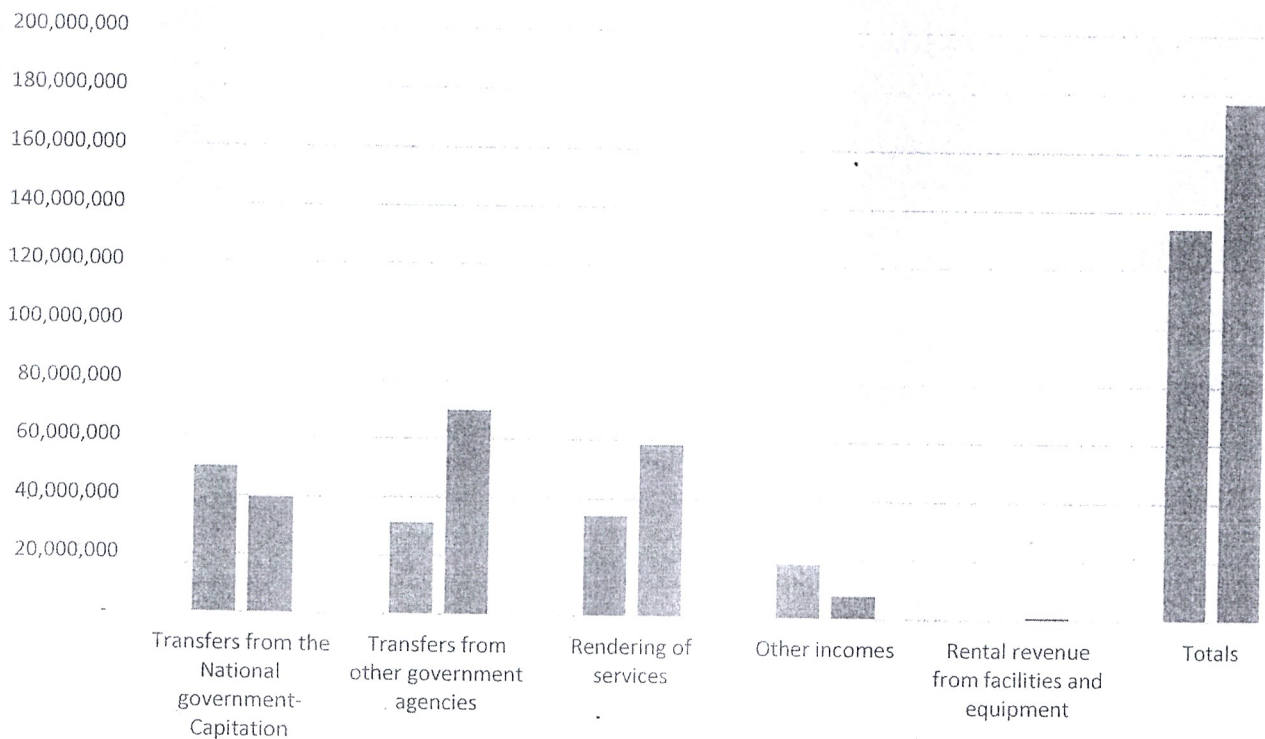
VIII. MANAGEMENT DISCUSSION AND ANALYSIS

Masai Technical Training Institute operational and financial performance

During the year ended June 2022 the Institution had 1636 trainees.

Below are the graphs and pie charts analyzing the revenues and expenses of the Institute:

