

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

MURAGA TECHNICAL TRAINING INSTITUTE

FOR THE YEAR ENDED
30 JUNE, 2025

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 FEB 2026	DAY: Tuesday
TABLED BY: Deputy Leader Majority Party	
PRESENTED BY: Hon. Owen Baya, MP	
RECEIVED BY: Mr. Benson Irizofa	



MURAGA TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2025

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

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

Table of Contents	Page
1. Acronyms and Definition of Key Terms.....	ii
2. Key Entity Information and Management.....	iii
3. The Board of Governors	vi
4. Key Management Team	viii
5. Chairman's Statement	x
6. Report of the Principal	xi
7. Statement of Performance against Predetermined Objectives	xiii
8. Corporate Governance Statement.....	xv
9. Management Discussion and Analysis	xvi
10. Environmental And Sustainability Reporting Statement.....	xvii
11. Report of the Board of Governors.....	xix
12. Statement of Board of Governors Responsibilities	xx
13. Report of the Independent Auditor For <i>Muraga Technical Training Institute</i>).....	xxi
14. Statement of Financial Performance For The Year Ended 30 June 2025.	1
15. Statement of Financial Position as At 30th June 2025	2
16. Statement of Changes in Net Asset for the Year Ended 30 June 2025	3
17. Statement of Cash Flows for the Year Ended 30 June 2025	4
18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025	5
19. Notes For Financial Statements	6
20. Appendices	25

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

1. 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
TTC	Teacher Training College
TVC	Technical Vocational College
MTTI	Muraga technical training institute

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

2. Key Entity Information and Management

(a) Background information

Muraga technical training institute was incorporated/ established under the TVET Act in 2014. The entity is domiciled in Kenya and has a branch in kiini. The institute is under the Ministry of Education.

The Institute is located at weru location maara sub county in Tharakanithi County. The construction of Muraga Technical Training Institute, started in 2014. It was a joint effort of the ministry and the CDF of maara constituency. The government contributed ksh 40 million while the CDF contributed Ksh 10million. The institute was mentored by Nkabune Technical Training Institute in Meru county. It was completed in early 2017 and was officially opened on 4th September 2017.

The Institute opened its doors to trainees in September and started offering artisan, craft and diploma courses. In the year 2018 the government equipped the institute office furniture and equipment, staff furniture and students lecture chairs.

At ministry level, the Institute is represented by the cabinet secretary for education, who is responsible for the general policy and strategic direction of the Institute.

(b) Principal Activities

The principal activity entity is to train competent and innovative manpower in TVET to meet the changing needs of the industry and self-sustainability under TVETA ACT 2013

VISION; To be center of excellence in technical and vocational education and training.

MISSION; to train competent and innovative manpower in TVET to meet the changing needs of the industry and for self-sustainability.

(c) Key Management

The entity'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 financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

Key Management Personnel		
1.	Principal	Mrs Purity G. Ndigah
2.	Deputy principal Finance	Mr Stephen Murithi
3.	Deputy principal Academics	Purity njogu
4.	Registrar (s)	Jotham mabele
5.	Dean of students	Festus muraya
6.	Head of Finance	Festus Irungu mwangi

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

no	Name of the committee	members
1	Finance committee	Timothy mitheu- chair
		Gedion mutugi
		Charles kimwomi
2	Hrm committee	Joy nyawira –chairperson
		Charles kimwomi
		Dr Edeline mugure
3	Risk and audit committee	Kenneth kanga –chaiperson
		Yvonne murenga
		Njue njagi

(f) Entity Headquarters

Muraga T.T.I. Headquarters
P.O. Box 614- 60400
Nairobi-Meru Highway
CHUKA, KENYA

(g) Entity Contacts

Telephone: (254)799519946
E-mail: muragatechinst@mail.com
Website:www.muragatechinst .ac.ke

h. Entity Bankers

Equity Bank
Chuka Branch

Other Commercial Banks

Kenya Commercial Banks
Chuka Branch

i. Independent Auditors

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

Key Entity Information and Management (Continued)

j. Principal Legal Adviser

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

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

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

3.The Board of Governors

Board of Governor's passport-size photo and name, and key profession/academic qualifications	Description of Member's date of birth, key qualifications and work experience.
1.  Name: Dr. Mary Mugambi Profession : Lecturer Academic : Ph.D. in Education Leadership and Management	Date of birth: 02/02/1962 Qualification: Phd in Education Leadership and Management Work Experience: 35 Years Position in BoG: Chairperson BoG
2.  Name : Mrs Purity G Ndigah M Profession : Trainer Academic : Master in Entrepreneurship	Date of birth: 22nd April 1972 Qualification: Master in Entrepreneurship Work Experience: 22 years Position in BoG : BoG Secretary
3.  Name : Dr. JoyNyawira Riungu Profession : Lecturer Academic : Ph.D. In water and Sanitation Engineering	Date of birth: 5th May 1973 Qualification: Ph.D. In water and Sanitation Engineering Work Experience: 11 years Position in BoG : Member
4.  Name : Mr. Gideon Mutungi Profession : CEO Tropicchem Enterprises Academic : BSc Botany and Zoology	Date of birth: 25/05/1968 Qualification: Bachelor of Science Botany and Zoology Work Experience: 28 Years Position in BoG : Member
5.  Name : Mr. Kenneth Kanga Profession : Tharaka Nithi County Public Service Board Academic : MBA (Strategic Management) Engineering and Resource Management	Date of birth: 01/06/1965 Qualification: MBA (Strategic Management) Engineering and Resource Management Work Experience: 32 years Position in BoG : Member

