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THE AUDITOR-GENERAL

ON

**MASAI TECHNICAL
TRAINING INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2024**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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MASAI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2024

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

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Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the institute's financial resources.

Comparative Year- Means the prior period.

2. Key Institute 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) 77 Kms from Nairobi. Her staff are 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) 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; -

- a. Building and Civil Engineering
- b. Hospitality and Institutional Management
- c. Mechanical Engineering
- d. Electrical and Electronics Engineering
- e. Business and liberal studies
- f. E-Learning -Open and distance Learning
- g. 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

- a. Professionalism
- b. Integrity
- c. Customer focus
- d. Teamwork
- e. Innovation & creativity

Strategic Objectives:

The specific strategic objectives of Masai Technical Training Institute are to;

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Annual Report and Financial Statements for the year ended 30th June 2024

- a. To provide training in business and technical education.
- b. To embrace science, technology and innovation in everyday life.
- c. To produce market-oriented manpower.
- d. To implement the training objectives of the Ministry of Education.
- e. To provide an environment for creativity and innovation.

Mandate and Core Functions

The institute's mandate is in line with the TVET Act, TVET strategy and reforms. The key mandate of the Institute is to;

- a. Offer competence Based Technical Training.
- b. Prepare and guide trainees, for evaluation and certification by appropriate examining bodies.
- c. Promote Science, Technology and Innovation in all training programs.

The core functions of the Institution include;

- a. Implementation of TVET curriculum and approved programs,
- b. Supervision, monitoring and evaluation of programs,
- c. Strengthening linkages between the Institute and Industry,
- d. Diversifying income generating activities and optimizing available resources, and
- e. Formulating, reviewing and coordinating institutional policies.

(c) Key Management

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

- Board of Governors/ Council/ Management etc.
- Accounting officer/ Principal
- Management...;

(d) Fiduciary Management

The key management personnel who held office during the period ended 30th June 2024 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

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4.	Registrar	Mr. George Kimotho
5.	Dean of Trainees	Ms. Lydia Gwendu
6.	Ag Finance Officer	Mr. Simon Kepemba
7.	Procurement Officer	Mr. Dominic Sang
8.	Quality Assurance	Ms. Millicent Wanyaga
9.	Management Representative (QMR)	Mr. Raphael Kagwanja
10.	PC Coordinator	Mr. Vivienne Wekesa
11.	Industrial Liaison Officer	Mr. Millicent Onyango
12.	Internal Auditor	Mr. Mark Osiyo
13.	HR Officer	Ms. Peris Kamanga

Key Institute Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Audit, Finance & General Purposes committee activities

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:

- To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters
- To receive reports from the Principal and the Finance Officer
- To monitor implementation of the strategy for the Institute
- 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
- To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- To determine the fees and charges made for Institute services and facilities.

- To supervise the financial administration of the Institute and make recommendations to BOG where appropriate.
- To supervise the arrangements for safeguarding the Institute's assets
- To ensure the proper financial evaluation and control of projects
- To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments
- To make recommendations to BOG on the financing of projects

Senior Management Activities

The main purpose of the Senior Management Team is to:

- Ensure that MTTI's BOG is able to take strategic decisions relating to MTTI's activities.
- 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.
- Be accountable for the development and implementation of MTTI's strategic, corporate and business plans in line with the mission and values.
- Take a strategic overview of performance in all areas of MTTI's activities.
- Makes recommendations to the BOG on the implementation and achievement of the BOG's Strategic Framework;
- Agrees MTTI's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- 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;
- 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;
- Oversees and monitors MTTI's joint work with the other stakeholders

- 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.
- 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.

(f) Institute Headquarters

Kajiado Town
P.O Box 125-01100
Kajiado County,
Along Kajiado-Namanga Road Kenya

(g) Institute Contacts

Telephone-020 2064581
Mobile0727738161
Website: www.masaitech.ac.ke

(h) Institute Bankers

1. Kenya Commercial Bank

Kajiado Branch
P.O. Box 43-0100
Kajiado

2. Equity Bank

Kajiado Branch

P.O. Box 536-0100

Kajiado

3. Cooperative Bank

Kajiado Branch

P.O. Box 454-0100

Kajiado

(i) Independent Auditors

Auditor General

Office of the Auditor General (OAG)

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya.





Key Institute Information and Management (Continued)

(j) Principal Legal Adviser





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

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3.The Council/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</p> <p>PHD in Education from Kenyatta University</p>
 <p>Dr. Andelina Mugure Muthuri Ministry Rep TVET</p>	<p>Date of birth: 1967</p> <p>PHD -Education Administration and Planning From Catholic University</p>
 <p>Eng. Joel Musembi Kiilu MEMBER</p>	<p>Date of birth: 1962</p> <p>MBA from the University of Nairobi</p>
 <p>Nixon Mageka MEMBER</p>	<p>Date of birth: 1976</p> <p>Master's in communication management from Kigali Institute of Science and Technology</p>

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Antony G. Gatheca
 MEMBER







Date of birth: 1972

Bachelor of Science In Agriculture from Egerton University

(a) Board Committees

Name of Committee	Members
Finance and infrastructure committee	1. Mr. Geoffrey Malakwen 2. Mr. Isaac Bwambok 3. Dr. Anelina Mugure 4. Mr. Anthony Gichohi
Education, Training and Research committee	1. Dr. Wilfrid Tolondo 2. Mr. Isaac Bwambok 3. Mr. Nixon Mageka 4. Dr., Anelina Mugure
Audit and risk management committee	1. Ms. Irene Mati 2. Internal Auditor 3. Eng. Joel Kiilu

4. Key Management Team

NAME	QUALIFICATION
 Mr. Isaac Bwambok PRINCIPAL	BED (Building and Civil Engineering)
 Ms. Teresa Njue DEPUTY PRINCIPAL ADMINISTRATION	MED (Leadership and policy studies)
 Dr. Livingstone Mwaura Ph.D. DEPUTY PRINCIPAL ACADEMIC AFFAIRS	PhD (Project Management)
 George Ileva Kimotho REGISTRAR	MBA (Finance)
 Simon Kepempa DEPUTY FINANCE OFFICER	Accounting
 Mr Dominic Sang PROCUREMENT OFFICER	BPSM (Purchasing and Supplies Management)

5. 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, 2024. 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 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.

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MTTI prides herself in being inclusive concerning Gender balance in all sectors of the institution. We also have an increased enrolment of PWD students in education and among our employees, as well as training economically disadvantaged youths and marginalized girls and women. Additionally, MTTI is compliant with the Government's policy of National cohesion, as we ensure that we enroll students who come from all counties nationwide.

The Board has developed fifty Policies (50) out of the 72 required by the government. This will go a long way to ensure that the MTTI lives up to its mandate.