Comparative Revenues Analysis



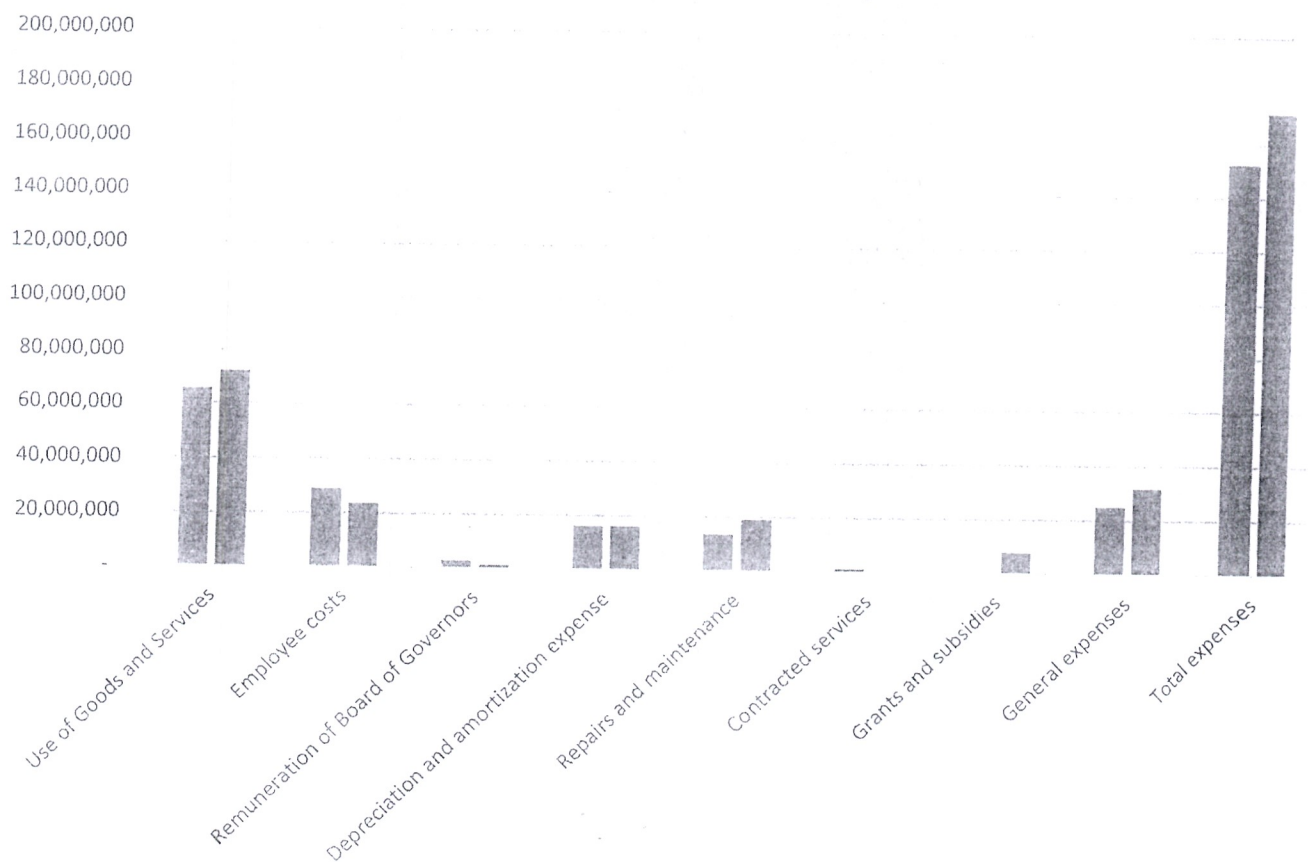
From the above graphs, revenues decreased due to low enrolment and the post covid period effects.

The below analysis reviews that all expenses decreased drastically due to low enrolment and post covid effects as mentioned under income.

The contribution of each expense as a percentage of total expenses is as shown below.

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Comparative Expenses Analysis



Risks and Opportunities facing MTTI

Opportunities	Threats
Potential for collaboration & Linkages	Competition from other TVCS
High demand for Technical skills	Rapid Technological changes
Centralized placement of new students by KUCCPS	Rapid changes of policy
Positive perception of TVET by the Public	Rigid KICD Curriculum
Demand for short term courses	High cost of training in practical skills
Access to student loans & bursaries from H.E.L.B, county & NGCDF	Unpredictable job market
Government support	Formal employment culture in the society
Enabling legal & policy framework	Unfavorable economic changes
	cybercrime
	Political interference
	HIV/ AIDS drugs and substance abuse

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Other institutes' major risks are mainly related to its core business which is training and human resource development. Some of the identified risks include;

- i. Low student enrolment.
- ii. Student turnover
- iii. Inadequate student accommodation and support facilities
- iv. Delayed disbursement of capitation and NYS sponsorship
- v. Staff turnover due to inability to retain them

Masai Technical Training Institute compliance with statutory requirements

Masai Technical Training Institute complies to deduction and remittance of statutory deductions such NHIF, NSSF and PAYE

Key projects and investment decisions

The projects under consideration in the FY 2021/2022 are summarized in the table below

Project	Budget	Key Deliverables	Project Status
-Ramps -Construction of PWLDs Ablution Units (Textile workshop, Ladies Hostel and Mechanical Workshop) and motor cycle shed.	1,000,000		90% Complete

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Masai Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1. Sustainability strategy and profile

Key Institute staff attended career days and workshops for head teachers in order to motivate and mentorship to students in high schools. These motivational talks are a permanent feature in our

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calendar of events every year and they ensure that the Institute maintains a strong link with students who are aspiring to join Institutes.

2. Environmental performance

Environmental degradation has severe negative effects in the world. It is therefore important for constant efforts to be made to conserve the environment around us. During the year, the Institute started a project to grow trees in the Institute. This project will be continued in subsequent years in order to improve the total tree cover in the Institute.

3. Employee welfare

The Institute has developed a Human resource policy to help in the recruitment of its staff. The policy is also gender sensitive as it has contributed to the third gender rule as per government directives. Employees hold capacity trainings every year to motivate them. This has improved the morale the employees in the place of work and thus improved service delivery. The Institute is in the process of putting in place a safety policy in order to be compliance with Occupational Safety and Health Act of 2007, (OSHA).

There is a reward and appraisal system in place for all the employees of Masai Technical Training Institute.

4. Community Engagements-

Masai Technical Training Institute, as a responsible corporate institution established to achieve public good, recognizes the link between sustainable growth and development of the institution and the need to invest in society, the local community and protection of the environment. This is important to ensure that social, economic and environmental benefits accrue to the society and other stakeholders as the Institute conducts its business. During the year, the Institute contributed to various community initiatives and noble projects, despite the prevailing resource constraints.

X. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of the institute's affairs.

Principal activities

The principal activity of the institute is to : offer competence Based Technical Training, prepare and guide trainees, for evaluation and certification by appropriate examining bodies and promote Science, Technology and Innovation in all training programs.

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Results

The results of the institute for the year ended 30 June 2022 are set out on page 1 of these financial statements.

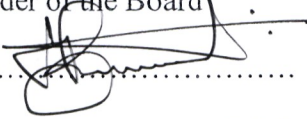
BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page vi-viii.

Auditors

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

By Order of the Board


.....

Principal/Secretary to BOG

Date... 20/05/2023

MASAI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

XI. STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (Technical and Vocational Education and Training Act, 2013 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. The board members are also required to ensure that the institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the institute. The board members are also responsible for safeguarding the assets of the institute.

The board members are responsible for the preparation and presentation of Masai Technical Training Institute financial statements, which give a true and fair view of the state of affairs of Masai Technical Training Institute for and as at the end of the financial year 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 Masai Technical Training 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 Masai Technical Training Institute financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the TVET Act). The board members are of the opinion that Masai Technical Training Institute's financial statements give a true and fair view of the state of Masai Technical Training Institute's transactions during the financial year ended June 30, 2022, and of the Masai Technical Training Institute's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the Masai Technical Training Institute, which have been relied upon in the preparation of the Masai Technical Training Institute's financial statements as well as the adequacy of the systems of internal financial control.

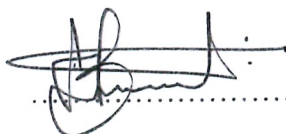
Nothing has come to the attention of the board members to indicate that Masai Technical Training Institute will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Masai Technical Training Institute's financial statements were approved by the Board

on 12th July 2022 and signed on its behalf by:

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Chairman BOG

Principal/Accounting Officer

REPUBLIC OF KENYA

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Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MASAI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2022

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 the 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 Masai Technical Training Institute set out on pages 1 to 32, which comprise of the statement of financial position

Report of the Auditor-General on Masai Technical Training Institute for the year ended 30 June, 2022

as at 30 June, 2022, 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 Masai Technical Training Institute as at 30 June, 2022, 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. Inaccuracies in the Financial Statements

1.1 Variances in the Statement of Comparison of Budget and Actual Amounts

Review of the statement of comparison of budget and actual amounts revealed that variances between the final budget and actual amounts were inaccurate in respect to the following items;

Item	Variance as per Budget Statement (Kshs.)	Recomputed Variance (Kshs.)
Transfer from National Government	(3,840,000)	12,102,500
Total Income	0	4,306,127
Personnel Emoluments	7,830,229	7,620,169
Board Expenses	1,247,600	258,500
Development Expenditure	216,400	1,453,196

1.2 Variances Between Financial Statements and Trial Balance

Review of financial statements revealed the following variances between financial statements and trial balance:

Item	Financial Statement Balance (Kshs.)	Trial Balance (Kshs.)	Variance (Kshs.)
Student Debtors	6,752,964	6,266,063	486,901
Receivables-NYS	0	10,461,800	10,461,800

Report of the Auditor-General on Masai Technical Training Institute for the year ended 30 June, 2022

Item	Financial Statement Balance (Kshs.)	Trial Balance (Kshs.)	Variance (Kshs.)
Other Receivables	0	486,901	486,901
Accumulated Surplus	120,750,241	130,938,457	10,188,216
Textile Production Expenses	507,200	424,940	82,260
Furniture and Fitting	0	2,925,000	2,925,000
AIC Child Care Expenses	0	1,291,330	1,291,330
Salary Advance	0	615,300	615,300

1.3 Variances in Comparative Balances

Review of the financial statements revealed the following variance in comparative balances:

Item	Comparative Balance (Kshs.)	Audited Balances (Kshs.)	Variance (Kshs.)
Deficit	13,563,750	13,608,750	45,000
Cash and Cash Equivalents	24,172,445	10,005,335	14,167,110
Receivables from Exchange Transactions	32,792,820	16,912,523	15,880,297
Total Current Assets	80,411,539	50,364,133	30,047,406
Total Assets	728,799,506	648,752,099	80,047,407
Accumulated Surplus	101,934,312	71,886,906	30,047,406
Total Net Assets	692,691,672	662,644,266	30,047,407
Capital Reserves	101,934,312	590,757,360	488,823,048

1.4 Variances Between the Financial Statements and Support Documentation

Review of the financial statements revealed variances with support documentation as shown below:-

- (a) The statement of financial performance reflects total revenue from exchange transactions and general expenses amounts of Kshs.92,177,647 and Kshs.16,200,658 respectively. However, the respective ledgers reflect balances of Kshs.59,347,880 and Kshs.14,293,528 resulting in an unexplained and unreconciled variance of Kshs.32,829,767 and Kshs.1,907,130 respectively. In addition, the statement of financial performance reflects expenditure on depreciation and amortization of Kshs.12,836,855 as disclosed in Note 12 to the financial statements. However, the amount excludes depreciation for buildings and underground water tanks.
- (b) The financial statements as disclosed in Note 20 reflects related party balances of Kshs.2,520,000 while the ledgers revealed an amount of Kshs.3,718,831 resulting to an unexplained and unreconciled variance of Kshs.1,198,831. Further, the related party balances reflects mentorship grants to Kajiado West Technical Vocational College of Kshs.920, 000 while confirmation from the entity revealed

an amount of Kshs.520,000 resulting to an unexplained and unreconciled variance of Kshs.400,000.