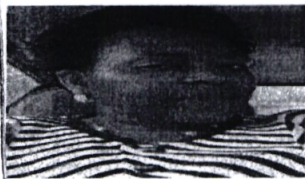
Muraga Technical Training Institute

Annual Report and Financial Statements for the year ended 30th June 2025

6.  Name : Njue Njagi Kaithungu Profession : CECM Agriculture & Livestock and Fisheries Academic : Master of Science in Agriculture Resource Management	Date of birth: 16/01/1973 Qualification: Master of Science in Agriculture Resource Management Work Experience: 17 years Position in BoG : Governor's Representative
7.  Name : Mr. Timothy Mitheu Profession : Head of Internal Audit Academic : MBA Administration	Date of birth: 15/01/1962. Qualification: MBA Administration Work Experience: 37 Years Position in BoG : Member
8.  Name : Mr. Charles Aondo Kimwomi Profession : Retired Asst. Director of Technical Education Academic : Msc of Education (Administration Management)	Date of birth: 01/01/1960 Qualification: Master of Science in Education Work Experience: 29 years Position in BoG : Member
9.  Name : Yvonne Murenga Profession : Senior ICT Officer, Lead internal ISO IMS Auditors Academic : BSc. ICT	Date of birth: 11/12/1987 Qualification: BSc. ICT Work Experience: 12 Years Position in BoG : Member

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

4. Key Management Team

No	Name	Responsibility
1	 Name: Mrs Purity. G. Ndigah Profession: Trainer Academic: Masters in Entrepreneurship	The principal and the accounting officer
2	 Name: Stephen Muriithi Profession: Trainer Academic: Higher diploma Electrical and Electronics	Deputy principal academics
3	 Name: Purity Wanjiru Njogu Profession: Trainer Academic: Bachelor of Hospitality and Tourism	Deputy principal admin
4	 Name: Jotham Khissa Profession: Trainer Academic: Bachelor of commerce	Ag Registrar

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

5	 Name: Festus Muraya Profession: Trainer Academic: Bachelors in Hotel and Hospitality Management	Dean of student
6	 Name: Festus Irungu Mwangi Profession: Accountancy Academic: Bachelor of commerce Profession: CPAK	Finance Officer
7	 Name: Petronilla Njeru Profession: Procurement Officer Academic: Procurement And Supply Chain Management	Procurement officer

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

5. Chairman's Statement

I am pleased to present the annual report and financial statement of Muraga Technical & Training Institute for the year ended June 30th June 2025

The demand for TVET programmes in the country has continued to rise prompting the institution to continually introduce academic programmes that respond to the demand of the market. The objective of the board is to position MTTI main programmes within the context of the market requirements, cost rationalisation, equity and customer satisfaction.

During the financial year 2024-2025 period, key achievements were realized, these

- Substantial physical infrastructure
- Establish and Strengthened collaboration and liaison with key local industries where the college can attach its trainees.
- Established public private partnership to address the shortage of accommodation spaces for the increased population growth.
- Participated in various KATTI athletics activities at the regional level.
- Enhanced marketing strategies which have prompted population growth.

During this 2024-2025 financial year financial commitment was geared towards physical development of the institute infrastructures, implementation of the institute performance contracts which has sets out the process and timeframe of putting up various structures suited to give support to academic programmes being the core function of the institution.

I am proud to note that most of the goals set out within the year indeed have been achieved.

These include:

- Initiating the process of automating the registry and finance and exams
- Growth in student's numbers,
- Competitive recruitment of staff both trainers and other support staff.
- Development of the infrastructures to support academic programmes.
- Development of various physical infrastructures in the college.

The college received HELB loans /bursary and GOK capitation for the college trainees.

This funding has enabled the college acquire equipment that will make it go –a-long way in ensuring that trainees are equipped with relevant skills therefore increasing their marketability.

The college has witnessed significant growth of the institute assets that has promoted a good training environment for both trainers and trainees. In this regard, I wish to thank the members of the board who have provided useful insight to the college management making

it possible to collectively make progress. The board remains committed to building on the foundation laid down so far and work closely with all the stake holders in order to realise further development. The board is pleased with efforts of the MTTI to ensure prudent management of resources and the level of compliance with the government regulations and statutory requirement. I thank the government for its financial support so far that has made it possible to implement the MTTI functions and programmes.

I finally, wish to thank all stake holders for their continued support and dedication, even as we together strive to achieve greater heights of excellence.

Dr Mary Mugambi

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025


Chair of the Board of Governors'

6. Report of the Principal

Presented herein is the annual report and financial statement of Muraga Technical Training Institute for the year ended June 30th June 2025 as per requirements of the Public Finance Management Act of 2012 and Public Audit Act, 2015.

Non-financial information

(a) Academic programme

During the financial year under review the college had 9 academic programmes namely

- Business studies and entrepreneurship
- Hair & Beauty
- Building technology and plumbing
- Hospitality and Institutional management
- Electrical and electronics
- Agriculture and environmental studies
- Applied sciences
- Fashion and design
- Mechanical and automotive

(b) Student population

The Institute admits students allocated by KUCCPS, walk in placements and outsourcing them from high population catchment areas. By the end of the 2024-2025 financial year, the institute had a population of 2900 students. The number is expected to rise to over 3500 students in the 2025/2026 financial year. This will be achieved through

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

(d) Provision of Requisite Facilities

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

(d) Performance contract

In the financial year 2024/2025, the institute made the following achievements;

- Reviewed and translated the Citizens' Delivery Charter to brail deposited at the Customer Care office.
- upgraded the website to enable publicity and posting of correspondence Institute
- Operationalize the farm for agriculture training and partnered with Sygenta foundation
- Introduced and participated in regional athletics
- Road safety and sensitization and distribution of reflector jackets to boda boda riders

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

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

- Lack of sufficient resources
- Unhonoured capitation remittance

KEY PROJECTS ACHIEVEMENTS

(e) CORPORATE SOCIAL RESPONSIBILITY

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

- Training of boda boda operators on road safety
- Offering free to the community sort courses
- Visited Muthambi children's home.
- The institute sponsored Muthambi annual cultural festivals

On behalf of the management and staffs of MTTI, I take this opportunity to thank the Board of the Governors for the support accorded to the key management and for its visionary direction in development of the college.

