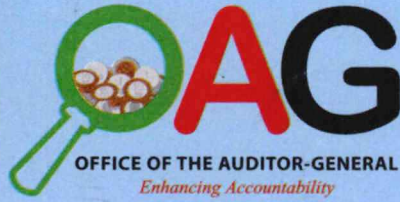


REPUBLIC OF KENYA



REPORT

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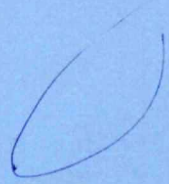
FINLAY

THE AUDITOR-GENERAL

ON

THIKA TECHNICAL TRAINING INSTITUTE

**FOR THE YEAR ENDED
30 JUNE, 2025**



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



THIKA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2025

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



Thika Technical Training Institute

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

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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
TTTI	Thika Technical Training Institute
PSC	Public Service Commission
CDACC	Curriculum Development Assessment and Certification
HOD	Head of Department
MOE	Ministry of Education
TVET	Technical and Vocational Education and Training
ISO	International Organization of Standards
PS	Principal Secretary
GoK	Government of Kenya

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2 Key Entity Information and Management

(a) Background information

Thika Technical Training Institute was established under the TVET Act/ 2013 Act on 2017 via certificate number TVETA/Public/TVC/0008/2017. The entity is domiciled in Kenya and has no branches. The institute is under the Ministry of Education.

It stands at 45 acres of land. Its history dates back to 1949 when it was started as a vocational training centre for former World War II servicemen which was then elevated to a Technical high school where primary graduates were admitted for secondary education with a technical base. The Institute is located in Thika Town along General Kago Road next to Thika Level 5 Hospital. The Institution has Nine admitting departments offering certificate and diploma courses.

(b) Principal Activities

i) Mandate

The principal mandate of Thika TTI is to provide quality technical and vocational training that responds to the needs of the society. This mandate includes;

- Quality Vocational and Technical Education and Training
- Skills-upgrading, Inculcation of Entrepreneurial Culture
- Applied Research and Development
- Institute - industry Collaborations and Linkages
- Innovation and Technology Promotion

ii) Vision

To be the centre of excellence in technical and vocational education and training.

iii) Mission

To provide Training, Research and Outreach Programmes that impart skills and utilize applied knowledge to spur economic growth and solve problems in society.

iv) Core values

- **Professionalism:** deliver its services with high standards of professionalism
- **Integrity:** uphold the highest level of honesty and transparency in service to all
- **Teamwork:** dedicated to working cohesively as a team and with all our stakeholders
- **Equity and Equality:** continually endeavour to treat all with fairness and promote access to resources across the divide
- **Innovation:** dedicated to add value through novelty
- **Customer focus:** build a customer-focused strategy to enhance customer satisfaction.

v) Policy Statement

The Institute is committed to becoming a center of excellence through provision of relevant training in accredited programmes that are aligned to national and global labour market demands to meet the needs and expectations of its interested parties. It also promotes research, innovation and utilize applied knowledge to spur economic growth. In pursuit of this commitment, the Institute has implemented an educational Organization Management System based on ISO 21001:2018.

The Institute shall continually improve on its effectiveness through regular review of established objectives process and this policy to take into account relevant educational, scientific and technical developments in line with the market demands.

(c) Key Management

Thika Technical Training institute day-to-day management is under the following key organs:

- The Board of Governors
- Accounting Officer
- Management team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Principal	Hannah N. Mburu
2.	Deputy principal Administration	Gerald N. Kigia
3	Deputy principal Academics	John Njiru
4	Registrar	Joseph. Gachau Muchangi
5	Dean of students	Mary K Mungai
6	Head of Finance	CPA Stephen N. Wairima
7	Procurement Officer	Magdaline Njambi

Key entity information and management (Continued)

(e) Fiduciary Oversight Arrangements

The Board conducts its oversight functions through the following committees;

(i) Finance & Operations committee

- a) Peris Muniafu - Chairperson
- b) Maryann Abdi - Member
- c) Eng. Dr Charles Mwaniki - Member

The Committee exercise the powers of BoG in financial matters as provided in the TVET act 2013, on which the Committee advise BoG.

Terms of Reference: The role of the Committee is to coordinate and mobilize financial resources of the institute on behalf of BoG in addition to advising BoG on those matters referred to above, the Committee's responsibilities include:

- To receive reports from the Principal and the Finance Officer on financial matters.
- To receive reports of the extent and condition of the institute including the efficiency of space utilisation, the consumption of energy and the adequacy of property insurance arrangements.
- To consider the adequacy of the institute and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- To recommend the fees and charges made for institute services and facilities.
- To submit quarterly reports on its activities to BoG.
- To ensure the proper financial evaluation and control of projects.

(ii) Audit & Risk Committee

- a) Dan Ochieng - Chairperson
- b) Irene Kamau - Member
- c) Anthony Pareyio - Member

The Committee exercise the powers of BoG in Audit and risk matters as provided in the TVET act 2013, on which the Committee advise BoG.

Terms of Reference: The role of the Committee is to audit the use of resources and asses risk status of the institute on behalf of BoG. The Committee's responsibilities include:

- To supervise the arrangements for safeguarding the Institute's assets.
- To submit an annual statement on its activities to BoG.
- To submit quarterly reports on its activities to BoG.
- To monitor and facilitate the implementation of the institute's strategy with regard to financial matters.
- To keep under review, the activities of the Institute's various departments.
- To supervise the financial administration of the institute and make recommendations to BoG where appropriate.

Key entity information and management (Continued)

(iii) Academic Committee

- | | |
|---------------------|---------------|
| a) Stephen Chongoti | - Chairperson |
| b) Lydiah Kyalo | - Member |
| c) Anthony Pareyio | - Member |
| d) Kennedy Mbatia | - Member |

The Committee exercise the powers of BoG in academic matters on which the Committee advise BoG. Terms of Reference: The role of the Committee is to ensure academic standards and quality, and, in fulfilling this function, ensures academic freedom, academic integrity and high standards in research, assessment and admissions. The Committee's responsibilities include:

- Formulate, coordinate and review academic policy, procedures and guidelines within the institute.
- Promote excellence in teaching and learning.
- To submit quarterly reports on its activities to BoG.
- Oversee the quality assurance of the academic work.
- Facilitate free intellectual enquiry and ensure academic integrity.
- Consider and recommend decisions on all aspects of the development and accreditation or re-accreditation of education courses, the admission of students, teaching, assessment and requirements for graduation, prizes and awards and.
- Advise on the academic aspects of Institution's strategic, operational and risk management plans and to foster discourse on issues related to higher education and Institution's Vision and Goals.

Government oversight activities

The Government of Kenya's oversight role include provision of Grants for both Operations/ Capitation and Development funds as well as provision of the regulatory framework. The audit of the Institution's activities is undertaken by the Auditor General.