In the circumstances, the completeness and accuracy of balances reflected in the financial statements could not be confirmed.

2. Misclassification of Expenditure on Use of Goods and Services

The statement of financial performance reflects expenditure on use of goods and services of Kshs.124,832,482 as disclosed in Note 9 to the financial statements. The amount includes expenditure on local transport and travelling of Kshs.4,291,474 which further includes misclassified expenditure on fuel, oil and lubricant of Kshs.1,099,960. Further, Note 9 reflects tuition expenses of Kshs.82,330,181 which includes misclassified expenditures of Kshs.1,543,200 for monitoring and evaluation and Kshs.360,480 for casual wages.

In the circumstances, the accuracy, presentation and disclosure of expenditure on use of goods and services could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Masai 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

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the report on financial statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management had not resolved the issues nor given any explanation for the failure to implement the recommendations.

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 Report 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.

Report of the Auditor-General on Masai Technical Training Institute for the year ended 30 June, 2022

Basis for Conclusion

1. Improper Composition of the Audit Committee

Review of the Board minutes revealed that the Audit & Risk Management Committee has two members contrary to Regulation 174(4) of the Public Finance Management (National Government) Regulations, 2015 on composition of the Committee, which states that there shall be a minimum of three members, excluding a person who shall be appointed to represent The National Treasury in each audit committee and a maximum of five.

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

2. Irregular Payment of Subscriptions to Kenya Association of Technical Training Institutes

The statement of financial performance reflects general expenses of Kshs.16,200,658 as disclosed in Note 16 to the financial statements. The amount includes subscription fees of Kshs.664,400 paid to Kenya Association of Technical Training Institutes (KATTI). The institute is, however, not a government recognized agency by law and the subscription paid is therefore irregular. This was contrary to Section 68(1)(a) of the Public Finance Management Act, 2012 which states that an accounting officer for a national government entity, Parliamentary Service Commission and the Judiciary shall be accountable to the National Assembly for ensuring that the resources of the respective entity for which he or she is the accounting officer are used in a way that is lawful and authorized.

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

3. Irregular Procurement of Goods and Services

Review of the procurement records and process for various goods and services revealed irregularities as shown below.

3.1 Score Sheets and Evaluation Reports

Score sheets and evaluation reports for the prequalified suppliers were not provided for audit.

3.2 Use of Direct Procurement

The direct procurement method was used to purchase fuel worth Kshs.5,224,510 which was also not recorded in the work ticket. Further, training and consultancy services amounting to Kshs.200,000 were single sourced.

This was contrary to Section 60(1) of the Public Procurement and Asset Disposal Act, 2015 which states that an accounting officer of a procuring entity shall prepare specific requirements relating to the goods, works or services being procured that are clear, that give a correct and complete description of what is to be procured and that allow for fair

and open competition among those who may wish to participate in the procurement proceedings.

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

4. Unauthorized Expenditure

The statement of comparison of budget and actual amounts reflects a final expenditure budget of Kshs.163,696,220 and actual on comparable basis of Kshs.193,577,118 resulting to over expenditure of Kshs.29,880,898 or 18.3 % of the budget. The Management did not provide authority or approval for the excess expenditure.

In the circumstances, the expenditure above the approved budget results to unauthorized expenditure and breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

1. Lack of Staff Establishment

Review of personnel records revealed that the Institute did not have a staff establishment in place. In addition, the entity did not have an organogram showing the reporting structure in the organization. As a result, it was not clear how roles for the employees have been segregated and their reporting lines.

In the circumstances, the effectiveness of internal controls on staffing could not be confirmed.

2. Failure to Maintain Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.651,312,966 but a register of assets was not maintained. This was contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the effectiveness of the asset management controls could not be confirmed. In addition, Management was in breach of the law.

3. Lack of Risk Management Policy, Risk Register, Disaster Recovery and Business Continuity Plan

Review of the records and systems revealed that the Institute lacks a risk management policy and does not have a framework for management of risk, and hence it was not possible to identify, assess and control risk. Further, the entity did not maintain a risk register. In addition, the Institute did not have a strategy for recovery of lost data, to allow for business operations to be restored in the event of a disaster.

In the circumstances, the effectiveness of risk management systems in place could not be confirmed.