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

I thank all the staffs and trainees of MTTI for their continued cooperation in this challenging but noble task of building the institute and I look forward to the same cooperation and enthusiastic participation in 2025 – 2026 financial year.

Purity .G.Ndigah

Principal/Secretary of the board

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

7. Statement of Performance against Predetermined Objectives

REVIEW OF MURAGA T.T.I. PERFORMANCE FOR 2024/2025 FINANCIAL YEAR

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

MURAGA TTI has 5 strategic pillars and objectives within its Strategic Plan for the FY 2023/2024/2024/2025.. These strategic pillars are as follows:

- Pillar 1: Grow the education &TVET programmes
- Pillar 2: Promote equity &quality education and training
- Pillar 3: Strengthen organisation development and capability
- Pillar 4: Establish contemporary learning services and facilities
- Pillar 5: Pursue stake holders' partnerships and collaborations

Muraga 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 2024/2025 period for its 5 strategic pillars, as indicated in the diagram below.

Strategic Pillar no	Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Grow the education &TVET programmes	Growing the education &TVET programmes	Improved service delivery Modern ICT capability adopted in management & training Number of partnership developed with key stake holders	Benchmarking of the institute services against our competitor Invest in ICT capability to support service delivery Enhance partnership with the with stake holders	Benchmarked with neighbouring sister institution on food & beverages workshops setting Initiated the automation of the key departments finance,administration,and exams Established partnership with Weru Tea Factory on modern tea farm management
Pillar 2:	promote equity &quality education and training	Promoting equity &quality education and training	Number of trainers in courses mainly dominated by the opposite gender	Advocate for the participation of both gender in the TVET programmes Integrated training plan	High enrolment in food & beverage courses by men The institute sent finance officer to Mombasa during the training organised by

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

			Number of trainers who participated in the capacity building workshops	that focuses on enhancing trainers excellence	HELB on HELB loan/bursary managements
Pillar 3:	strengthen organisation development and capability	Strengthening organisation development and capability	Number of new financial streams established by the institute Performance appraisal tool developed for the non-teaching staffs Reward & sanctions system based on appraisal report	Enhance financial sustainability of the institute Celebrate staffs success formally through a reward & recognition programmes	Institute has been selling agriculture produce from the farm Staffs are being rewarded according their performance
Pillar 4:	establish contemporary learning services and facilities	Establishing contemporary learning services and facilities	Suggest boxes Customers complains & compliment registers	Establishing a client relationship management by Maintaining customer visitors and customers feedback systems	Suggesting management systems in place Customer complains & compliment tools in place
Pillar 5:	pursue stake holders partnerships and collaborations	Pursuing stake holders partnerships and collaborations	Number of the MOUs the institute has signed with local industries Number of meeting in year Number of business opportunities	Strengthen external networks with the industries Implement expanded community engagement plans to add value to the community	Signed MOU with Weru Tea Factory and muthambi health centre Held quarterly meetings with the community on the available business opportunities the community can engage with institute

8. Corporate Governance Statement.

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

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

There must be at least two thirds gender representation in the membership. The Council/BOG meets quarterly on average, with a three-year term renewable once and for memory, one or two members are re-appointed. The Council/BOG may have working sub-committees to like;

- i. Finance Committee,
- ii. Governance and human resource committee
- iii. Audit and Risk Management.

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

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

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

9. Management Discussion and Analysis

The BOG of the Institute has been very supportive to the management and has fully performed its oversight role in whole and through the BOG committees. The management team is also well constituted with the Principal being the team leader, deputy principals (who handles both administration and Academics), the Registrar, Dean of students, Head of Guidance and Counselling and the Industrial Liaison Officer. The Institute has a robust team of professional non-academic staff with a qualified Finance officer and procurement officer

During the financial year, the management has endeavoured to satisfy both legal and regulatory requirement as espoused in its mandate under the TVET act 2013, the education act 2013, PFM Act 2012 and its regulations etc. Our operations were smooth and undisturbed for four quarters of the year

During the period, we were able to complete most of our Performance key projects as follows: -

FY 2024/2025 Key Projects Completion Rate.

Project Name	Project Description	Location	Total Estimated Cost KSHS	Current status	Allocation for FY 2023/2024 KSHS	Expected Deliverables (output for FY 2024/2025)	End of Compl status
purchase of school bus		Muraga Technical Training Institute	11,482,000	new	10,000,000	School bus purchase completed	100% Comple
Refurbishment of the school gate	Refurbishment of school gate	Muraga technical training institute	692,020	refurbishment	600000	School gate refurbishment completed	100%
Construction of powerhouse	Construction of power house	Muraga technical traing institute	1,597,974.20	Construction of power house	1400000	Construction of powerhouse completed	100%
TOTAL			13,771,994.20		12,000,000.		

10. Environmental And Sustainability Reporting Statement

Muraga Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on five pillars: Below is a brief highlight of our achievements.

Sustainability strategy and profile

Muraga Technical Training Institute is a learning organisation under the Directorate of Technical Vocational Education and Training. In her commitment to produce skilled manpower that fits in the job market, the Institution has continued to comply with the Ministry of Education guidelines and policies. The Institution has identified the potential of the community as key in realizing the growth of the Institution. The Institution has therefore engaged the community through continuous sensitization on the TVET courses and the support given by the government through capitation and application of HELB loans. Further the Institution has reached out to the stakeholders and the political leaders for support in all aspects in the running of the Institution through attending church meetings, community meeting, and upholding support for fees payment through the CDF programmes and bursaries from all levels.

The Institution has continued to engage with the Industry to allow linkage for trainees to the industry for industrial attachment and also employment. This has enabled contributions for industry expectation through direct feedback from the Industry.

Benchmarking with other learning Institution and partnering with them remains vital for progressive growth. Attending to relevant trainings and workshops has been key in staff development.