- (f) Ministry of Education**
State department of vocational and Technical training
P.O. Box 9583 - 00200
Jogoo House B,
Harambee Avenue
Nairobi, KENYA

Key entity information and management (Continued)

(g) Thika Technical Training Institute
P.O Box 91 - 01000
Telephone: (254) 700777799, (020) 2044965
E-mail: thikatechnical@gmail.com
Website: www.thikatechnical.ac.ke

(h) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Absa Bank of Kenya
Thika branch
P.O Box 219 - 0100
Kenyatta Highway - Thika
3. Equity Bank
Thika Equity Plaza branch
P.O.Box 253-01000
Thika
4. Family Bank
Thika town
P.O Box 74145-00200,
5. KCB Bank
Thika town
P.O Box 48400 - 00100, Nairobi.

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

3 The Board of Governors

No.	Member/ Director	Details
1.	 <p>Dr. Joseph Muguthu Chairman of the Board PPh.D. in Mechanical manufacture & Automation Master of Philosophy in Technological Education BED – Technology Education</p>	<ul style="list-style-type: none"> • Date of Birth 14th Dec 1972 • Lecturer Kenyatta university with over 14 years • Lecturer at Technical institutions for 11 years • Maths Physic teacher – Hekima Girls - 2 years • Has published many journals and papers. • He is an independent member
2.	 <p>Peris Muniafu BoG Member MBA-Strategic Management BSC – Strategic Management</p>	<ul style="list-style-type: none"> • Date of Birth ... 1967 • Certified Custodian from IFF (UK) • Bank Manager – NBK • Trustee NBK Staff Pension Fund • Executive Career coach and RMT chairperson • She is an independent member • She chairs Finance & Operations committee
3.	 <p>Stephen Chongoti BoG Member BSc(Maths) - B. University Canada Diploma – Farm Machinery Mechanics Canada</p>	<ul style="list-style-type: none"> • Date of Birth 18th Dec 1963 • Director & Founder – Contour Construction & Engineering Ltd • Director & Founder -Mtandao Ltd • Manager/Systems administration – Telkom. • He is an independent member • He chairs Academic committee
4.	 <p>Eng. (Dr.) Charles Mwaniki Ph.D. in Electrical Engineering MSc– in Electrical and Electronic Engineering -UoN- Bachelor of science in Electrical and Electronic Eng - UoN</p>	<ul style="list-style-type: none"> • Date of Birth 12th July 1972 • Senior Lecturer, Machakos University • Acting Dean, School of E & Technology, MU • Registered Corporate Member (IEK) • Engaged in TIVET Curriculum design • Has published many journals and papers. • He is an independent member • He's a member of Finance & Operations committee
5.	 <p>Daniel Ochieng Ogola BoG Member Masters –Community health & development BSc – (Hons) KU</p>	<ul style="list-style-type: none"> • Date of Birth 6th April 1967 • Project technical advisor – HIV/Aids program • Consultancy – National Agriculture Sector Growth and Transformation Strategy (ASGTS) • Project officer – Skilled care initiative project. • He is an independent member • He chairs Audit & risk committee

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

6.		<p>Anthony Moseka Ole Pareyio BoG Member Bachelor of Legal Laws- University of Bombay –India Bachelor of Arts- Community Dev't & Extension -India.</p>	<ul style="list-style-type: none"> • Date of Birth: 6th January 1972 • Part-time Lecturer- MM University • Six years as a BoG Member – Bureti TTI • Current PTA –Chairman- Sakutiek Sec Sch • Worked as Extension Officer with EGP • He is an independent member • He's a member of Academic committee • And Audit & risk committee
7.		<p>Lydia M, Kyalo BoG Member Ongoing Master in special education – KU Bachelor in special education- KU Diploma in Education.</p>	<ul style="list-style-type: none"> • Date of Birth: 1st Jan 1965 • Deputy principal Kenya Institute for the Blind • Performance Contracting Coordinator • Integrity Assurance Officer (IAO) • She is an Independent member • She's a member of Academic committee
8.		<p>Bishop Kennedy Mbatia BoG Member Bachelor of Veterinary medicine and surgery- UoN Senior pastor and founder- Deliverance Church International Thika</p>	<ul style="list-style-type: none"> • Date of Birth: 1961 • He is an Independent member • He's a member of Academic committee
9.		<p>Irene Wanjiru Karuru BoG Member Bachelor of education Master in education specialization in economics of education</p>	<ul style="list-style-type: none"> • Date of Birth: 21st Dec 1965 • She is an executive member • He's a member of Audit & risk committee
10.		<p>Ms. Hannah N. Mburu Principal/Secretary BOG Ongoing – PHD in applied mathematics MSC -Applied Mathematics BED Science double maths</p>	<ul style="list-style-type: none"> • Date of Birth: 29/01/1967 • She has a vast of experience as a mathematics teacher of over 25 years. • Took over on 23rd Sept 2020 as The Principal in Thika TTI • Not a member of ICS

4 Management team

No.	Member/ Director	Details
1.	 <p>Ms. Hannah N. Mburu Ongoing – PHD applied mathematics Masters in Applied Mathematics Bed Science double maths</p>	Principal/BoG Secretary
2.	 <p>Gerald Kigia Degree in Mechanical Engineering</p>	Deputy Principal – Administration
3.	 <p>John Njiru Master in Information Technology BSc in Computer information system</p>	Deputy Principal – Academics Affairs
4.	 <p>Joseph Gachau Muchangi Degree in Mechanical Engineering</p>	Registrar
5.	 <p>Mary Mungai Master in business Administration Degree in Psychology & Counselling - Higher Diploma in Tech Education</p>	Dean of Students
6.	 <p>CPA Stephen N. Wairima MBA (Finance), B.com (Finance) CPA Final Certificate in Forensic Audit – Contract and Procurement Fraud –ICPAK</p>	Finance Officer

5 Chairman’s statement

To Stakeholders of Thika TTI,

It is my pleasure to present this report on behalf of the Board of Thika TTI for the fiscal year ending 30th June 2025. This year has been marked by significant achievements, notwithstanding some challenges, and I am proud of the collective efforts that have driven our institution forward.

Key Projects and Achievements

Throughout the year, Thika TTI successfully launched several projects aimed at improving technical education and skills development. Notably, we undertook the following Major projects:

SN	Major Projects	Cost FY 2024/2025	Source Of funds
1	Construction of car-wash	4,624,637.00	AiA
2	Construction of Curing and masonry practicing workshop	4,691,568.00	AiA
3	Finishes works to construction of Access ramp to	4,148,037.69	AiA
4	Construction of two service bay	4,738,660.00	AiA
5	Installation of solar system on Lecture rooms Block	4,662,435.00	AiA
6	Procurement and Installation of three phase generator	10,496,942.86	AiA
7	Construction of Auditorium -To be Completed FY 2025/2026	63,102,433.50	AiA
8	Construction of Staff Complex - To be Completed FY 2025/2026	41,076,290.44	AiA
9	Procurement of Toyota Hiace	6,191,389.00	AiA
10	Procurement of 33 Seater Bus	8,125,812.00	AiA
11	Procurement of 67 Seater Bus	16,050,500.00	AiA

These initiatives have contributed to elevating the quality of training and expanding our outreach.

Student Enrollment

We are pleased to report a stable student enrollment and this growth underscores the increasing demand for technical and vocational education in the region and affirms our role as a pivotal institution in skills development.

Strengths of Thika TTI

Our key strengths include a dedicated and skilled management team, a committed faculty, and strong industry linkages that facilitate practical training and employment opportunities for our students. Additionally, our strategic location and state-of-the-art facilities position us favourably in the technical education sector.