4. Lack of an Information Communication Technology (ICT) Policy

Review of the Institute's Information Technology (IT) environment revealed that it had a payroll system, student's fees management system and accounting system but lacked asset management system. In addition, there is no ICT Steering Committee to assist in the development of ICT policy to enable the Institute to realize long-term ICT strategic goals. Lack of an approved IT policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the Institutes' ICT assets. Further, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality and integrity.

In the circumstances, the effectiveness of the information technology controls could not be confirmed.

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 Board of Governors

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in

compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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


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

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

29 June, 2023

MASAI TECHNICAL TRAINING INSTITUTE
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XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30
JUNE 2022

		FY2021-2022	FY2020-2021
	Note		
Revenue from non-exchange transactions			
Transfers from the National government- Capitation	4	33,977,500	49,917,500
Transfers from other government agencies	5	41,847,200	27,278,125
Total revenue from non-exchange transactions		75,824,700	77,195,625
Revenue from exchange transactions			
Rendering of services	6	75,998,854	35,146,324
Other incomes	7	14,526,623	17,701,825
Revenue from Hire of facilities and equipment	8	1,652,170	9,062,124
Total revenue from exchange transactions		92,177,647	61,910,273
Total revenue		168,002,347	139,060,898
Expenses			
Use of Goods and Services	9	124,832,482	65,652,648
Employee costs	10	22,176,701	28,849,545
Remuneration of Board of Governors	11	3,241,500	2,718,692
Depreciation and amortization expense	12	12,836,855	15,996,530
Repairs and maintenance	13	12,751,922	13,297,697
Contracted services	14	1,537,000	1,241,320
Grants and subsidies	15	-	-
General expenses	16	16,200,658	24,913,216
Total expenses		193,577,118	152,669,648
(Deficit) for the Year		(25,574,771)	(13,563,750)

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XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

		FY 2021-2022	FY 2020-2021
		Kshs	Kshs
ASSETS	Note		
Current assets			
Cash and cash equivalents	17	38,468,267	24,172,445
Receivables from non- exchange transactions(Capitation)	18	-	15,699,825
Receivables from exchange transactions	19	17,686,228	32,792,820
Related party balances	20	2,520,000	3,198,831
Inventories	21	757,886	4,547,619
Total Current Assets		59,432,381	80,411,539
Non-current assets			
Property ,plant and equipment	24	651,312,966	648,387,966
Total non-current assets		651,312,966	648,387,966
TOTAL ASSETS		710,745,347	728,799,506
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	22	1,305,890	36,107,834
Trade and other payables from non-exchange transactions		-	-
Deferred income	23	34,872,522	
Total current liabilities		36,175,412	36,107,834
Total liabilities		36,175,412	36,107,834
Net assets			
Accumulated surplus		120,750,241	101,934,312
Capital reserves		553,816,694	590,757,360
Total net assets		674,745,347	692,691,672
TOTAL NET ASSETS AND LIABILITIES		710,745,347	728,799,506

The Financial Statements set out were signed on behalf of the Board of Governors by:

Chairman -BOG

Principal:

Finance Officer

Name:

Name: Isaac Bwambale

Name: Simon Kiprop

Date:

Date: 30/6/2023

ICPAK M/NO:

Date: 30/6/2023

**MASAI TECHNICAL TRAINING INSTITUTE
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FOR THE YEAR ENDED 30 JUNE 2022**

**XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE
2022**

For the Year ended 30 June 2022	Note	Accumulated surplus	Capital Reserves	Total
Balance brought forward as at 1 July 2021		120,750,241	101,934,312	222,684,553
Surplus for the year		(25,574,771)	(13,563,750)	(39,138,521)
Balance carried forward as at 30 June 2022		95,175,470	88,370,562	183,546,032
For the Year ended 30 June 2021	Note	Accumulated surplus	Capital Reserves	Total
Balance brought forward as at 1 July 2020		94,460,418	94,460,418	188,920,836
Surplus for the year		5,202,347	(5,202,347)	10,404,693
Balance carried forward as at 30 June 2021		99,662,765	86,054,015	99,662,765

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XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

		FY 2021-2022	FY 2020-2021
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Government National government & other grants	4	33,977,500	49,917,500
Transfers from other government entities	5	41,847,200	27,278,125
Rendering of services- Fees from students	6	75,998,854	35,146,324
Revenue from Hire facilities and equipment	8	1,652,170	9,062,124
Other income	7	14,526,623	17,701,825
Total Receipts		168,002,347	139,105,898
Payments			
Use of Goods and Services	9	124,832,482	65,652,648
Employee costs	10	22,176,701	28,849,545
Remuneration of Board of Governors	11	3,241,500	2,718,692
Repairs and maintenance	13	12,751,922	14,297,697
Contracted services	14	1,537,000	1,241,320
Grants and subsidies	15	-	-
General expenses	16	16,200,658	24,913,216
Total Payments		180,740,263	136,673,118
Net cash flows from operating activities		(12,737,916)	2,432,780
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(2,925,00)	(43,776,335)
Decrease in Inventory		(3,789,733)	(713,239)
Decrease in non-current receivables		41,543,541	(5,129,538)
Increase in payables		67,578	16,477,047
Net cash flows used in investing activities		34,896,386	(33,142,065)
Net increase/(decrease) in cash and cash equivalents		14,295,823	(30,754,285)
Cash and cash equivalents at 1 July 2020	17	24,172,445	54,926,729
Cash and cash equivalents at 30 June 2022	17	38,468,267	24,172,444

The Financial Statements set out were signed on behalf of the Board of Governors by:

Chairman -BOG

Principal: 

Finance Officer 

Name:

Name: Isaac Bowambok

Name: Simon Keper

Date:

Date: 30/05/2023

ICPAK M/NO:.....