Future Outlook

With the new status of National Polytechnic demand for technical skills and creating employment, the institute is reviewing a 10-year master plan and a 5-year strategic plan to embrace the wider reforms in the TVET in order to compete locally, regionally and globally towards the Vision 2030 and Africa's 2063 transformative drive. MTTI is committed to continuously train qualified artisans, technicians and technologists who are required by both industry and entrepreneurs.

Technical skills and innovation are indispensable for the future of Kenya, and towards the realization of Vision 2030 and sustainable development. These can only be fully achieved if we empower technical institutes, in line with education reforms within session Paper 1 of 2019. To this end, the institute has aligned the training programs to Competency Based Education and Training (CBET), which is key in equipping youths with relevant skills and creating employment opportunities.

Challenges

The institute has now acquired the status of National Polytechnic; Masai Technical Training Institute dream to have a complete modern administration/tuition block. This will help the institution get rid of the old timber structures and increase the capacity of handling the ever increasing enrolment that is coupled with Inadequate training staff, training equipment, Inadequate tuition and Insufficient systems (online) training.

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Annual Report and Financial Statements for the year ended 30th June 2024

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 2024



6. Report of thePrincipal

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 2023/2024 PERFORMANCE

The Financial Year 2023/2024 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 2023/2024, there was an increase of leaners from 1744 to approximately 1898 by end of June, 2024. 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.

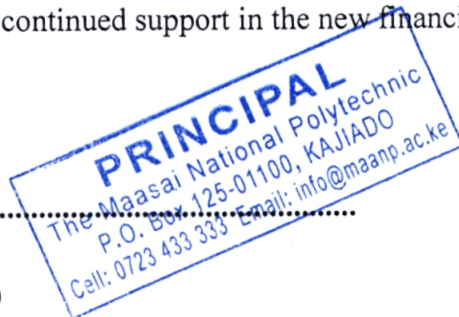
MASAI TECHNICAL TRAINING INSTITUTE
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To do so, however the Institute requires a lot of support from the Government and other stakeholders in this crucial transitional stage to a National Institute in terms of funding, material support and enhancement 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.



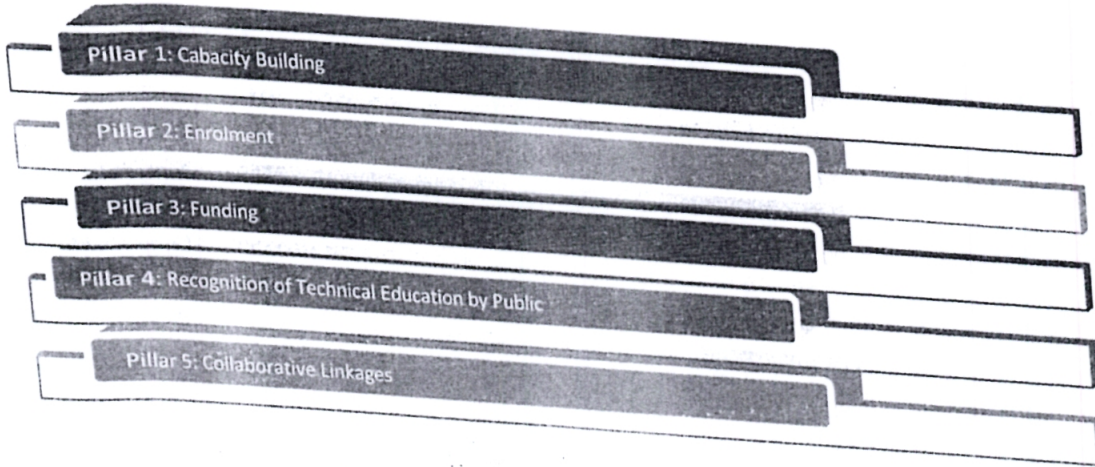
Isaac Bwambok(Mr.)

PRINCIPAL/SECRETARY BOG.

Date: 30th August 2024

7. Statement of Performance against Predetermined Objectives

Masai Technical Training Institute has 5 strategic pillars and objectives within its Strategic Plan for the FY 2019/2024- 2023/2024. 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 2023/2024 period for its 5 strategic pillars, as indicated in the diagram below:

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

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		infrastructures		
PILLAR ENROLMENT	2: Increase trainee enrolment in STEM course	Increased number of trainees enrolled in STEM courses	-Advertisement in Print, mainstream, and social media. -Community sensitization campaigns	Increased number of trainees enrolled in STEM courses
PILLAR FUNDING	3: -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 RECOGNITION OF TECHNICAL EDUCATION BY THE PUBLIC	4: -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 COLLABORATIVE LINKAGES	5: -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.

8. 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

MASAI TECHNICAL TRAINING INSTITUTE
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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.

A Masai Technical Training Institute Board member 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.