Environmental performance

Muraga Technical Training Institute is committed to reducing its impact on the environment. We strive to improve our environmental performance over time and to initiate additional activities that will further reduce our impacts on the environment. Our commitment is to:

- (a) Comply with all applicable environmental regulations,
- (b) Prevent pollution whenever possible,
- (c) Train all of our staff on our environmental program and empower them to contribute and participate,
- (d) Communicate our environmental commitment and efforts to our customers, staff and our community.

So far we have planted over 1000 trees.

Employee welfare

The Institute has been following the procedure of hiring employees into the Institution. The Board identifies the vacancies by analysis of key responsibilities and duties that ought to be done and the staff are not available or adequate. The Board then advertises for the positions

Muraga Technical Training Institute

Annual Report and Financial Statements for the year ended 30th June 2025

and invites qualified candidates to apply. On applications, shortlisting of qualified persons is done basing it on the advert, Gender, Ethnicity and experience. Qualified persons are contacted to attend interviews through mail and telephone calls. The panel engages all interviewees and allocated marks as per the score sheet. The panel then discuss the scores and average for the best candidate to be approved. Once staff are engaged, they are taken through an orientation where the responsibilities are outlined, discussed and the objectives of the organisation are laid out. Staff are developed through support given by the BOG to attend relevant workshops and seminars especially the ones organised through the ministry. The Institute is in the process of developing the policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA). Appraisal of staff is done continuously.

Market place practices-

The organisation should outline its efforts to:

- a) Responsible competition practice.
Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.
- b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.
- d) Product stewardship- outline efforts to safeguard consumer rights and interests.

Corporate Social Responsibility / Community Engagements

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

- Training of boda boda operators on road safety
- Offering free to the community short courses

On behalf of the management and staffs of MTTI, I take this opportunity to thank the Board of the Governors for the support accorded to the key management and for its visionary direction in development of the college.

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

I thank all the staffs and trainees of MTTI for their continued cooperation in this challenging but noble task of building the institute and I look forward to the same cooperation and enthusiastic participation in 2024 – 2025 financial year.

Purity .G.Ndigah

Principal/Secretary of the board

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

11. Report of the Council/Board of Governors

The Council/Board members submit their report together with the audited financial statements

The BOG/Board members submit their report together with the audited financial statements for the year ended 30th June 2025 which show the state of the institute's affairs.

Principle activities

The principle activities of the entity are:

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

Result

The results of the entity for the year ended 30th June 2025 are set out on page 1-65

Council/Board of Governors

The members of the Board who served during the year are shown on page viii & ix during the year there has been no change in the board of governors.

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 to carry out the audit of the *institute* for the year ended 30th June 2025

./.

By Order of the Board



.....
Dr mary mugambi

chair of the Board/Council

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

12. Statement of Board of Governors/ Council's Responsibilities

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

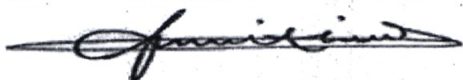
The Council members are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining 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 *entity*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*) The council members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2024, and of the *entity's* financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, nothing has come to the attention of the Council members to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The *Muraga Technical Training Institute* financial statements were approved by the Board on _____ 2025 and signed on its behalf by:



.....
Name

Chairperson of the Board/Council


.....
Name **PORTH GNDIGA AH**
Accounting Officer/Principal

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 MURAGA TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2025

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 Muraga Technical Training Institute set out on pages 1 to 29, which comprise of the statement of financial position

as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I 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 Muraga Technical Training Institute as at 30 June, 2025 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 TVET Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Property, Plant and Equipment

The statement of financial position and as disclosed in Note 16 to the financial statements reflects property, plant and equipment net book value of Kshs.163,578,851. However, review of documents provided for audit revealed the following observations;

- i. The balance includes land with a value of Kshs.19,400,000. However, the Institute did not value the land and the balance disclosed was an estimate. Further, ownership documents in respect to land ownership were not provided for audit review.
- ii. Valuation was not done on some assets with an estimated value of Kshs.1,017,675 and Kshs.15,000,000 in respect to machines donated by Ministry of Education through the Chinese Government and one hundred (100) computers in respect to a project by the Government to equip the Information and Communication Technology (ICT) Centre in February, 2023.
- iii. Fully depreciated motor vehicles and donated assets were consequently, excluded from the assets disclosed in the financial statements.
- iv. Stock sheet schedules showing the quantity and values of library books were not provided for audit review and the Institute failed to carry out a stock take of the library books as at 30 June, 2025. Further, the Institute did not have a policy guideline on the recognition, measurement and disclosure of library books in the financial statements.

In the circumstances, the accuracy and completeness of the total assets netbook value of Kshs.163,578,851 could not be confirmed.

2. Unsupported Trade and Other Payables Balance

The statement of financial position and as disclosed in Note 17 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs.11,496,409 as at 30 June, 2025. However, the creditors ledger and supporting documents such as invoices and contract agreements for trade payables balance totalling Kshs.5,522,802 were not provided for audit. Further, the creditors list showing invoice numbers and dates when the transactions took place was not presented for audit.

In the circumstances, the validity and completeness of the trade and other payables balance of Kshs.11,496,409 could not be confirmed.

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

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget and actual on comparable basis of Kshs.149,585,100 and Kshs.57,957,791 respectively resulting in an underfunding of Kshs.91,627,129 or 61 % of the budget. Similarly, the Institute spent Kshs.54,914,661 against actual receipts amount of Kshs.57,957,791 resulting in an under absorption of Kshs.3,043,130 or 5% of the actual receipts.

In the circumstances, the under-funding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

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 effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance.

However, review of the status during audit revealed that the following matters as summarized in **Appendix I** remained unresolved as at 30 June, 2025.