Date: 26/5/2023

**MASAI TECHNICAL TRAINING INSTITUTE
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MASAI TECHNICAL TRAINING INSTITUTE
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XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original budget	Adjustments	Final Budget	Actual	Variance	Change %	Explanation of material variances
	Shs	Shs	Shs	Shs	Shs	%	
		a	c= a + b	d			
Revenue							
Transfer from National government	46,080,000	-	46,080,000	33,977,500	(3,840,000)	(8)%	(a)
Transfers from other levels of Government	48,942,400	-	48,942,400	41,847,200	7,059,200	14.49%	(b)
Rendering of services and other incomes	68,673,820	-	68,673,820	92,177,647	(23,503,827)	(34)%	(c)
Total income	163,696,220		163,696,220	168,002,347			
Expenses							
Use of Goods and Services	66,770,869	-	66,770,869	124,832,482	(58,061,613)	(62)%	(d)
Personnel emoluments	29,796,870	-	29,796,870	22,176,701	7,830,229	26%	(e)
Remuneration to Board of Governors	3,500,000	-	3,500,000	3,241,500	1,247,600	36%	(f)
Depreciation and amortization expense	22,580,000	-	22,580,000	12,836,855	9,743,145	43%	(g)
Repairs and maintenance	20,630,000	-	20,630,000	12,751,922	7,878,078	38%	(h)
Contracted services	1,000,000	-	1,000,000	1,537,000	(537,000)	(54)%	(i)
General expenses	18,418,481	-	18,418,481	16,200,658	2,217,823	12%	(j)
Development expenditure	1,000,000	-	1,000,000	2,453,196	216,400	21.64%	(k)
Total expenses	163,696,220	-	163,696,220	193,577,118			
Surplus (Deficit) for the quarter				(25,574,771)			

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XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Masai Technical Training Institute is established by Ministry of Education and derives its authority and accountability from Technical, Vocational, Education and Training Authority (TVETA) Act. Masai Technical is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to impart Technical and Vocational skills to youths in Kenya.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Institute's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the institute. The accounting policies have been consistently applied to all the year presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

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 Entity'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

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Standard	Effective date and impact:
	<p>financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</p> <ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> 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.

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Standard	Effective date and impact:
IPSAS 41, Financial Instruments	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>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.</p>
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

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Standard	Effective date and impact:
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

iii. Early adoption of standards

Masai Technical Training Institute did not early-adopt any new or amended standards in year 2022.

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4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Dividends

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

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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 2021/2022 was approved by the Council or Board on *Masai Technical Training Institute*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of *Masai Technical Training Institute* on the FY 2021/2022 budget following the Council/ Board's approval.

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

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

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

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule iv of the Tax Act.

Sales tax/ Value Added Tax

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

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- 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.

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Notes to the Financial Statements (Continued)

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 four(4) 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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

f) Leases

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

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

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

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

g) Intangible assets

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

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when

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development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

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Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

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Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

j) 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

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- 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

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Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

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

k) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

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Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

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

Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

n) Foreign currency transactions

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

o) Borrowing costs

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

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

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Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

p) Related parties

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

q) Service concession arrangements

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

r) Cash and cash equivalents

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

s) Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

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Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

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

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4	Transfers from National Government	FY2021-2022	FY 2020-2021
	Government capitation	32,477,500	49,417,500
	Mentoring Institutions: Kajiado East TVC	-	500,000
	MOE grants: Monitoring and evaluation	1,500,000	
	: Kajiado west TVC	-	
	Total transfers from Government	33,997,500	49,417,500

This relates to the transfer from National Government sponsored trainees. In year the institution received capitation for 2213 trainees, in quarter two received capitation for 1301 Trainees, in quarter three received capitation for 1438 trainees and quarter four was not received for 1438 trainees. The institution has recognized income based on the number of trainees KUCCPS has verified and confirmed the beneficiaries of the funds. Each trainee has an allocation of Ksh. 7,500 per quarter.

5	Transfers from other Government Agencies	1,500,000	FY 2020-2021
	NYS	41,847,200	27,278,125
	Total transfers from other Government Agencies	41,847,200	27,278,125

This is the fees that was paid and receivable from the Ministry of Youth and Gender Affairs on behalf of 164 National Youth Service trainees during the financial year.