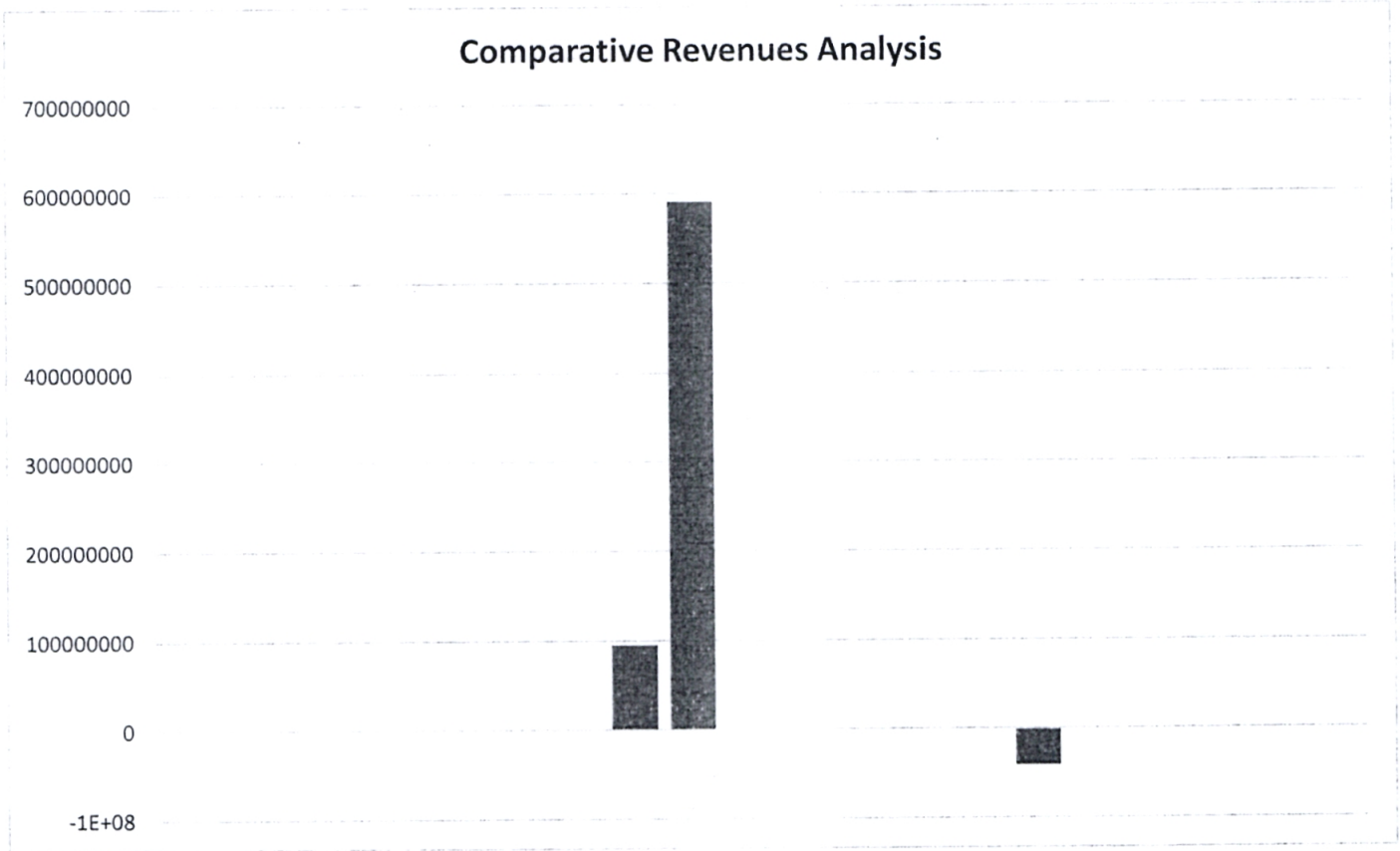
The Board members' committees have well defined terms of reference. The committees are intended to facilitate efficient decision making by the Board members in them discharging their duties and responsibilities.

9. Management Discussion and Analysis

Masai Technical Training Institute operational and financial performance

During the year ended June 2024 the Institution had 2246 trainees.

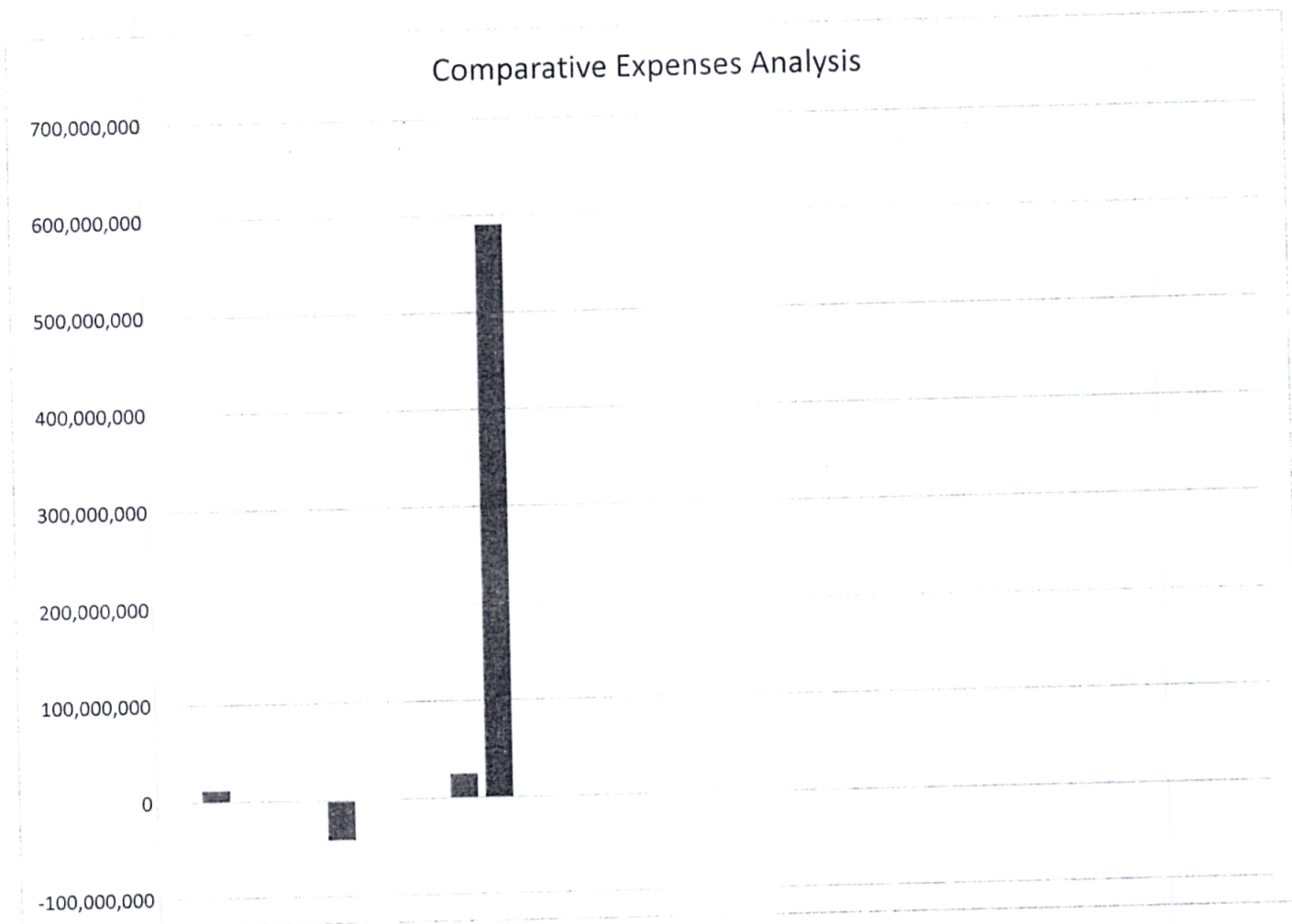
Below are the graphs and pie charts analyzing the revenues and expenses of the Institute:



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 delay & reduction in capitation disbursement effects as mentioned under income.

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



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,	Unpredictable job market

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county & NGCDF	
Government support	Formal employment culture in the society
Enabling legal & policy framework	Unfavorable economic changes
	cybercrime
	Political interference
	HIV/ AIDS drugs and substance abuse

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 2023/2024 are summarized in the table below

Projects Initiated/Planning	Projects On-going	Projects Implemented	Projects Initiated/Planning
-institutional and hospitality & administration block phase 1 work			-institutional and hospitality & administration block phase 1 work

10. Environmental And Sustainability Reporting Statement

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 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.