Challenges Faced

Despite these successes, we faced notable difficulties in meeting our financial targets and strategic objectives. The most significant challenge has been the non-remittance of government funds, which has impacted our ability to fully implement planned projects and maintain operational efficiency. This financial gap has necessitated adjustments to our strategic plans and has constrained some of our expansion initiatives.

Future Plans

Looking ahead, we are committed to strengthening our financial sustainability through diversifying our funding sources, including exploring private partnerships and grants. We also plan to enhance our curriculum to better match industry demands, expand our facilities, and improve student support services. Additionally, we will expand on our other income generating units to ensure the full realization of our strategic goals.

Acknowledgements

I wish to extend my sincere gratitude to the management team, whose dedication and professionalism have been instrumental in navigating this challenging year. I also thank all board members for their unwavering commitment and valuable contributions toward fulfilling our mandate. Your collective efforts have kept Thika TTI on a steady path of growth and development.

In conclusion, while we acknowledge the hurdles faced, I remain optimistic about the future of Thika TTI. With continued collaboration and strategic focus, I am confident we will achieve our vision of becoming a leading center of technical and vocational excellence in Kenya.

Thank you.



Dr Joseph Muguthu
CHAIRMAN, BOARD OF GOVERNORS
18th September 2025.

6 Report of the Chief Principal

Dear Stakeholders,

It is with great pride and a sense of achievement that I present this year's report on the progress and performance of Thika Technical Training Institute (TTTI). The past year has been trans-formative, marked by notable successes, strategic initiatives, and some challenges that have shaped our path forward.

Key Successes

Student Enrolment and Growth:

This year, we experienced an increase in student numbers even after releasing a huge number to the industry. The upward trend reflects the increasing recognition of TTTI as a premier institution for technical and vocational training.

Key Projects Implemented:

During the year, we successfully completed several key projects, including:

SN	Major Projects	Cost FY 2024/2025	Source Of funds
1	Construction of car-wash	4,624,637.00	AiA
2	Installation of sub-boards on the Power house	3,320,000.00	AiA
3	Construction of staff canteen	2,105,800.00	AiA
4	Construction of Curing and masonry practicing workshop	4,691,568.00	AiA
5	Procurement and Installation of Steam boiler	3,850,569.39	AiA
6	Replacement of bricks with box profile iron-sheets on Labs and workshop	2,387,338.00	AiA
7	Construction of steam boiler room	1,780,470.00	AiA
8	Construction of 3 dome shape serving area	3,486,820.00	AiA
9	Power reticulation from power house to cabro making machine	2,998,379.00	AiA
10	Structural works to Construction of Access ramp to Resource center	3,640,893.77	AiA
11	Finishes works to construction of Access ramp to	4,148,037.69	AiA
12	Relocation of sewer next to new the staff complex	793,254.00	AiA
13	Construction of two service bay	4,738,660.00	AiA
14	Construction of sliding gate cabro and 2 turnstile shades	2,311,150.00	AiA
15	Installation of solar system on Tuition block	3,863,220.00	AiA
16	Installation of solar system on Lecture rooms Block	4,662,435.00	AiA
17	Power reticulation from power house to New existing power house	3,270,670.00	AiA
18	Construction of Generator house	1,258,759.00	AiA
19	Procurement and Installation of three phase generator	10,496,942.86	AiA
20	Construction of Auditorium -To be Completed FY 2025/2026	63,102,433.50	AiA
21	Construction of Staff Complex - To be Completed FY 2025/2026	41,076,290.44	AiA
22	Procurement of Toyota Hiace	6,191,389.00	AiA
23	Procurement of 33 Seater Bus	8,125,812.00	AiA
24	Procurement of 67 Seater Bus	16,050,500.00	AiA
	Total	202,976,028.64	

Academic Performance and Participation:

Our students' academic performance has improved markedly, with an increased pass rate of over 85%. Additionally, participation in co-curricular activities has surged, fostering holistic development. Students actively engaged in sports, drama, entrepreneurship clubs, and community service, which has enhanced campus life and student resilience.

Challenges Faced

Delayed Government Fund Remittance:

One of the primary challenges has been the delayed remittance of government funds, which impacted our operational capacity and delayed some planned maintenance and project activities. We are engaging with relevant authorities to address this issue and ensure timely funding in the future.

Implementation of the New CBET Curriculum:

The transition to the Competency-Based Education and Training (CBET) curriculum has posed some implementation challenges, including staff training and curriculum adaptation. Nevertheless, our dedicated staff has made commendable progress, and we continue to refine our approach to fully embed the CBET framework.

Future Outlook

In the coming year, we plan to make TTTI even more attractive to prospective students by enhancing our facilities, expanding industry partnerships, and integrating innovative teaching methodologies. To stay competitive, management is investing in digital infrastructure, upgrading our learning environments, and strengthening linkages with industry players for practical placements and job opportunities.

Collaborations and Partnerships

We have established fruitful collaborations with local industries, NGOs, and development partners, which have facilitated internship opportunities, resource sharing, and joint projects. These partnerships are vital in aligning our training with industry needs and improving graduate employ-ability.

Financial Performance

Financially, the Institute maintained a stable position this year, with revenue generated from student fees, government grants, and industry partnerships. Despite the delays in government remittance, prudent financial management enabled us to meet our operational expenses and invest in key projects. We remain committed to improving our financial sustainability through diversified income streams and efficient resource management.

In Conclusion

I extend my heartfelt appreciation to the management team, staff, students, and partners for their unwavering dedication and hard work. Their collective efforts have been instrumental in achieving the milestones outlined in this report. We are confident that, with continued collaboration and strategic focus, Thika TTI will grow stronger and remain a leading institution in technical education in Kenya.

Thank you for your continued support.



HANNAH N. MBURU
CHIEF PRINCIPAL/SECRETARY TO THE BOARD OF GOVERNORS
18th September 2025.

7 Statement of Performance against Predetermined Objectives

Thika Technical Training Institute has 3 strategic Key Result Areas and 14 strategic objectives within the current Strategic Plan for the FY 2023/ 2027. These strategic pillars are as follows:

KRA 1: Infrastructure Development

Strategic Objectives:

- a) Improve facilities to enhance training and Learning
- b) Develop a Maintenance schedule for property plant and equipment
- c) Improve Quality of working and learning environment
- d) Improve Gender and Disability Physical Infrastructure
- e) Improve Environmental Sustainability, Safety, and Health

KRA 2: Sustainable Training and Development

Strategic Objectives:

- a) Enhance training culture and transformation
- b) Enhance Skills and Competency Development
- c) Enhance Innovation and Creativity

KRA 3: Institutional Development

Strategic Objectives:

- a) Strengthen Institutional Governance
- b) Strengthening human capital
- c) Institutional leadership
- d) Strengthening financial sustainability
- e) Enhance Corporate Image
- f) Risk Management

Thika Technical Training Institute develops its Annual Work Plan based on the above 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 FY2024/25 period for its key result areas as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Infrastructure Development	Increasing physical facilities	Tuition blocks Electric fence Brick tile roofs Reading shades	Construction of new tuition blocks Installation of an electric fence Replacement of brick tiles roofs with box profile iron sheets	TB, electric fence, brick tiles roofs, reading shades