6	Rendering of services	FY2021-2022	FY 2020-2021
	Personal emoluments	19,169,280	7,272,000
	Tuition fee	1,098,240	303,000
	EWC	5,424,640	2,059,351
	LT&T	4,967,040	1,884,281
	RMI	2,737,280	1,038,406
	Activity fee	5,574,400	2,114,688
	Industrial attachment and Insurance	4,992,000	1,893,750
	Boarding fees	15,385,000	4,000,000
	Examination fees	16,650,974	13,750,748
	Total revenue from the rendering of services	75,998,854	30,320,224

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7	Other incomes	FY2021-2022	FY 2020-2021
	Cafeteria	204,235	644,295
	Sale of goods	-	780,880
	Students ID	328,800	45,000
	Registration	1,644,000	150,000
	Student Council	986,400	635,100
	Sale of tenders	17,000	12,000
	Car Care	341,700	228,900
	Driving school	903,923	1,121,400
	Textile	177,790	588,860
	Rental Income	1,290,000	1,290,000
	Bakery	222,237	1,087,600
	Moi Girls Isinya	5,988,668	11,397,990
	Dairy farm	478,400	498,900
	Mashuuru secondary		51,000
	A.I.C Child care center	1,686,820	-
	Part –Time income	256,650	
	Total other Incomes	14,526,623	17,701,825

These are incomes from Income Generating Activities that the institute engaged in which are not direct linked to the academic activities of the institution.

8	Revenue from Hire of facilities and equipment	FY2021-2022	FY 2020-2021
	Hire of facilities	1,652,170	9,062,124
	Total revenue from hire of facilities and equipment		

This relates to the income received from hiring of institute facilities to external institutions for conferences, seminars and workshops. In 2020 2021 we had income from Moi Girls Isinya relates to income from construction of a perimeter wall and class rooms and A.I.C which is not there in 2021 2022

9	Use of Goods and Services	FY2021-2022	FY 2020-2021
	Tuition expenses	82,330,181	27,224,785
	Activity	3,041,743	951,340
	Local Transport & Travelling	4,291,474	2,719,304
	Electricity, water and Conservancy	3,658,711	2,464,493
	Student council expenses	611,000	1,067,215
	Examination fees	17,052,152	15,318,038
	Boarding Expenses	5,549,930	12,648,183
	Institute publicity expenses	3,854,934	910,658
	Industrial attachments	101,300	712,400
	Management Information systems	3,077,400	1,350,000
	Student Insurance	1,263,657	286,232

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	Library expense	-	
	Total use of goods and services	124,832,482	65,652,648

10	Employee costs	FY2021-2022	FY 2020-2021
	Personal emoluments	14,270,000	19,862,757
	Employee related costs: N S S F	1,793,674	1,996,336
	N H I F	634,150	601,600
	P A Y E	874,029	1,895,021
	H E L B	293,597	98,497
	Matenos welfare	671,023	812,281
	Kases sacco	1,340,721	1,697,847
	Ollin Sacco	86,000	-
	Provident Fund	2,133,257	1,807,656
	Kudheiha Union	80,250	77,550
	Total employee costs	22,176,701	28,849,545
11	Remuneration to Board of Governors	FY2021-2022	FY 2020-2021
	Board allowances	3,241,500	2,718,692
	Total director emoluments	3,241,500	2,718,692
12	Depreciation and amortization expense	FY2021-2022	FY 2020-2021
	Property, plant and equipment	12,836,855	15,996,530
	Total depreciation and amortization	12,836,855	15,996,530
13	Repairs and maintenance	FY2021-2022	FY 2020-2021
	Repairs and maintenance- routine maintenance	6,828,858	9,284,606
	Motor Vehicles Insurance	-	1,732,391
	Motor vehicle expenses	1,608,572	1,226,330
	Fuel, oil and lubricants	1,861,296	2,054,370
	Development Expenses	2,453,196	-
	Total repairs and maintenance	12,751,922	14,297,697
14	Contracted services	FY2021-2022	FY 2020-2021
	Consultancy and training services	1,537,000	1,241,320
	Total contracted services	1,537,000	1,241,320
15	Grants and subsidies	FY2021-2022	FY 2020-2021
	Kajiado East TTI A/C	-	-
	Kajiado West TTI Account	-	-

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	Total grants and subsidies	-	-
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16	General expenses	FY2021-2022	FY 2020-2021
	Administrative expenses	603,500	4,375,364
	Vegetable farm expenses	-	106,365
	Driving school expenses	191,880	363,889
	Research and Development expenses	-	10,000
	Dairy farm	657,240	434,728
	ISO 9001:2015	272,400	46,400
	Performance Contracting	86,500	-
	Hire of facilities	2,607,415	646,541
	Dispensary	130,057	448,479
	Economic stimulus	-	-
	Part time expenses	37,034	10,500
	Strategic planning	-	-
	KATTI	664,400	337,000
	Medical fee	-	99,067
	Car care expenses	117,760	1,529,550
	Covid-19 expenses	1,597,300	4,039,898
	CAPA/KATTI Conference training		6,000
	Rent expense	2,236,850	165,449
	Moi Girls project expenses	1,917,212	6,678,401
	Dining hall Renovations	1,674,035	2,726,086
	Bakery unit expenses	961,867	246,427
	Water harvesting expenses	-	458,720
	Textile production unit expenses	507,200	2,184,352
	Gratuity	1,787,673	-
	Total general expenses	16,200,658	23,913,216
17	Cash and cash equivalents	FY2021-2022	FY 2020-2021
	Current account		
	Coop bank-recurrent	22,496,521	16,198,773
	KCB Savings account	3,078,221	2,296,273
	Cooperative bank-development	5,056	9,736
	KCB Business Current account fund	9,420,528	452,658
	Equity Bank- Kajiado East T.T.I	28,301	28,301
	Coop Kajiado West T.T.I	14,663	14,663