11. Report of the Council/Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2024 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.

Results

The results of the institute for the year ended 30 June 2024 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 ix-xi.

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

.....
Dr Rosebella Chukuma

Principal/Secretary to BOG

Date..... *28/4/25*



12. Report of the Council/Board of Governors

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the *institute* affairs.

Principal activities

The principal activities of the institutes are to impart technical and vocational skills to youths in Kenya. Through a wide range of technical courses under the following academic

Departments; -

- a. Building and Civil Engineering
- b. Hospitality and Institutional Management
- c. Mechanical Engineering
- d. Electrical and Electronics Engineering
- e. Business and liberal studies
- f. E-Learning -Open and distance Learning
- g. Information Communication Technology


Council/Board of Governors

The members of the Board /Council who served during the year are shown on page x-xii. During the year 2024 no director retired/ resigned and no new appointment

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 for the year/period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board


.....
Secretary of the Board/Council
Nairobi
Date: 28/4/2025

PRINCIPAL
The Maasai National Polytechnic
P.O. Box 125-01100, KAJIADO
Cell: 0723 433 333 Email: info@maanp.ac.ke

13. Statement of Board of Governors/ Council's 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, 2024. 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 judgment's 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, 2024, 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

MASAI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

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 2024 and signed on its behalf by:

.....


Chairman BOG

CHAIR PERSON BOG
The Maasai National Polytechnic
P.O. Box 125-01100, KAJIADO
Cell: 0723 433 333 Email: info@maanp.ac.ke

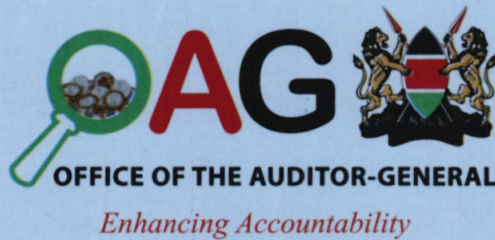
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PRINCIPAL
The Maasai National Polytechnic
P.O. Box 125-01100, KAJIADO
Cell: 0723 433 333 Email: info@maanp.ac.ke

Principal/Accounting Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MASAI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 30, which comprise of the statement of financial position

as at 30 June, 2024, 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, 2024 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 Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Local Transport and Travel

The statement of financial performance and as disclosed in Note 11 to the financial statements reflect use of goods and services totalling Kshs.63,453,437 which includes Kshs.9,473,497 for local transport and travel. Review of sampled Imprest vouchers revealed that payments amounting to Kshs.1,091,700 were not supported with proof of travel, invitation letters, attendance registers and back to office reports.

In the circumstances, the propriety of use of goods and services amounting to Kshs.1,091,700 could not be confirmed.

2. Misstatement of Use of Goods and Services

The statement of financial performance and as disclosed in Note 11 to the financial statements reflect use of goods and services amount of Kshs.63,453,437 which includes tuition expenses totalling Kshs.25,832,988. However, review of the supporting schedules revealed that the amount includes prior year transactions totalling Kshs.5,473,086 which were wrongly expensed in the year under review instead of the financial year 2022/2023. This is contrary to the matching principle of accrual accounting which requires matching related revenues with expenses in the same period.

In the circumstances, the accuracy of use of goods and services totalling Kshs.5,473,086 could not be confirmed.

3. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.581,316,221 which, as disclosed in Note 24 to the financial statements includes land and buildings valued at Kshs.260,000,000 and Kshs.277,825,886 respectively. However, the ownership for the 74.4 hectares of land was supported by an allotment letter.

In the circumstances, the accuracy, completeness and ownership of land valued at Kshs.260,000,000 could not be confirmed.

4. Unsupported Increase in Non-Exchange Receivables

The statement of cash flows reflects Kshs.16,703,525 as an increase in non-exchange receivables. However, the amount was not supported by respective ledgers, statements and journal entries.

In the circumstances, the accuracy of the statement of cash flows could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Masai Technical Training Institute Management in accordance with ISSAI 130 on the 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 judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Board of Governors are responsible for the other information set out on pages iii to xxix which comprise of Key Institute Information, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Board of Governors Responsibilities. The other information does not include the financial statements and my audit report thereon.

In connection with my audit on the Masai Technical Training Institute's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregularities in Staff Recruitment

The Institute recruited ten (10) staff during the year under review. Review of the recruitment records indicated that the qualifications for Hair and Beauty Therapy Trainer was Diploma/TVET-CDACC level 6/City & Guilds as per the advertisement. However, the recruited candidate had a craft certificate and no other professional qualification. In addition, the Board had not approved the appointment of the new trainers.

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

2. Lack of an Imprest Register

During the year under review the College did not maintain an imprest register contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015 which states that before issuing temporary imprests under Paragraph (2), the Accounting Officer shall ensure that the applicant has been recorded in the imprest register including the amount applied for. Further, imprest was advanced to officers who had outstanding imprest. This is contrary to Regulation 92(8) of the Public Finance Management (National Government) Regulations, 2015 which states that in order to effectively and efficiently manage and control the issue of temporary imprests, an Accounting Officer or AIE holder shall ensure that no second imprest is issued to any officer before the first imprest is surrendered or recovered in full from his or her salary.

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

3. Irregular Subscription to Kenya Association of Technical Training Institutes (KATTI)

Note 18 to the financial statements reflects an amount of Kshs.782,120 paid to Kenya Association of Technical Training Institutes (KATTI). However, KATTI is a registered association and not a regulatory body recognized by the Technical and Vocational Education and Training Act, 2013. This is contrary to Section 68 (1)(a) of the Public Finance 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.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 Basis for Conclusion, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Staff Establishment

Review of personnel records revealed that the Institute did not have an approved staff establishment in place. In addition, the entity did not have an approved 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. Lack of Authentication of Academic and Professional Certificates

Review of personal files of ten (10) staff recruited during the year revealed that, the academic and professional certificates were not authenticated with the relevant authorities as required by the guidelines from the State Department for Technical, Vocational Education and Training vide circular No. MOE/TVET/2/76/VOLXIV (24) dated 6 October, 2023.

In the circumstances, Management was in breach of the State Department Circular.

3. Lack of an Operational Plan

Review of records revealed that the Institute did not have a formal, documented approved operational plan in place. There is no clear framework outlining how resources will be allocated, how goals will be achieved and how performance will be measured.