Thika Technical Training Institute
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			Construction of 2 doom shaped reading shades	
Sustainable Training and Development	Skills and Competency Development	ICT integration Skills competition and innovations	Extend network and internet coverage within the institute Participation in trade fairs	Constant and stable internet Certificates Innovations
Institutional Development	Strengthening human capital	Recruitment of new staff Trainings and capacity building Policy development	Workshops trainings and seminars Developed policies	Appointments Promotions Deployments Implementations of developed policies

Performance Contract 2024/2025 Project that were targeted and achieved as planned in line with KRA 1 (Infrastructure development)

SN	Project Name	Project Description	Total Estimate Cost	Current Status (status of physical completion)	Allocation for FY 2024/2025	Expected Deliverables (Outputs) for FY 2024/2025
1.	Re-roofing of two buildings tiles to box profile iron sheets	Replacing roofing tiles with box profile iron sheets	@ 900,000 per building	New project	1,800,000.00	Box profile iron sheets in the two buddings
2.	Fixing of the distribution board to the new powerhouse	The project aims to fix distribution board to the powerhouse	3,336,000.00	New project	3,336,000.00	Fixed Distribution board
3.	Construction of a car wash, perimeter wall and external works	Car wash, perimeter wall and external work	4,647,000.00	New project	4,647,000.00	Car wash
4.	Construction of two canopy's	Construction of two canopies on the front side of resource centre	@ 600,000 per canopy	New project	1,200,000	2 Canopies'

8 Corporate Governance Statement

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

(i) *Appointment and removal of board members*

The Board members are appointed by the Cabinet Secretary, Ministry of Education based on the TVET Act on recruitment. Board of Governors consist of nine members comprised of —

- Chairperson;
- PS Representative state department of Technical and Vocational Training;
- County Governor representative of the county; and
- Six other persons appointed on the basis of their knowledge and experience

A member of a Board of Governors may at any time resign by giving notice in writing to the cabinet Secretary. Where a vacancy occurs due to death, removal or resignation of a member, a replacement is appointed by the Ministry of Education in line with TVET Act.

The Institute developed a board charter with reference to and adherence to the Constitution of Kenya, the TVET Act 2013 and Mwongozo, 2015

The charter outlines the specific roles and responsibilities of the board, its committees and the principal.

- Roles and responsibilities of the board of governors
- The functions of the board
- Information on confidentiality
- Board meetings
- Quorum
- Recording of minutes
- Remuneration
- Conflict of interest
- Performance evaluation

(ii) *The Role and Functions of the Board*

The Board is collectively responsible for the long-term success of the Institute and the members have the following roles;

- i. Articulating the organization's values, vision, mission and strategies
- ii. Oversee the conduct of education and training at Thika TTI in accordance with the provisions of the TVET Act, Policy guidelines, circulars and directives issued.
- iii. Developing strategic (direction) plans and ordering strategic priorities
- iv. Prepare annual estimates of revenue and expenditure for the institution and incurring expenditure on its behalf.
- v. Receiving on behalf of the Institution fees, grants, donations and other monies.

- vi. Determine the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of TVET Act.
- vii. Mobilizing resources for the Institution
- viii. Recruiting and appointing BoG staff
- ix. Maintaining open lines of communication and promulgating through the organization and with external stakeholders the values, vision, mission and strategies.
- x. Developing and maintaining an organization structure to support the achievement of the agreed strategic objectives.
- xi. Monitor the performance against agreed performance indicators
- xii. Establish such committees, policies and procedures as will facilitate the more effective discharge of the Board's roles and responsibilities.
- xiii. Ensure, through the Board committees and others as appropriate, compliance obligations and functions are effectively discharged.
- xiv. Initiate a Board self-evaluation program and follow-up action to deal with issues arising
- xv. Ensure that all significant systems and procedures are in place for the organization to run effectively, efficiently, and meet all legal and contractual requirements.
- xvi. Ensure that all significant risks are adequately considered and accounted for by the executive management team.
- xvii. Ensure that the institution has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate and social responsibility.

(iii) Board Induction training and development

The current Board members undertook induction in October 2022. During FY 2024/2025, the board participated in a workshop and trainings on November 2024

(iv) Board meetings

Board of Governors should meet at least once every four months. Every meeting of the Board of Governors is convened through a notice in writing to every member unless three quarters of the total members of the Board otherwise agree.

During FY 2024/2025, there was 99% eligible attendance in all full Board and Committees meetings. There were 8 full board meetings, 6 finance and operations committee meetings, 3 Audit and risk committee meetings, 3 Academic committee meetings and 3 Executive committee meetings.

Prior to the beginning of each year, a schedule of board meetings is prepared. A more detailed agenda together with the Board papers are distributed in a timely manner before each Board meeting.

The following table shows the number of full board meetings held during 2024/2025, the attendance of each Member;

**BOARD OF GOVERNORS (BOG) MEETINGS
(July 2024 - June 2025)**

Name	Membership	20th Aug 2024 (Gichugu)	22nd Aug 2024 (Kiharu)	19th Sept 2024	24th-27th Nov 2024 (KSG)	9th Dec 2024	22nd Jan 2025 (Special)	19th March 2025	27th June 2025
A. Full Board									
Dr. Joseph Muguthu	Chairperson	Present	Present	Present	Present	Present	Present	Present	Present
Hannah Mburu	Chief Principal / Secretary BOG	Present	Present	Present	Present	Present	Present	Present	Present
Irene Kamau	PS Rep	Present	Present	Present	Present	Present	Present	Present	Present
Maryan A. Hassan	Regional Director TVET - Nairobi	Present	Present	Absent	Present	Present	Present	Present	Absent
Peris Muniafu	Member	Present	Present	Present	Present	Present	Present	Present	Present
Stephen Chongoti	Member	Present	Present	Present	Present	Present	Present	Absent	Present
Daniel Ochieng	Member	Present	Present	Present	Present	Present	Absent	Present	Present
Eng. Dr. Charles Mwaniki	Member	Present	Present	Present	Present	Present	Present	Present	Present
Lydia Kyalo	Member	Present	Present	Present	Present	Present	Present	Present	Present
Anthony Moseka	Member	Present	Present	Present	Present	Present	Present	Present	Present
Rev. Dr. Kennedy Mbatia	Member	Present	Present	Present	Present	Present	Present	Present	Present
B. Risk and Audit Committee									
Name	Membership	13th Sept 2024	12th Nov 2024	26th Feb 2025	17th Mar 2025	18th June 2025			
Daniel Ochieng	Chairperson	Present	Present	Present	Present	Present			
Irene Kamau	PS Rep	Present	Present	Present	Present	Present			
Anthony Moseka	Member	Present	Present	Present	Present	Present			
C. Finance and Operations Committee									
Name	Membership	18th June 2025	13th Sept 2024	14th Oct 2024	9th Jan 2025	28th Feb 2025	10th April 2025 (Virtual)	20th June 2025	
Peris Muniafu	Chairperson	Present	Present	Present	Present	Present	Present	Present	
Hannah Mburu	Chief Principal / Secretary BOG	Present	Present	Present	Present	Present	Present	Present	
Maryan A. Hassan	Regional Director TVET - Nairobi	Absent	Present	Present	Present	Absent	Present	Absent	
Dr. Eng. Charles Mwaniki	Member	Present	Present	Present	Present	Present	Present	Present	
D. Academic Committee									
Name	Membership	11th Sept 2024	13th Nov 2024	17th Mar 2025	23rd June 2025				
Stephen Chongoti	Chairperson	Present	Present	Present	Present				
Hannah Mburu	Chief Principal / Secretary BOG	Present	Present	Present	Present				
Lydia Kyalo	Member	Present	Present	Present	Present				
Anthony Moseka	Member	Present	Present	Present	Present				
Rev. Dr. Kennedy Mbatia	Member	Present	Present	Present	Present				

(v) Succession plan

A board of Governors has a succession plan where board evaluation is conducted before the end of their term and thereafter nomination process for members starts. A board member serves for a term of three years and a member can serve for a maximum of two terms.