Other Information

The Board of Governors is responsible for the Other Information set out on page ii to xx which comprise of Key Entity Information and Management, The Board of Governors, Management Team, Chairman's Statement, Report of the Principal, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities, Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the 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 and 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 effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Engagement of Casuals

During the year under review, the Institute engaged eighteen (18) casual employees including twelve (12) technical staff for a period of more than three (3) months. This was contrary to Section 37 (1) (b) of the Employment Act, 2007 which stipulates that casual employment should be converted to term contract where a casual employee performs work which cannot reasonably be expected to be completed within a period, or a number of working days amounting in the aggregate to the equivalent of three months or more, the contract of service of the casual employee shall be deemed to be one where wages are paid monthly.

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

2. Failure to Budget for Climate Change and Financing

Review of the Institute's annual budget and financial plans revealed that no provisions for climate change mitigation, adaptation programs, or climate financing initiatives were made. In addition, there was no evidence of planned allocation of funds for projects or activities that address climate risks, such as water source protection, energy-efficient operations, or climate resilience measures, despite the Institute's operations being highly dependent on environmental sustainability. This contrary to The National Climate Change Act, 2016, which obligates public entities to mainstream climate change measures into their operational and development plans and to allocate adequate resources to address climate resilience and adaptation.

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

3. Non – Compliance with the Public Procurement Capacity Building Levy Order, 2023

Review of records revealed that the Institute entered into contracts but no documentary evidence has been provided to confirm that the County Executive complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20th day of the subsequent month and also file monthly returns.

In the circumstances, Management was in breach of law.

4. Under Funding of Capitation Grants

The statement of financial performance and as disclosed in Note 5A to the financial statements reflects an amount of Kshs.13,811,263 in respect to revenue from non-exchange transactions. Included in this amount is Kshs.6,327,000 for capitation and Kshs.6,985,586 for scholarships received during the financial year. The capitation received was for three hundred and seventy (370) students and scholarship for one hundred and ninety-eight (198) students while the total number of students during the year was one thousand, nine hundred and seventy-five (1,975) as per the Institute manual enrolment. A total of one thousand, four hundred and seven (1,407) students were therefore, not funded and the Institute is not certain of how much each of the students was to receive as capitation or scholarship.

In the circumstances, the under-funding of the Institute may have affected service delivery to the other Institutions which did not receive capitation for students and value for money could not be confirmed.

5. Irregular Transfer of Funds to Kenya Association of Technical Training Institutions.

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects use of goods and services expenditure amount of Kshs.50,344,436, which includes an amount of Kshs.527,130 transferred to the Kenya Association of Technical Training Institutions (KATTI). However, KATTI is a welfare organization that draws its membership from Technical Training Institutions Principals only. The Organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by the institutes.

In the circumstances, value for the money transferred to KATTI amounting to Kshs.527,130 could not be confirmed.

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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Unconfirmed Trainees Enrolment Data

Comparison of data from Technical and Vocational Education and Training Authority (TVETA) Management and information System (MIS) with records from the Institute's manual enrolment register revealed that during the financial year, TVETA MIS reflected two thousand and sixty-three (2,063) trainees for the financial year 2024/2025 while records from the institute's manual register had one thousand, nine hundred and seventy five (1,975) trainees as at 30 June, 2025 resulting to a variance of eighty – eight (88) trainees.

Further, review of the Institute's manual enrolment register revealed that twenty – seven (27) trainees appeared duplicated in the Institute's manual enrolment register while one hundred and eighteen (118) trainees appeared duplicated in the TVETA MIS data. In

addition, the TVETA MIS enrolment data indicated that six hundred and sixty -three (663) trainees were unrealistically born in the year 2024 and three hundred and ninety (390) born in the year 2025.

In the circumstances, the internal controls on risk management on accuracy and completeness of enrolment data 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 the Board of Governors

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 Institution'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.

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

Auditor-General's Responsibilities for the Audit

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 of 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

24 November, 2025

Unresolved Prior Year Matters

In the prior year audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of Muraga Technical Training Institute in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1.	2023/2024	Non-Disclosure of Library Books
2.	2023/2024	Inaccurate Trade and Other Payables
3.	2023/2024	Inaccurate Property, Plant and Equipment
4.	2023/2024	Budgetary Control and Performance
5.	2023/2024	Lack of Land Ownership Documents
6	2023/2024	Failure to Tag All Fixed and Movable Assets

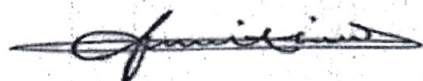
Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

14. Statement of Financial Performance For The Year Ended 30 June 2025

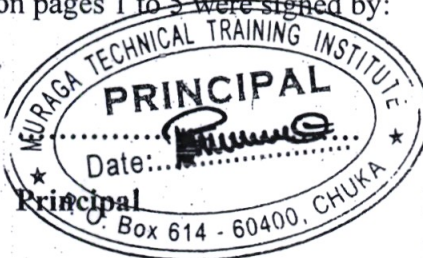
	Notes	FY 2024 -2025	FY 2023-2024
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfer from the national government's grants/gift in kind	5A	13,811,263	17,617,803
Total Revenue from non-exchange transactions		13,811,263	17,617,803
Revenue from exchange transactions			
Rendering of services- Fees from students	6	116,396,777	26,345,094
Other income	7	1,373,939	452,909
Revenue from exchange transactions		117,770,716	26,798,003
Total revenue		131,581,979	44,415,806
Expenses			
Use of goods and services	8	50,344,436	24,666,703
Employee costs	9	5,780,549	4,182,297
Board of governors allowances	10	1,994,267	1,707,704
Depreciation and amortization expense	11	9,017,530	14,187,945
Repairs and maintenance	12	901,600.00	169,520
Contracted services	13	192,000	659,379
Provision for audit fees	19		204,750
Total expenses		68,230,382	45,778,298
Net surplus for the Year		63,351,597	-1,362,492

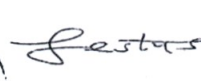
(The notes set out on pages 6 to 29 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 5 were signed by:



Chairman of Council/Board





Finance Office
ICPAK NO 19002

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

15. Statement of Financial Position as At 30th June 2025

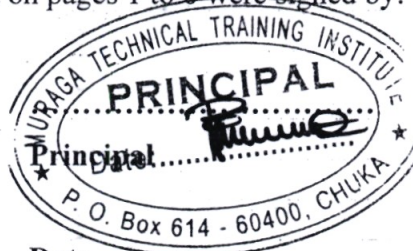
	Notes	FY 2024-2025	FY2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14A	3,043,130	952,801
Receivables from exchange transactions	15	94,715,069	14,980,690
Inventories	20	903,759	140,290
Total Current Assets		98,661,958	16,073,781
Non-current assets			
Property, plant and equipment	16	163,578,851	59,218,988
Biological Assets	19	133,350	133,350
Total Non-current Assets		163,712,201	59,352,338
Total assets		262,374,159	75,426,119
Liabilities			
Current liabilities			
provision for audit fee		195,400	
Trade and other payables from exchange transactions	17	11,496,409	10,626,324
Total Current Liabilities		11,691,809	10,626,324
Net Assets		250,682,350	64,799,795
Total liabilities			
Capital and Reserves			
Accumulated surplus		24,006,572	-40,707,516
capital fund		208,876,683	105,507,311
Total Capital and Reserves		250,682,350	64,799,795
Total Liabilities and Capital & Reserves		262,374,159	75,426,119

The Financial Statements set out on pages 1 to 6 were signed by:

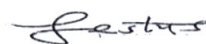


Chairman of Council/Board

Date



Date



Finance Officer
ICPAK No19002

Date

16. Statement of Changes in Net Asset for the Year Ended 30 June 2025

		Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At June 30, 2022		-	-	-38,030,849	177,379,263	139,348,414
At June 30, 2022		-	-	-	-	0
Revaluation gain		-	-	-	-	0
Fair value adjustment on quoted investments		-	-	-	-	0
Total comprehensive income		-	-	-1,314,175	-	-1,314,175
Capital/Development grants received during the year		-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings		-	-	-	-	0
At June 30, 2024		-	-	-39,345,025	177,379,263	138,034,238
Revaluation gain		-	-	-	49,296,515	49,296,515
Fair value adjustment		-	-	-	-	0
Total comprehensive income		-	-	63,351,597	-	63,351,597
Capital/Development grants received during the year		-	-	-	0	0
Transfer of depreciation/amortisation from capital fund to retained earnings		-	-	-	-	0
At 30th June 2025				24,006,572	226,675,778	250,682,350

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

17. Statement of Cash Flows for the Year Ended 30 June 2025

	Note	FY 2024-2025	FY 2023-2024
Cashflow from operating activities		Kshs.	Kshs.
Receipts			
Transfers from other Government entities/Govt. grants	5	13,811,263.00	17,617,802
Rendering of services	6	116,196,777	26,345,094
Other income,	7	1,173,939	452,909
Total Receipts.		131,581,979	44,415,805
Payments			
Use of goods and services	8	50,344,436	24,666,703
Employees cost	9	5,770,626	4,182,296
Board of Governors allowances	10	1,994,267	1,707,704
Repair maintenances and development	11	901,600	169,520
Contracted services	12	192,000	659,379
			204,750
Total Payments		59,202,929	31,590,352
Net surplus		72,379,050	12,825,453
Non-cash movements			
Increase in payables		428,128	5,817,849
Increase in the receivables		79,734,379	14,980,690
Depreciation and amortisation expense		9,017,530	-4,520,026
Net cash flow from operating activities		2,090,329	14,123,275
cash flow from investing activities			
Purchase of property, plant, equipment and intangible assets			-15,955,353
Net cash flows used in investing activities			-15,955,353
Cash flows from financing activities			
Development grants (CDF)			2,000,000
Net cash flows used in financing activities			2,000,000
Net increase/(decrease) in cash and cash equivalents		2,090,329	-1,832,078
Cash and cash equivalents at beginning of the year		952,801	2,784,879
Cash and cash equivalents end of the Year		3,043,130	952,801

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025

	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	Performance difference	Utilization Difference
	a	b	c=a+b	d		e=d/c %
Revenue	Kshs	Kshs	Kshs	Kshs		Kshs
Transfers from other Govt entities Govt grants	38,139,709	66,254,861	104,394,570	13,811,263.00	90,583,307	13
Rendering of services- Fees from students	16,045,589	28,694,941	44,740,530	42,772,589	8,217,135	83
Other Income	300,000	150,000	450,000	1,373,939	-923,939	305
Total income	54,485,298	95,099,802	149,585,100	57,957,791	91,627,309	39
Expenses					0	
Compensation of employees	6,255,840	8,000,160	14,256,000	5,780,549	8,475,451	41
Use of Goods and services	38,343,858	76,051,642	114,395,500	45,398,245	68,997,255	40
Remuneration of directors	900,000	1,654,000	2,554,000	1,994,267	559,733	78
RMI	1,263,600	2,014,000	3,277,600	901,600	2,376,000	28
Contracted services	522,000	1,280,000	1,802,000	840,000	962,000	47
Developments	7,200,000	6,100,000	13,300,000	0	13,300,000	0
Total expenditure	54,485,298	95,099,802	149,585,100	54,914,661	94,670,439	37
Surplus for the period	0	0	0	3,043,130		2

19. NOTES FOR FINANCIAL STATEMENTS

1. General Information

Muraga technical training institute is established by and derives its authority and accountability from TVETA Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is training

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity. 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, (include any other applicable legislation), 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 effective in the year ended 30 June 2024.

There are no new standards in the year ended 30th June 2024

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. State the expected impact of the standard to the Entity if relevant
IPSAS 44:	Applicable 1st January 2025

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

Non- Current Assets Held for Sale and Discontinued Operations	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. <i>State the expected impact of the standard to the Entity if relevant</i>
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. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: - Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. - Clarifying transaction costs guidance to enhance consistency across IPSAS. - Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> 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. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> 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. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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. <i>State the expected impact of the standard to the Entity if relevant</i>

iii. Early adoption of standards

(The entity) did not early adopt any new or amended standards in year 2024, the entity adopted standard and xx. The impact of these standards on entity's financial statements

1. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. 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 entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

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

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 . Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations in the FY 2023/2024 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on 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 on page xx under section xxx of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).* 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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

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

g) Intangible assets

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

h) Research and development costs

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

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

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

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 entity 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 entity and a financial liability or equity instrument of another entity. At initial recognition, the entity 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 entity 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 entity'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 entity 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 entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value 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 entity 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 entity 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 entity 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 entity 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 *Entity*.