In the circumstances, the effectiveness of the overall governance and accountability 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 controls, 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 the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48

of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 May, 2025

MASAI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Financial Performance For The Year Ended 30 June 2024

		FY2023-2024	FY2022-2023
	Note		
Revenue from non-exchange transactions			
Transfers from the National government- Capitation	6	32,449,648	24,437,000
Transfers from other government agencies	7	1,989,765	26,171,495
Total revenue from non-exchange transactions		34,439,413	50,608,495
Revenue from exchange transactions			
Rendering of services	8	115,923,946	85,109,602
Other incomes	9	12,723,361	20,780,317
Revenue from Hire of facilities and equipment	10	7,446,160	5,793,510
Total revenue from exchange transactions		136,093,467	111,683,429
Total revenue		170,532,880	162,291,924
Expenses			
Use of Goods and Services	11	63,453,437	65,465,148
Employee costs	12	29,278,653	31,599,648
Remuneration of Board of Governors	13	3,253,650	4,655,480
Depreciation and amortization expense	14	16,662,239	28,619,917
Repairs and maintenance	15	20,000,518	13,739,993
Contracted services	16	5,256,770	84,400
General expenses	17	20,198,474	18,509,073
Total expenses		158,103,741	162,673,659
(Deficit) for the Year		12,429,139	-381,735

(The notes set out on pages 21 to 28 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 1 were signed by:




CHAIRMAN OF COUNCIL/BOARD **PRINCIPAL**

CHAIR PERSON BOG **FINANCE OFFICER**
 The Maasai National Polytechnic
 P.O. Box 125-01100, KAJIADO
 Cell: 0723 433 333 Email: info@maanp.ac.ke

Date **28/04/2025** Date **28/04/2025**

ICPAK No.


Comparative FY refers to the financial year preceding the current year.

MASAI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024


16. Statement of Financial Position As At 30th June 2024

STATEMENT OF FINANCIAL POSITION		FY2023-2024	FY2022-2023
		Kshs	Kshs
ASSETS	Note		
Current assets			
Cash and cash equivalents	18	6,410,181	13,344,913
Receivables from exchange transactions	19	39,572,885	13,501,579
Receivables from non- exchange transactions	20	9,992,265	9,792,295
Related party balances	21	3,722,160	3,697,160
Inventories	22	779,339	291,600
Total Current Assets		60,476,831	40,627,547
Non-current assets			
Property ,plant and equipment	24	581,316,221	624,718,878
Total non-current assets		581,316,221	624,718,878
TOTAL ASSETS		641,793,052	665,346,425
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	23	26,115,340	21,087,755
Total current liabilities		26,115,340	21,087,755
Total liabilities		26,115,340	21,087,755
Net assets			
Accumulated surplus		24,920,352	53,501,310
Capital reserves		590,757,360	590,757,360
Total net assets		615,677,712	644,258,670
TOTAL NET ASSETS AND LIABILITIES		641,793,052	665,346,425


The Financial Statements set out on pages 2to 2were signed by:




 Chairman of Council/Board





 Principal



 Finance Officer


 Date **28/04/2025**
 The Maasai National Polytechnic
 P.O. Box 125-01100, KAJIADO
 Cell: 0725 433 333 Email: info@maanp.ac.ke


 Date **28/4/25**
 The Maasai National Polytechnic
 P.O. Box 125-01100, KAJIADO
 Cell: 0725 433 333 Email: info@maanp.ac.ke


 ICPAK No
 Date
 The Maasai National Polytechnic
 P.O. Box 125-01100, KAJIADO
 Cell: 0725 433 333 Email: info@maanp.ac.ke

Comparative FY refers to the financial year preceding the current year.

MASAI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024
17. Statement of Changes in Net Asset For The Year Ended 30 June 2024

For the Year ended 30 June 2023	Accumulated surplus	Capital Reserves	Total
Balance brought forward as at 1 July 2022	95,175,470	590,757,360	685,932,830
deficit for the year	(381,735)		(381,735)
Adjustments	(41,292,425)		(41,292,425)
Balance carried forward as at 30 June 2023	53,501,310	590,757,360	644,258,670
For the Year ended 30 June 2024	Accumulated surplus	Capital Reserves	Total
Balance brought forward as at 1 July 2023	53,501,310	590,757,360	644,258,670
Deficit for the year	12,429,139		12,429,139
adjustments	- 41,010,097		- 41,010,097
Balance carried forward as at 30 June 2024	24,920,352	590,757,360.00	615,677,712

Note:

- For items that are not common in the financial statements, the institute should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.

MASAI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2024

18. Statement of Cash Flows For The Year Ended 30 June 2024

		FY2023-2024	FY2022-2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Government National government & other grants	6	32,449,648	24,437,000
Transfers from other government entities	7	1,989,765	26,171,495
Rendering of services- Fees from students	8	115,923,946	85,109,602
Other income	9	12,723,361	20,780,317
Rental revenue from facilities and equipment	10	7,446,160	5,793,510
Total receipts		170,532,880	162,291,924
Payments			
Use of Goods and Services	11	63,453,437	65,465,148
Employee costs	12	29,278,653	31,599,648
Remuneration of Board of Governors	13	3,253,650	4,655,480
Repairs and maintenance	15	20,000,518	13,739,993
Contracted services	16	5,256,770	84,400
General expenses	16	20,198,474	18,509,073
Total Payments		158,103,741	134,053,742
Net Cash Flows from operating activities		12,429,139	28,238,182
Cash flows from investing activities			
Purchase property plant and equipment		(1,879,500)	(5,250,000)
Increase/ Decrease in Inventory		(487,739)	466,286
Increase/Decrease in non-exchange receivables		16,703,525	16,756,542
Increase/Decrease in payables		5,027,585	(15,087,657)
Net cash flows used in investing activities		19,363,871	(3,114,829)
Net increase/(decrease) in cash and cash equivalents		(6,934,732)	(25,123,353)
Cash and cash equivalents at 1 July 2023	17	13,344,913	38,468,267
Cash and cash equivalents at 30 June 2024	17	6,410,181	13,344,913

MASAI TECHNICAL TRAINING INSTITUTE

Annual Report and Financial Statements for the year ended 30th June 2024

19. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

	Original budget	Adjustments	Final Budget	Actual	Variance	Change	Explanation of material variances
		Shs	Shs	Shs	Shs	%	
		b	c= a +b	d			
Revenue							
Transfer from National government	42,330,000	-	42,330,000	32,449,648	9,880,352	23%	(a)
Transfers from other levels of Government	4,415,390	-	4,415,390	1,989,765	2,425,625	55%	(b)
Revenue from exchange transactions	93,240,320	-	115,781,616	136,093,467	-20,311,851	-18%	(c)
Total income	139,985,710		162,527,006	170,532,880			
Expenses							
Use of Goods and Services	61,202,966		61,202,966	63,453,437	-2,250,471	-4%	(d)
Personnel emoluments	29,933,230	-	30,033,230	29,278,653	754,577	3%	(e)
Remuneration to Board of Governors	5,000,000	-	5,000,000	3,253,650	1,746,350	35%	(f)
Depreciation and amortization expense	22,580,000	-	22,580,000	16,662,239	5,917,761	26%	(g)
Repairs and maintenance	4,994,409	12,033,889	17,028,298	20,000,518	-2,972,220	-17%	(h)
Contracted services	5,356,770		5,356,770	5,256,770	100,000	2%	
General expenses	3,771,972	10,363,375	14,135,347	20,198,474	-6,063,127	-43%	(j)
Total expenses	132,839,347	-	155,336,611	158,103,741			
Surplus (Deficit) for the year				12,429,139			
Development expenditure	7,146,363	144032	7,290,395	1,879,500.0	5,410,895.00	74%	k
	139,985,710		162,627,006	12,429,139			