During the year, the board evaluation was done on 25th June 2024 while at Naivasha

(vi) Policy to manage conflict of interest

During FY 2024/2025, the Institute board observed The TVET Act Second Schedule article 15 and from the board charter members adhered to clause 13.0 as shown below and no conflict of interest was reported.

- All board of governors are expected to avoid any conflict of interest when exercising their duties within the institution. No member is expected to derive personal benefit from actions or decisions made in their individual or collective capacity as Board members.
- Each member undertakes to disclose to the Board promptly the holding of any office or the possession of property in respect of which the member has or may have, an interest or duty that may create (directly or indirectly) a conflict with the Board's duties.
- The disclosure must include full details of the nature, character and extent of the conflict or potential conflict and be made as soon as the member becomes aware of the conflict or potential conflict.

(vii) Board Remuneration

The board members do not receive monthly remuneration but receives sitting allowance, reimbursed transport and accommodation costs in line with OP/SCAC.9/21.2 VOL.1(164) of 2007 whenever they attend board meetings. The chairman receives monthly honoraria in line with PDM.SAL.COM.16/1/5A Vol.III of 2007. These allowances are backed up by MOE/VTT/10/17 VOL.1(60) 2023 and MOE/SDTVET/DTE/ADM/144

(viii) Ethics and Conduct

All board of governors are expected to display ethical practices and adhere to the code conduct as outlined on Mwongozo.

In Mwongozo, the recommended code of conduct for the Board of Governors of TVETs (Technical and Vocational Education and Training institutions) concerning the specified subjects emphasizes principles of integrity, accountability, transparency, and good governance. Here is a summary tailored to the Board of Governors:

(ix) Governance Audit

Board members should ensure that governance audits are conducted independently and without bias. And must oversee audits effectively, review findings thoroughly, and ensure timely implementation of recommendations.

Maintain strict confidentiality of audit reports and related information and encourage the institution to uphold high standards of integrity in all governance practices.

(x) Communication Policy

The Board should foster open, honest, and transparent communication with all stakeholders. The board should ensure that communication is accurate, timely, and aligned with the institution's values and policies.

(xi) Terms of Reference of Committees

Clarity and Accountability: The Board must define clear Terms of Reference (ToRs) for each committee, outlining their roles, responsibilities, and scope of authority.

Independence and Objectivity: Committees should operate independently within their ToRs, making decisions based on facts and integrity.

Transparency: Committees should report regularly and transparently to the Board, ensuring accountability.

(xii) Policy on Related Party Transactions

The Board must ensure all related party transactions are transparently disclosed to prevent conflicts of interest.

The approval Process should require that related party transactions be approved by the appropriate governance bodies, following established policies.

Board members should declare any personal interests in transactions and recuse themselves from decision-making where conflicts arise.

Overall, Mwongozo emphasizes that the Board of Governors should uphold high ethical standards, exercise diligent oversight, and promote transparency and accountability in all governance activities. They are responsible for setting the tone at the top and ensuring that policies and practices align with these principles.

9 Management Discussion and Analysis

Thika TTI being a key driver to the attainment of the key government agenda ensures that it is consistently delivering maximum value to her trainees through; Competency Based Curriculum, Innovations and Linkages to the job market strategically aligning them with opportunities nationally, regionally and globally.

Operational and financial Performance

During the financial year 2024/2025, Thika TTI experienced notable student growth which attributed to increase in revenue from rendering of services.

The Institution received various donations to support both capital development and recurrent expenses from development partners to the tunes of KShs. 299.7 million.

Funding and Donations:

The institution received significant capital donations amounting to KES 266.8 million, which were allocated toward infrastructure development and equipment upgrades. Additionally, recurrent expenditure donations totalling KES 32.8 million were received to support training materials.

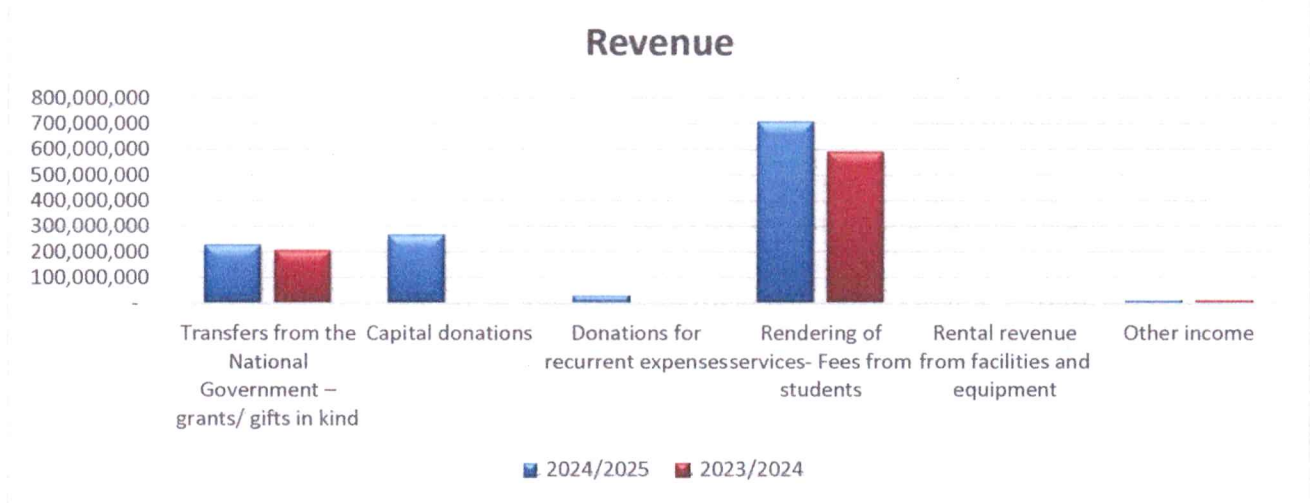
Financial Challenges:

A key challenge faced during the year was the delay in disbursement of government funds. These delays temporarily affected some operational activities, including procurement and program delivery, and underscored the need for improved cash flow planning.