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

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 entity 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 entity will incur in fulfilling the present obligations represented by the liability.

Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. *(the entity to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies)*

o) 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.

p) 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.

q) Related parties

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

Service concession arrangements

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

r) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known

amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

s) Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 20XX

2. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

Provisions

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

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).

5. Transfers from other Government entities (Categorized)

	Name of the entity sending grants	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
		Kshs	Kshs	Kshs	Kshs	Kshs
	state departments of technical training	13,811,263	-	0	13,811,263	17,617,803
	National governments developments fund	-	-	-	-	-
	Total	13,811,263			13,811,263	17,617,803

6. Rendering of services

	FY-2024-2025	FY-2023-2024
Description	Kshs.	Kshs.
Exams		3,464,280
Practical materials	773,400	2,288,000
Adminstration	380,500	816,150
Driving school		
Gratuity	74,630	161,868
Insurance	3,097,500	1,070,500
Students council	52,200	150,200
Internet	324,400	300,800
Activity fee	7,524,659	2,079,140
Repair maintenance and improvements	5,187,444	994,770
Breakages		-
Electricity water and conservancy	6,569,359	2,109,590
Local travel and transport	6,564,722	1,794,590
Personal emoluments	22,362,094	6,211,610
Tuition	59,326,619	3,108,746
Industrial attachments		267,500
Registration	3,912,000	1,490,900

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

Students ID	247,250	36,450
Total revenue from rendering of services	116,396,777	26,345,094

7. Other income

	FY-2024-2025	FY -2023-2024
Description	Kshs	Kshs
Farm	102,345	115,680
Graduation Fee	74,630	226,000
Breakages	699,149	11,489
computer packages	-	
Bus income	460,300	
Sale of scrap	-	
Hair and beauty sales	-	
Food and beverage sales	5,215	10,090
Refer Internal Exams	31,300	4,150
Food and beverage IGA		81,000
Tenders	1,000	4,500
Total	1,373,939	452,909

8. Use of Goods and Services

	FY-2024-2025	FY-2023-2024
DESCRIPTION		Kshs
Local travel and transport expenses	2,646,500	1,654,270
Activity	6,248,759	915,855
Internets services	853,067	1,480,661
Electricity water and conservancy expense	812,464	990,087
Administration cost	19,313,921	6,761,891
NITA Exam	637,600	468,815
Exam	5,765,130	2,629,760
Training and developments	2,651,900	1,711,290
Kenya association of technical training subscription	527,130	469,952
Marketing	2,794,437	859,600
Attachments		225,664
Kiini technical training institute mentorship	27,016	257,186
Farm expenses	35,973	133,956
Driving school expenses		-
Students council expenses	60,190	63,400
Practical's expense	60,580	1,452,526
Tuition Expenses	6,848,587	3,293,774
Performance contracts	160,400	382,930

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

Admission expenses	788,018	98
Bank charges	12,876	12,590
Student ID	60,000	81,000
Konza digital lab projects		352,280
Research and developments	34,490	65,438
Automation	5,398	305,398
Total	50,344,436	24,666,703

9.Employee Costs

	FY-2024-2025	FY-2023-2024
DESCRIPTION	Kshs.	Kshs
National hospital insurance fund	63,810	21,000
Employer NSSF	518,728	153,956
Salaries and Wages	4,073,188	3,967,557
NITA levy	10,650	9,750
Employer house levy	53,765	30,033
Salaries	1,050,485	
Total	5,770,626	4,182,296

10.Remuneration of Directors

Description	FY-2024-2025	FY-2023-2024
	Kshs.	Kshs.
Board of governors allowances	1,994,267	1,707,704
Total remuneration of directors	1,994,267	1,707,704

11.Depreciation and Amortization Expenses

Description	FY-2024-2025	FY-2023-2024
	Kshs.	Kshs.
Property, plant and equipment	9,017,530	14,187,945
Total depreciation and amortization	9,017,530	14,187,945

12.Repair and Maintenance

Description	FY-2024-2025	FY2023-2024
	Kshs.	Kshs.
Repairs maintenance and improvements	901,600	169,520
TOTAL	901,600	169,520

13. Contracted Services

Description	FY-2024-2025	FY 2023-2024
--------------------	---------------------	---------------------

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

	Kshs.	Kshs.
Security services	192,000	659,379
Total contracted services	192,000	659,379

14.(A) Cash and Cash Equivalents

	Period ended 30th June 2025	Comparative Period ended 30th June 2024
	Kshs.	Kshs.
Current account		
Equity bank developments accounts	40,471	40,471
KCB bank of kenya recurrents accounts	2,927,963	748,995
Equity bank kiini campus	59,808	159,504
Cash at hand muraga campus	14,888	-
Cash at hand kiini campus	0	360
Family Bank project account	0	3,472
Total cash and cash equivalents	3,043,130	952,801

15(b). Detailed Analysis of Cash and Cash equivalents

		FY-2024-2025	FY 2023-2024
Financial institution		Kshs	Kshs
a) Current account	Account number		
Equity Bank	0140262856816	40,471	40,471
Kenya Commercial bank	1212819675	2,927,963	748,995
Equity bank kiini campus	0210277231146	59,808	159,504
Family Bank project account	0000012722	-	-
Sub- total		3,028,242	948,970
B) Others(specify)			
cash in hand		14,888	0
Cash at hand kiini campus			360
Sub- total		0	3,472
Grand total		3,043,130	952,801