(Budget notes)

Explanation of material variance (Above 10%)

- a) The movement was due to change of government funding model from Sept 2023
- b) The movement is due to reduce no of sponsored trainees from other levels of government
- c) The movement was due to increase in fees charges from the initial 26420 excluding government capitation to 67189
- d,) The change is due to the effects of decrease in enrolment and delays in capitation disbursement
- e,) the change is due to addition of BOG trainers
- h) The movement is due to increase in fuel prices and general maintenances i.e. Fire Extinguishers Refill, General repair and electrical materials, Renovation of ESP Block, Laying Cables & Installation Of Intercoms, grass cutting in the institute internet materials for mechanical, textile and HR office and Installation Of PABX Intercom
- j) The movement is due to major activities during the year i.e. drama festivals, KATTI Athletics, PSC recruitment
- k)The movement was due lack of funds for development

20. 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 institute's principal activity is to impart Technical and Vocational skills to youths in Kenya..

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *institute's* accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Masai technical training institute*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue and effective in the year ended 30 June 2024.

There are no new standards and interpretations issued in the Financial Year.

ii *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> 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 cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
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.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under

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Standard	Effective date and impact
	<p>which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

i. Early adoption of standards

Masai Technical Training Institute did not early-adopt any new or amended standards in year 2024

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the institute and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The institute recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

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 2023/2024 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 institute upon receiving the respective approvals in order to conclude the final budget. Accordingly, the institute recorded additional appropriations of *Masai Technical Training Institute* on the FY 2023/2024 budget following the Council/ Board's approval.

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

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

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

c) Taxes

Current income tax

The institute 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.

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 or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the institute recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Institute. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Institute also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Institute will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Institute. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The institute does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one institute and a financial liability or equity instrument of another institute. At initial recognition, the institute measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The institute classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the institute's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an institute has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the institute classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fairvalue are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the institute manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

Impairment

The institute assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The institute recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

The institute classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

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.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *institute*.

k) Provisions

Provisions are recognized when the *Institute* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Institute* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The institute recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the institute will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The *Institute* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an institute pays fixed contributions into a separate institute (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

p) 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.

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

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

s) Service concession arrangements

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

t) 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.

u) Comparative figures

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

v) 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, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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6. Transfers from other National Government entities

	Transfers from National Government	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Government capitation	16,431,500	24,437,000
	Capitation accrued	8,002,500	
	MOE scholarship	8,015,648	-
	Total transfers from Government	32,449,648	24,437,000

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Ksh	Ksh	Ksh	Ksh	Ksh
State Department of TVET	24,447,148	8,002,500	-	32,449,648	32,021,000
Total	24,447,148		-	32,449,648	32,021,000

This relates to the transfer from National Government sponsored trainees. In the year the institution received capitation for 1834 trainees in quarter one @3500, capitation for 1335 capitation Trainees in quarter two @3500, received capitation for 1,335 trainees in quarter three @4000 and no capitation for quarter four received for 1,067 trainees. The institution has recognized income based on the number of trainees KUCCPS has verified and confirmed to be beneficiaries of the funds.

6	Transfers from other Government Agencies	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	National Youth Service (NYS)	-	23,964,400
	Africa Development Bank (AfDB)	1,989,765	2,207,095
	Total transfers from other Government Agencies	1,989,765	26,171,495

This relate AfDB 2nd payment of 50% as per the agreement

8	Rendering of services	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Personal emoluments	24,799,678	21,841,920
	Tuition fee	30,942,172	1,251,360
	EWC	7,268,275	6,180,960
	LT&T	6,929,063	5,959,560
	RMI	4,707,176	3,118,920
	Activity fee	7,843,862	6,351,600
	Industrial attachment and Insurance	3,700,500	5,688,000

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	Medical fee	1,644,500	-
	Boarding fees	13,490,000	13,490,000
	Examination fees	14,598,720	21,527,282
	Total revenue from the rendering of services	115,923,946	85,109,602
	The change is due to change in fee structure and government funding model		
9	Other incomes	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Cafeteria	1,242,000	12,960,000
	Students ID	377,100	-
	Registration	0	1,644,000
	Medical	0	1,571,000
	Student Council	1,131,300	949,500
	Sale of tenders	1,000	86,000
	Car Care	0	932,800
	Driving school	2,347,500	1,536,657
	Textile	431,284	356,210
	Rental Income	1,290,000	1,290,000
	KATTI Athletics	1,827,277	-
	KATTI Drama festivals	2,105,900	-
	Recruitment centre fee	1,359,000	-
	Bus hire	168,000	-
	Dairy farm	0	455,550
	A.I.C Child care centre	0	20,000
	Part –Time income	443,000	306,100
	Total other Incomes	12,723,361	20,780,317

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

10	Revenue from Hire of facilities and equipment	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Hire of facilities	7,446,160	5,793,510
	Total revenue from hire of facilities and equipment	7,446,160	5,793,510

This relates to the income received from hiring of institute facilities to external institutions for conferences, seminars and workshops.

11	Use of Goods and Services	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Tuition expenses	25,832,988	30,439,082
	Activity	3,310,595	6,716,311
	Local Transport & Travelling	9,473,497	6,682,978
	Electricity, water and Conservancy	3,434,684	2,279,012
	Student council expenses	818,792	1,036,444
	Examination fees	14,598,720	21,531,067
	Boarding Expenses	3,498,071	294,800
	Institute publicity expenses	1,425,100	-

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	Industrial attachments	1,060,990	-
	Management Information systems		1,607,640
	Student Insurance		350,900
	Total use of goods and services	63,453,437	70,938,234