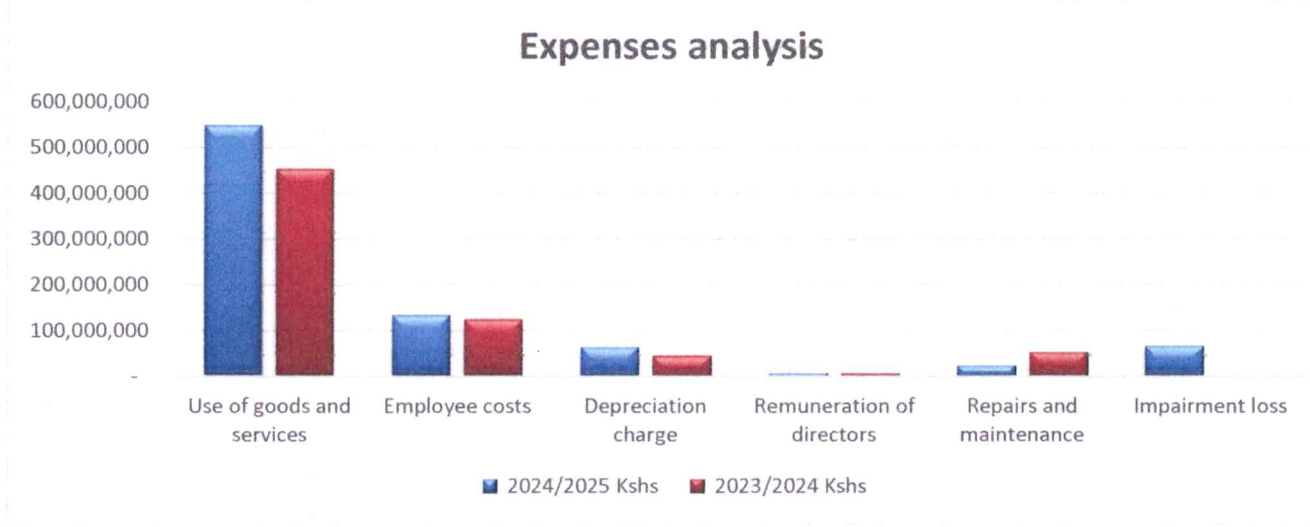
Conclusion:

Despite funding delays, the institution demonstrated resilience, with increased student numbers and strengthened financial support through donations. Continued efforts are needed to engage with government agencies to ensure timely disbursement of funds and sustain operational stability.

a) Revenue analysis



b) Expenses analysis



Thika Technical Training Institute compliance with statutory requirements

Thika Technical Training institute complies to deduction and remittance of statutory deductions such as NHIF, SHA, Housing Levy and PAYE

Major risks facing the organisation.

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

- i. Student turnover – this brings about the risk of losing funds from student who exit the institution without following the set clearing procedures.
- ii. Inadequate student accommodation and support facilities
- iii. Delayed disbursement of capitation grants

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

During the financial year 2024/2025, the institution undertook several projects and implemented
 These projects include:

SN	Major Projects	Cost FY 2024/2025
1	Construction of car-wash	4,624,637.00
2	Installation of sub-boards on the Power house	3,320,000.00
3	Construction of staff canteen	2,105,800.00
4	Construction of Curing and masonry practicing workshop	4,691,568.00
5	Procurement and Installation of Steam boiler	3,850,569.39
6	Replacement of bricks with box profile iron-sheets on Labs and workshop	2,387,338.00
7	Construction of steam boiler room	1,780,470.00
8	Construction of 3 dome shape serving area	3,486,820.00
9	Power reticulation from power house to cabro making machine	2,998,379.00
10	Structural works to Construction of Access ramp to Resource center	3,640,893.77
11	Finishes works to construction of Access ramp to	4,148,037.69
12	Relocation of sewer next to new the staff complex	793,254.00
13	Construction of two service bay	4,738,660.00
14	Construction of sliding gate cabro and 2 turnstile shades	2,311,150.00
15	Installation of solar system on Tuition block	3,863,220.00
16	Installation of solar system on Lecture rooms Block	4,662,435.00
17	Power reticulation from power house to New existing power house	3,270,670.00
18	Construction of Generator house	1,258,759.00
19	Procurement and Installation of three phase generator	10,496,942.86
20	Construction of Auditorium -To be Completed FY 2025/2026	63,102,433.50
21	Construction of Staff Complex - To be Completed FY 2025/2026	41,076,290.44
22	Procurement of Toyota Hiace	6,191,389.00
23	Procurement of 33 Seater Bus	8,125,812.00
24	Procurement of 67 Seater Bus	16,050,500.00
	Total	202,976,028.64

10 Environmental and Sustainability Reporting Statement

Thika TTI exists to transform lives. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the Organization's strategic objectives.

Sustainability strategy and profile

The Institution's strategic plan communicates a desire to strengthen our efforts towards sustainability. The sustainability strategic objectives are:

- i) Environmental sustainability: aims at enhancing environmental management. The institution has continued in installation of safety equipment, removing hazardous materials and landscaping.
- ii) Financial sustainability: aims at Improving Efficiency through cutting costs leading to reduced wastage of resources. The Institute achieves its financial stability through;
 - Resource mobilization - Expanding income generating activities, increase collaborations/ linkage and Increase Appropriation in Aid through increased enrollment.
 - Financial management – Automation of financial operations, financial accountability and reporting, adherence to financial policy and regulations.
- iii) Academic Sustainability: aims at sustaining results at the level of education, training and research. The sustainability of the educational results (occupational standards, curricula, teaching and learning materials, assessment tools) is guaranteed as we adhere to the regulations and procedures set by TVETA and TVET-CDACC as far as TVET-level programs are concerned.
 - Enhanced training culture- Embracing emerging technologies in ICT and improving learning management system.
 - Enhancing skills and competency development –Increased dual training, skills development and curriculum implementation.
 - Enhancing creativity and innovation – identifying and supporting talent.
- iv) Human capital sustainability: aims at attracting and retaining competent staff. Its achieved though;
 - Carrying out a skill gap and training needs analysis
 - Recruitment of competent staff, placement and induction
 - Performance appraisal for rewards and sanctions
 - Empowerment and Continuous professional development
 - Succession planning

Environmental performance

We have developed environmental policy to guide the Institution in our environmental performance in addition to environmental guidelines issued by NEMA. We also have an internal environment office that oversees the enforcement of the environmental policies and guidelines.

The institution has increased its Green spaces.

Environmental Literacy has been incorporated in technical education in the CDACC/CBET programs currently being rolled out in the institution. This will improve the awareness in management/conservation of the environment in the trainers and trainees.

The institution has put in its strategic plan recycling of waste as one of its objectives in improving environmental safety and health.

During the FY 2024/2025, the institution planted over 500 trees and in corroboration with KEFRI continues to maintain a tree nursery in a bid to support the greening initiative



Employee welfare

Thika Technical Training Institute focuses on the welfare of its staff. It has in place human resource procedures and manual guides on appraisals and rewarding systems which are carried annually and areas of improvement in their area of specialization are identified and training of staffs is conducted. The Board employees are recruited by the board competitively with engagement of stakeholders, guided by the HR policy on matters of gender, ethnicity, religion and race.

There is also a *Career progression guideline for non-trainers* and administrative staff and a WIBA which protect staffs when on job training.