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

16. . Receivables from Exchange transactions

Description	FY-2024-2025		FY-2023-2024
Current receivables		Kshs.	Kshs.
Student debtors		94,715,069	14,980,690
Total receivables		94,715,069	14,980,690

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

17.. Property, Plant and Equipment

	Land	Buildings	Computers/Computer Accessories	furniture and fittings	water storage tank	electrical and electronics	Plant and equipments	motor vehicle	Capital work in progress	Total
Cost		2.5%	30%	12.5%	8%	30%	12.5%	15		
At 30th June 2022	19,400,000	54,951,334	728,000	961,668	90,000	153,190	124,614,990		828,596	179,320,207
Additions	-	-	-	-	-	-	-		1,446,771	1,446,771
Cost/capitalized	-	-	-	-	-	-	-		-	0
Disposals	-	-	-	-	-	-	-		-	0
Transfers/adjustments	-	-	-	-	-	-	-		-	0
At 30th June 2023	19,400,000	54,951,334	728,000	961,668	90,000	153,190	124,614,990	0	2,275,367	203,174,549
Additions		6,748,720						11,482,000	969,710	19,200,430
Cost/capitalized										0
Disposals										0
Transfers/adjustments										0
At 30th June 2024	19,400,000	61,700,054	728,000	961,668	90,000	153,190	124,614,990	11,482,000	3,245,077	222,374,979
additions										
At 30th June 2022		6,456,947	553,207	331,203	25,525	116,409	124,614,990	0	-	132,098,282
Depreciation	-	1,243,446	52,438	78,808	5,158	11,034	12,264,890	-	0	13,655,775
Disposals	-	-	-	-	-	-	-	-	-	0
Impairment	-	-	-	-	-	-	-	-	-	0
Transfers/adjustments	-	-	-	-	-	-	-	-	-	0
At 30th June 2023		7,700,393	605,645	410,011	30,683	127,443	136,879,880	0		145,754,056
Depreciation		1,349,992	36,706	68,957	4,745	7,724	15,576,874	0		17,044,998
Disposals										0
Impairment										0
Transfers/adjustments										0
At 30th June , 2024		7,838,025	642,352	478,968	35,428	135,167	152,456,754	0		161,586,694
Net book values										0
At 30th June 2025	19,400,000	53,862,029	122,355	551,657	59,317	25,747	74,830,669	11,482,000	3,245,077	163,578,851
At 30th June 2024	19,400,000	47,250,941	122,355	551,657	59,317	25,747	59,912,113	0	2,275,367	129,597,496

*Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025*

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

18. Trade and Other Payables

	FY-2024-2025	FY-2023-2024
Description	Shs	Shs
Trade payables	5,522,802	1,980,000
Fees paid in advance	5,973,607	8,146,324
audits fee		500,000
Total trade and other payables	11,496,409	10,626,324

19. Audit fees provision

Description	KShs	KShs
	FY-2024-2025	FY2023 -2024
Audit fees	195,400	204,750
Total	195,400	204,750

20. Biological Assets

	KShs	KShs
	FY-2024-2025	FY-2023-2025
coffee bushes	2,650	2,650
Tea bushes	130,700	130,700
Total	133,350	133,350

21.Inventory

Description	KShs	KShs
	FY-2024-2025	FY-2023-2024
Inventory	903,759	140,290
Total	903,759	140,290

iii. Events After The Reporting Period

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

20. 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 general
 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	Non-Disclosure of library book	The management has revalued its asset	resolved	
2	Inaccurate Trade and Other Payables	The management has provided accurate data for trade and other payable	resolved	
3	Unsupported Inventory	The inventory for period was provided	resolved	
4	Failure to maintain monthly progress	The management has instituted a committee to check on work on progress	resolved	
5	Unsolved prior year matters	All matter has been illustrated in this table	resolved	
6	Non-tagging of fixed asset	The management has initiated process of ensuring all asset are tagged	Not resolved	
7	Non gazettement of the Board members	The matter is handled by the ministry	Not resolved	
8	Understaffing of the institution	The management has adopted Human resource polices and procedures	resolved	

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

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)
		manual for board of governors staff of April of 2022		
9	Failure to Appoint Board of survey	The management has instituted the board of survey committee	resolved	

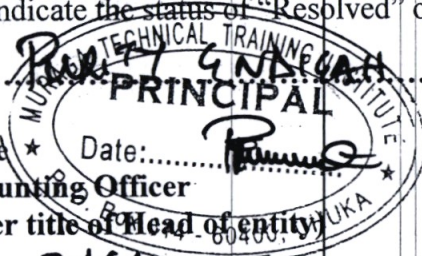
.....
PRINCIPAL
 Name **PURITY G. NDIKISHA**
 Accounting Officer
 (Enter title of Head of entity)
 Date **30/6/2025**

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

Guidance Notes:

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

.....
Name ★ Date:.....
Accounting Officer
(Enter title of Head of entity)
Date 30/6/2025



Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

Appendix II: Projects Implemented by (The Entity)

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	nil	nil	nil	nil	nil	nil
2						

Status of Projects completion

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

Project title	Project Number	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	none	none	none	none	none	none	none
2							
3							

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity.....

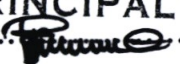
Name of beneficiary entity.....

Confirmation of amounts received by muraga T.T.I as at 30th June 2025

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	20/09/2024	396,242	-		RECIEVED
	21/9/2024	2,982,617			RECIEVED
	21//2024	1,081,168			RECIEVED
	23/9/2024	26,703			RECIEVED
	23/9/2024	2,498,856			RECIEVED
	26/9/2024	1,516,425			RECIEVED
	2/10/2024	499,827			RECIEVED
	14/2/2025	4,809,425			RECIEVED
Total		13,811,263			RECIEVED

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:

Name PURITA G. NDIKASH Sign  Date 30/6/2025



Head of Accounts Department - Beneficiary Entity:

Name Sign Date.....

Muraga Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