12	Employee costs	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Personal emoluments	20,278,943	24,754,823
	Employee related costs: N S S F	2,572,904	1,544,582
	N H I F	811,100	784,500
	P A Y E	2,112,075	1,137,845
	H E L B	414,792	276,169
	NITA Levy	57,500	
	Housing levy	592,238	
	Matenos welfare	0	220,059
	Kases Sacco	413,819	672,536
	Ollin Sacco	110,226	202,844
	Provident Fund	1,851,156	1,936,390
	Kudheiha Union	63,900	69,900
	Total employee costs	29,278,653	31,599,648
13	Remuneration to Board of Governors	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Board allowances	3,253,650	4,655,480
	Total director emoluments	3,253,650	4,655,480
14	Depreciation and amortization expense	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Property, plant and equipment	16,662,239	28,619,917
	Total depreciation and amortization	16,662,239	28,619,917
15	Repairs and maintenance	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Repairs and maintenance- routine maintenance	8,432,400	6,552,726
	Motor Vehicles Insurance	889,485	1,809,480
	Repairs and maintenance- Motor vehicle	3,166,211	1,352,535
	Fuel, oil and lubricants	7,512,422	4,025,252
	Development Expenses	-	-
	Total repairs and maintenance	20,000,518	13,739,993
16	Contracted services	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Consultancy and training services	5,256,770	84,400
	Total contracted services	5,256,770	84,400

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17	General expenses	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Driving school expenses	1,337,580	522,312
	Research and Development expenses	2,263,220	146,880
	Dairy farm		50,331
	Performance Contracting	99,840	306,250
	Hire of facilities	4,673,484	3,805,539
	Dispensary	228,633	15,600
	Part time expenses	393,118	191,393
	KATTI	782,120	838,900
	Jitume Project expenses	3,372,062	605,010
	Estate insurance cost	703,150	-
	KATTI Athletics	1,628,872	-
	Rent expense	638,796	707,417
	KATTI Drama expenses	1,933,926	-
	Dining hall Renovations	-	1,674,035
	Bakery unit expenses	-	961,867
	KETTISO expenses		1,063,198
	Mentoring Institution Tax expenses	360,000	680,000
	AIC Child care expenses	-	50,000
	Cafeteria expenses	1,074,053	9,483,945
	MOE Recruitment	709,620	
	Gratuity	-	42,298
	Total general expenses	20,198,474	18,509,073
	The change is due to increase the institute hosting several activities in the year		
18	i. Cash and cash equivalents	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Current account		
	Coop bank-recurrent	1,427,648	9,113,373
	KCB Savings account	186,388	2,564,067
	Cooperative bank-development	2,694	20,214
	KCB Business Current account fund	3,608,833	962,536
	Equity Bank- Kajiado East T.T.I	26,991	147,881
	Coop Kajiado West T.T.I	14,713	14,713
	Equity Bank	1,142,914	522,129
	Cash at hand		-
	Total Cash and Cash Equivalents	6,410,182	13,344,913
	b)Detailed Analysis of Cash and Cash equivalents		
		FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Current Account		

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	Kenya Commercial Bank-1107674484	3,608,833	962,536
	Equity Bank, etc.-0860299441015	1,142,914	522,129
	Coop bank-recurrent 01129320062101	1,427,648	9,113,373
	Cooperative bank-development-01129320062100	2,694	20,214
	Coop Kajiado West T.T.I-	14,713	14,713
	Equity Kajiado east tvc -086026571819826991	26,991	147,881
	Sub- Total	3,668,902	10,780,846
	Fixed Deposits Account		
	Kenya Commercial Bank-savings 1107469681	186,388	2,564,067
	Sub- Total	186,388	2,564,067
	Grand Total	6,410,182	13,344,913
19	Receivables from exchange transactions	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Student debtors account	26,706,963	1,672,424
	Other receivables Rent Debtors	352,912	255,771
	Other receivables water Debtors	7,826	18,960
	County Government of Kajiado	7,934,324	8,142,324
	Kenya Red Cross	320,650	320,650
	Kajiado Adventist School	143,200	143,200
	Staff Advances	91,430	104,340
	Africa Gender and Media Initiative	125,475	125,475
	Kajiado Teachers Service Commission	-	50,000
	AIC Child care	682,710	1,473,260
	Ministry of Lands and Physical planning	180,000	180,000
	IEBC	-	449,180
	State Department of ECDE	73,535	73,535
	The National Treasury and Economic Planning	325,000	-
	KCB Foundation	22,000	-
	EACC	15,000	-
	Education development center	108,000	-
	Kiambu National Poly	23,200	-
	Kasarani TVC	110,000	-
	KCB Tujiajiri	1,097,400	-
	Machakos For The Blind	56,000	-
	PC Kinyanjui TTI	56,000	-
	State department for TVET	715,000	-
	National council for population and Development	85,800	96,000
	KEPHIS	52,250	52,250
	National Taxpayers Association	18,210	18,210
	AGRICULTURE AND FOOD AUTHORITY	120,000	
	National Drought Management Authority	23,000	
	NHIF	85000	-

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	Kenya Institute for Policy Research and Analysis(KIPPRA)	-	92,000
	DIGNITAS	42,000	211,000
	Total receivables from exchange transactions	39,572,885	13,501,573

Student debtors relate 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 .

Ageing Analysis of Receivables from Exchange transactions

Description	FY2023-2024		FY 2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	29,899,531	75.8%	5,064,389	35.5%
Between 1- 2 years	120,000	0.3%	0	0%
Between 2-3 years	1,116,170	2.8%	0	0%
Over 3 years	8,437,184	21.3%	8,437,184	62.5%
Total (a+b)	39,572,885	100%	13,501,573	100%

20	Receivables from non-exchange transactions	FY2023-2024	FY 2022-2023
		Kshs	Kshs
	Current receivables		
	Transfers from National Government-Capitation	8,002,500	7,584,000
	Africa Development Bank (AfDB)	1,989,765	2,208,295
	Total receivables from non-exchange transaction	9,992,265	9,792,295

Ageing Analysis on Receivables from Non-Exchange Transactions				
Description	FY2023-2024		FY 2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	9,992,265	100%	9,792,295	100%
Between 1- 2 years	0	0	0	0
Between 2-3 years	0	0	0	0

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Over 3 years	0	0	0	0
Total (a+b)	9,992,265	100%	9,792,295	100%
21	Related Party Balances	FY2023-2024	FY 2022-2023	
		Kshs	Kshs	
	Mentorship Grants			
	Kajiado East TVC	2,777,160	2,777,160	
	Kajiado West TVC.	945,000	920,000	
	Total related party balances	3,722,160	3,697,160	
22	Inventories	FY2023-2024	FY 2022-2023	
		Kshs	Kshs	
	Consumable stores		9,200	
	Maintenance stores		97,190	
	Health unit stores	560,489	51,760	
	Textile	180,050		
	Electrical stores	-	41,050	
	Cleaning materials stores	18,100	92,400	
	Beuty and hair dressing	20,700	-	
	Total inventories	779,339	291,600	
	This relates to inventories as at 30 th June 2024			
23	Trade and other payables from exchange transactions	FY2023-2024	FY 2022-2023	
		Kshs	Kshs	
	Trade payables	26,115,340	21,087,755	
	Total trade and other payables	26,115,340	21,087,755	
	Ageing Analysis on Trade and other payables from exchange transactions			
Description	FY2023-2024	FY 2022-2023		
	Kshs	Kshs		
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	17,741,525	68%	19,300,500	92%
Between 1- 2 years	8,373,815	32%	1,787,755	8%
Total (a+b)	26,115,340	100%	21,087,755	100%
Trade payables relates to pending bills as at 30th June, 2024				