The institution has an *occupational safety and health policy* and an internal OSH committee that oversees the implementation and enforcement of this policy and OSHA Act 2007 guidelines.

The Institution has in place and in use a *reward, recognition and sanctions policy*.

Every year the Institution undertakes an exercise of rewarding employees based on competitive, transparent, fair and merit-based criteria.

Staff on a team building and award event





The following are the Thika Technical Training Institute Board policies that guide hiring process;

S/n	Title	Review Period	Remarks
1	Career Progression	Regularly	Vacant positions are filled competitively both internally and externally. This largely depends on availability of funds
2	Human Resource Procedures and Manual	Regularly	Terms and conditions of service governing employees are applied across the board without discrimination
3	Internship Policy and guidelines	Regularly	Intern positions are filled competitively and without discrimination
5	Gender Mainstreaming	Regularly	Thika TTI observes equal employment opportunities during staff recruitment across all genders
6	Disability Mainstreaming	Regularly	The institute offers equal employment opportunities to officers living with disability. It also offers rights and privileges as provided in the PWDs Act and Board employment policies
7	Reward, recognition and sanctions policy	Regularly	The institute rewards staff for excellence and sanctions poor performance guided by the policy and based on competitive, transparent, fair and merit criteria

Thika TTI conducts staff appraisal annually and as per sec 2.7 in our career guidelines for non-teaching staff, appointment to job groups takes into consideration recognized qualifications and where applicable certified recognition of prior learning and competency that is well described in records of performance appraisal.

Market place practices-

- a) Responsible competition practice - A research on market demand has helped the institution offer courses that would shape business strategies and practices, and the context in which they operate, to take explicit account of their social, economic, and environmental impacts. There has been increased level of engagement with high schools and the general public as the source of our new students and for increase in brand awareness of Thika Technical Training Institute as a TVET institution of choice in the region and beyond.
- b) Responsible Supply chain and supplier relations - the institution places its adverts for tenders on the daily's and on its website for access to all. Payment to suppliers is done within the limited period of less than Ninety days' other guidelines like Presidents directive on Special category tender opportunities are adhered to.
- c) Responsible marketing and advertisement - Schools visits are a good opportunity to meet students, teachers and parents. These opportunities have a direct impact on the students where information is shared and students get an opportunity for career guidance. Outreach missions are held in collaboration with institutional agencies like clubs and associations and also for adhoc events that would add value to marketing our institution.

Thika TTI participates in ASK shows every year to showcase its products in research, innovation and production.

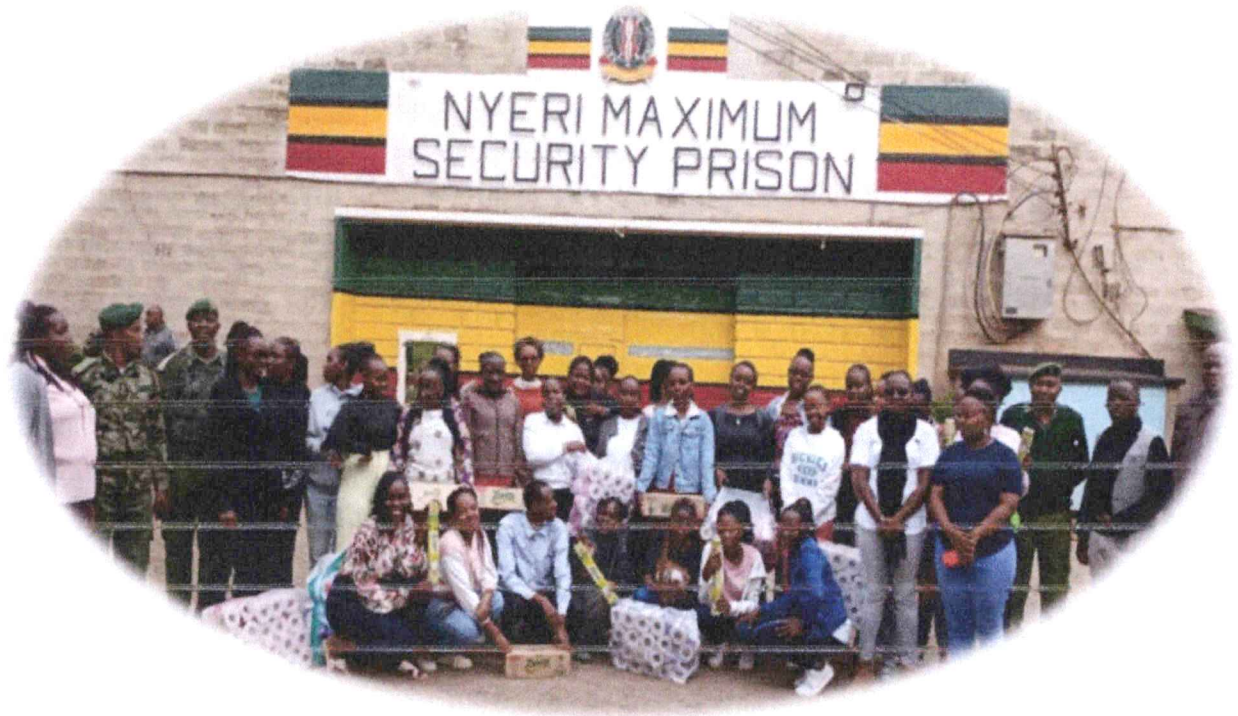
- d) Product stewardship - The Institution ensures that all the courses offered are accredited by the relevant bodies eg KASNEB, KNEC, NITA, Pharmacy & Poison's Board

Thika TTI supports 17 students related clubs and societies. These clubs and societies run different activities financed by the institution. The Institution also facilitates students to showcase individual skills and innovations.



Corporate Social Responsibility / Community Engagements

During the financial year 2024/2025 the Institute through Liberal studies department visited Nyeri Maximum Prison for Social and welfare support.



11 Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of Thika Technical Training Institute's affairs.

Principal activities

The principal activity of Thika Technical Training Institute is to provide quality technical and vocational training that responds to the needs of the society

Results

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

Board of Governors

The members of the Board who served during the year are shown on page x.

Auditors

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

By Order of the Board



.....
Hannah N. Mburu.
CHIEF PRINCIPAL/BOG SECRETARY
13th September 2025.

12 Statement of board of Governors' Responsibilities

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

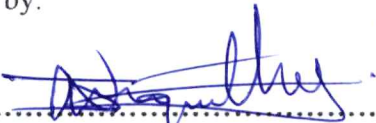
The board of governors are responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of the Thika Technical Training Institute for and as at the end of the financial year ended on June 30, 2025 This responsibility 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 Thika TTI, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The board of governors accept responsibility for Thika Technical Training Institute financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act 2013. The board of governors are of the opinion that the institutes financial statements give a true and fair view of the state of Thika Technical Training Institute's transactions during the financial year ended June 30, 2025, and of the institute's financial position as at that date. The board of governors further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the institute's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the principal has assessed Thika TTI's ability to continue as a going concern. Nothing has come to the attention of the council members to indicate that the institute will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The institute's financial statements were approved by the Board on 18th September 2025 and signed on its behalf by:



Dr Joseph N. Muguthu
Chairman, Board of Governors



Hannah N. Mburu.
Chief Principal/BoG Secretary

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON THIKA 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.
- 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 Thika Technical Training Institute set out on pages 1 to 33, 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

Report of the Auditor-General on Thika Technical Training Institute for the year ended 30 June, 2025

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 Thika Technical Training Institute 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 Public Finance Management Act, 2012 and the Technical and Vocational Education and Training (TVET) Act, 2013.