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	Equity Bank	3,386,947	5,139,506
	Cash at hand	38,030	32,535
	Total Cash and Cash Equivalents	38,468,267	24,172,445

18	Receivables from exchange transactions	FY2021-2022	FY 2020-2021
	Student debtors account	6,752,964	15,167,576
	County Government of Kajiado	8,157,574	7,722,324
	Kenya Red Cross	320,650	320,650
	Kajiado Adventist School	143,200	119,100
	Staff Advances	184,795	295,800
	National Gender and equality		526,320
	Commission of universities		131,020
	Africa Gender and Media Initiative		125,475
	AIC Child care	1,193,260	-
	Ministry of Lands and Physical planning	180,000	
	IFAW MBS Jenga Mama Program	560,000	-
	State Department of ECDE	73,535	73,535
	National council for population and Development	51,000	43,700
	KEPHIS	52,250	-
	Moi Girls Isinya	-	8,512,120
	NHIF Kajiado	17,000	-
	Mashuuru High School	-	51,000
	Total receivables from exchange transactions	17,686,228	32,792,820

Student debtors relates to fees arrears from trainees. AIC Child care receivables relates to revenue due from construction of a toilets and repair of classrooms conducted by the Institute. The rest of the receivables relates to revenue due from Hire of Institute facilities and equipment.

19	Receivables from non-exchange transactions	FY2021-2022	FY 2020-2021
	Current receivables		
	Transfers from National Government-Capitation	-	8,872,500
	Ministry of Gender and Youth Affairs(NYS)	-	6,827,325
	Total receivables from non-exchange transaction	-	15,699,825

20	Related Party Balances	FY 2021-2022	FY 2020-2021
	Mentorship Grants		
	Kajiado East TVC	1,600,000	2,498,831

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	Kajiado West TVC.	920,000	700,000
	Total related party balances	2,520,000	3,198,831

21	Inventories	FY 2021-2022	FY 2020-2021
	Consumable stores	123,305	168,455
	Maintenance stores	315,450	2,382,915
	Health unit stores	66,636	1,504,825
	Electrical stores	109,650	289,785
	Cleaning materials stores	142,850	6,500
	Catering stores	-	195,139
	Total inventories	757,886	4,547,619
22	Trade and other payables from exchange transactions	FY 2021-2022	FY 2020-2021
	Trade payables	1,302,890	34,899,863
	Refundable payables	3,000	107,837
	Accruals	-	1,100,134
	Total trade and other payables	1,305,890	36,107,834
Trade payables relates to pending bills as at 30th June, 2022; Refundable payables relates to caution money refundable to trainees once they complete their trainings and Accruals relates to statutory and payroll deductions which had not been submitted by 30 June, 2022			
23	Deferred income	FY 2021-2022	FY 2020-2021
	Ministry of Gender and Youth Affairs(NYS)	34,872,522	-
	Deferred income	34,872,522	-

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APPENDICES

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)



Principal / Secretary BOG

Date... 30/05/2023

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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects implemented by Masai Technical Training Institute.

Project title	Donor	Period/ duration	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Construction of PWLDs Ablution Units (Textile workshop, Ladies Hostel and Mechanical Workshop) and motor cycle shed	Internal	6months	1,000,000	Internally generated funds
Construction of Ramps	Internal	6 month	1,000,000	Internally generated funds

Status of Projects completion

Project	Key Deliverables	Project Status	Budget	Source of funds
Construction of Ramps	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	90% Complete	1,000,000	Internally generated funds
Construction of PWLDs Ablution Units (Textile workshop, Ladies Hostel and Mechanical Workshop) and motor cycle shed	<ul style="list-style-type: none"> ➤ Practical completion ➤ Handing over certificate 	Complete	1,000,000	Internally generated funds

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APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the Masai Technical Training Institute				
FY 2021/2022				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0.00	
		Total	0.00	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0.00	
		Total	0.00	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0.00	
		Total	0.00	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0.00	
		Total	0.00	

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

Finance Officer

Sign

Principal/Secretary BOG

Sign

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	18/11/2021	Capitation	10,785,000	10,785,000					
	3/3/2022	Capitation	10,785,000	10,785,000					
	23/5/2022	Capitation	10,927,500	10,927,500					
	17-8-2021	Monitoring and Evaluation Grants	Nil	1,500,000.00					
Total				33,997,500					