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24. Property, Plant and Equipment

As at 30 June 2024	Land	Buildings	Work In Progress	Motor vehicles	Furniture and fittings	Computers	Plant and Equipment	Total
PROPERTY, PLANT AND EQUIPMENT		0.02	-	0.25	0.10	0.30	0.13	
COST								
At 1 July 2023	260,000,000	296,728,621	29,695,671	52,371,078	6,232,180	14,042,700	38,052,380	697,122,630
Additions			1,879,500					1,879,500
At 30 Jun 2024	260,000,000	296,728,621	31,575,171	52,371,078	6,232,180	14,042,700	38,052,380	699,002,130
ACCUMULATED DEPRECIATION								
At 1 Jul 2023	-	18,902,735	-	48,939,637	2,073,231	12,126,240	18,981,828	101,023,670
Depreciation for the year		5,934,572	-	3,431,441	623,218	1,916,460	4,756,548	16,662,239
At 30 Jun 2024		24,837,307	-	52,371,078	2,696,449	14,042,700	23,738,375	117,685,909
Net book values								
At 1st July 2023	260,000,000	277,825,886	29,695,671	3,431,441	4,158,949	1,916,460	19,070,553	596,098,960
At 30 June 2024	260,000,000	271,891,314	31,575,171	-	3,535,731	-	14,314,005	581,316,221

21. Appendices

Appendix 1: Implementation Status of Auditor-General 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)
1.1	Variances comparison of budget and actuals amounts	It's true that there were variances but have been adjusted accordingly	resolved	resolved
1.2	Variances between financial statements and trial balances	It's true that there were variances but have been adjusted accordingly	resolved	resolved
1.3	Variances in comparative balances	It's true that there were variances but have been adjusted accordingly	resolved	resolved
1.4	Variances between the financial statements and support documentations	It's true that there were variances but have been adjusted accordingly proper documentation whether it was a grant	resolved	resolved
2.	Misclassification of expenditure on use of goods and services	Its true that there was misclassification but adjusted accordingly	resolved	resolved
1.	Improper composition of audit committee	It's true that our board audit & risk management committee has two members excluding the internal auditor however moving forward the institute takes in the recommendations of this audit to comply with the law	resolved	resolved
2.	Irregular payments of Subscriptions to KATTI	KATTI is a registered association whose membership and activities are aligned to programmes of the Ministry of Education or TVETA. it has a	On-going	On-going

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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)
		constitution that provides guidelines on subscriptions		
3.1	Irregular procurement of goods and services	Its true that exam materials were directly procured due to delay in cutting list for knec exam	resolved	resolved
3.1	Use of direct procurement	Its true that exam materials were directly procured due to delay in cutting list for knec exam	resolved	resolved
4	Unauthorized expenditure	Its true that there was un authorize expenditure	resolved	resolved
1	Lack of staff establishment	:The institute strategic plan 2018-2023 is under review to inform on strategic plan 2024-2029 which is awaiting the boards review and approval of staff establishment is being reviewed in order to take into considerations effective administrative structures ,processes and systems	On-going	On-going
2	Failure to maintain assets register	There is an existing asset register (see attached)	resolved	resolved
3	Lack of Risk Management Policy, Risk Register, Disaster Recovery and Business Continuity Plan	(i) the institute maintains a quality management system which is continuously reviews its procedures and a risk register provided (see attached) (ii) in addition there is an on-going draft risk management policy which is at final stages awaiting final board approval the policy shall provide a roadmap for risk management strategies and a system of risk management and enhance internal controls (attached) (a) (i) a corruption risk mitigation plan is in place	On-going	On-going

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (By what date when you expect the issue to be resolved)
		(attached) (ii) a rapid response committee informed by post covid-19 global pandemic disruptions was constituted to lay a roadmap for post disaster recovery plans, mapping out disaster, risks and establishing risk management framework and maintaining the risk mgmt. policy this was to enable the institute resume normal business operations under our key mandate however moving forward the institute takes in the recommendations of this audit to develop an elaborate recovery and business continuity plan		
4	Lack of an Information Communication Technology (ICT) Policy	there is an existing ICT policy that is currently under review awaiting final board approval	resolved	resolved

Dr Rosebella Chukwura Ph.D.

Name

Accounting Officer

Principal / Secretary BOG

Date 28/4/2025



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22. 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)
Perimeter wall & gate refurbishment	Internal	1 year	2,090,395	Internally generated funds
Student center phase 2	Internal	1 year	2,100,000	Internally generated funds
Admin/tuition block	Internal	1 year	700,000	Internally generated funds
VIP Ablution unit	Internal	1 year	2,400,000	Internally generated funds

Status of Projects completion

Project	Key Deliverables	Project Status	Budget	Source of funds
Perimeter wall & gate refurbishment	<ul style="list-style-type: none"> ▪ Project photos 	27% Complete	2,090,395	Internally generated funds
Student center phase 2	<ul style="list-style-type: none"> ▪ Practical completion 	27% Complete	2,100,000	Internally generated funds
Admin/tuition block (project drawings)	<ul style="list-style-type: none"> ▪ Project drawings 	100% Complete	700,000	Internally generated funds
VIP Ablution unit	<ul style="list-style-type: none"> ▪ Project completion certificate ▪ payment certificate 	10% Complete	2,400,000	Internally generated funds

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23. APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME				
Break down of Transfers from the Masai Technical Training Institute				
FY 2023/2024				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (Ksh)</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 (Ksh)</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 (Ksh)</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 (Ksh)</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 Principal/Secretary BOG

FINANCE OFFICER
The Maasai National Polytechnic
P.O. Box 125-01100, KAJIADO
Cell: 0723 433 333
Email: info@maanp.ac.ke

Sign

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24. APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER
GOVERNMENT ENTITIES

Name of the MDA/Donor or Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized				
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Other (must be specified)
Ministry of Education	9 th /10/2023	Capitation	6,419,000	6,419,000				
	18 th /1/2024	Capitation	4,672,500	4,672,500				
	6 th /2/2024	Capitation	5,340,000	5,340,000				
	-	Capitation	Nil	Nil				
Total				16,431,500				

Principal / Secretary BOG

Date.....

28/4/2025

PRINCIPAL
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