Basis for Qualified Opinion

1. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 19 to the financial statements reflects current receivables from exchange transactions balance of Kshs.123,506,861 which constitute of student and rent debtors of Kshs.123,026,922 and Kshs.479,939 respectively. However, review of records provided revealed the following;

1.1 Student Debtors

Included in the net student debtors of Kshs.123,026,922, were debts totalling Kshs.47,009,086 which have been outstanding for more than one (1) year. The prolonged outstanding balances cast doubt on the recoverability of these amounts and may lead to a potential loss of funds. In addition, the debt collection policy was not provided for audit review.

1.2 Arrears in Rental Income

Current receivables from exchange transactions amounting to Kshs.123,506,861, includes an amount of Kshs.479,939 which relates to rent debtors. Physical verification carried out on 8 August, 2025 confirmed that the Institution owns sixty-two (62) residential houses comprising twenty-three (23) one-bedroom units of various sizes, twenty-nine (29) two-bedroom units, four (4) three-bedroom units, and four (4) single rooms. Review of tenant statements of accounts revealed that six (6) tenants owed the Institution rent arrears totalling Kshs.474,939 as at 30 June, 2025. Management did not provide evidence of any actions taken to follow up or recover the outstanding arrears.

In the circumstances, the recoverability of current receivables from exchange transactions totalling Kshs.123,506,861 could not be confirmed.

2. Economic Viability of Cafeteria as an Income Generating Activity

The statement of financial performance reflects other income amounting to Kshs.12,959,165 as disclosed in Note 11 to the financial statements, out of which an

amount of Kshs.4,063,150 relates to income from the Thika Technical Cafeteria catering services. Similarly, the statement reflects total expenditure on use of goods and services amount of Kshs.548,389,327 as disclosed under Note 12 to the financial statements, which include Kshs.9,838,593 incurred on the cafeteria catering services during the year under review resulting to cafeteria operations loss of Kshs,5,775,443.

In the circumstances, the loss diminishes income from the Institution's core business and may undermine long-term sustainability.

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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.1,131,844,628 and Kshs.912,845,141 respectively resulting to an under-funding of Kshs.218,999,487 or 19% of the budget.

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

My opinion is not qualified on 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 matter described in the Basis for Qualified Opinion section, I have determined that there are no other 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, 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 Thika Technical Training Institute in 2023/2024 revealed that the following matters remained unresolved:

	Financial Year	Audit Issue
1.	2023/2024	Long Outstanding Student Debtors
2.	2023/2024	Irregular Remuneration of Non-Board Members
3.	2023/2024	Irregular procurement of Graduation Booklets
4.	2023/2024	Irregularities in procurement of Fuel and Oil
5.	2023/2024	Irregularities in Staffing Requirements
6.	2023/2024	Incomplete Asset Register
7.	2023/2024	Non-Adherence to Audit Committee Quarterly Meetings

Other Information

The Management is responsible for the Other Information set out on page iii to xxxiii which comprise of Key Entity Information and Management, The Board of Governors, Management Team, Chairman's Statement, Report of the Chief Principal, Statement of performance against predetermined objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of board of Governors' Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Irregularities in Human Resources Management

1.1 Expired Collective Bargaining Agreement

The Collective Bargaining Agreement (CBA) between Thika Technical Training Institute and the Kenya Union of Domestic, Hotels, Educational Institutions, Hospitals and Allied

Workers (KUDHEIHA) expired on 30 September, 2019. Evidence that the agreement was renewed, amended, or formally extended was not provided resulting in the Institution operating without a valid and enforceable framework governing the terms and conditions of employment for unionized staff. This was contrary to Section 60(1) of the Labour Relations Act which requires that every CBA be submitted to the Industrial Court for registration within 14 days of its conclusion, as registration is necessary for legal enforceability. Further, Section 59 stipulates that a CBA remains binding only for its agreed duration and ceases to have legal effect unless it is lawfully extended or replaced by a new agreement.

1.2 Non-Compliance with Grading Structure for Training Institutes

Review of Human Resource documents provided for audit revealed that the grading structure was not in compliance with the guideline for development and review of Human Resource Management instruments for state corporations and public universities Circular No. Ref. No. PSC/GEN/22/11/ (91) dated 8 August, 2023. The Institution lacked crucial positions which include Director, Deputy Director or Senior Principal Lecturer I, Principal Officer/Principal Assistant Officer and Senior Lecturer/Senior Instructor. These positions are critical to maintaining the standardized 13-tier grading structure for training institutions. This was contrary to Appendix 1(d) of the referenced Public Service Circular, which outlines the mandatory 13-tier grading structure—excluding CSG 4/Job Group 'Equivalent' at Level 2—for training institutions. The absence of these critical positions creates gaps in the academic, administrative and leadership structure of the Institution.

1.3 Engagement of Casual Workers

During the year under review, the Institute engaged three (3) casual workers under 3-month contracts and paid amounts totalling Kshs.190,459 in the library department. However, the following irregularities were noted:

- i. The Human Resource Directorate did not maintain personal records for the casual workers and there was no documentation indicating how they were recruited or onboarded for service.
- ii. Contracts of service for the casual workers were not provided for audit review.
- iii. Statutory deductions such as NHIF, NSSF and Housing Levy were not made from the payments to the casual workers, contrary to employment law requirements.
- iv. There was no evidence of advertisement, shortlisting, interviews, or issuance of appointment letters, indicating that the recruitment process was not competitive, violating Constitutional principles of fairness and transparency.

1.4 Non-Compliance with Technical and Administrative Staff Ratio

The statement of financial performance reflects employee costs amounting to Kshs.134,249,894 as disclosed under Note 13 to the financial statements. It was noted that during the year under review, the Institute had three hundred and fourteen (314) Board of Governance (BOG) recruited staff. Review of the staff register revealed that one hundred and seventy-two (172) were technical staff, while one hundred and forty-two

(142) were non-technical staff, representing a ratio of 55:45, respectively. This staffing ratio contravenes Section 4.3(i) of the Public Service Commission Guidelines, 2023 that require 70:30 ratio of technical to non-technical.

1.5 Engagement of Part-Time German Trainer

Audit review of the Human Resource documents provided during the audit revealed irregularities in the engagement of a part-time German trainer in connection with the letter dated 8 May, 2023 from the Ministry of Education (Ref: MOE/SDTVET/DTE/COL 5/61/VOL.IX(19)). The letter pertains to the introduction of a German course in TVET institutions under the dual training model, with curricula aligned to the German Chamber of Commerce (AHK). However, the following irregularities were observed in the engagement of the German trainer:

- i. Request for the trainer was made by the Head of the Mechanical Department on 6 May, 2024, however, the offer letter was dated 1 May, 2024, five (5) days prior to the request indicating possible backdating and pre-arrangement.
- ii. There was no evidence of a recruitment plan, job advertisement, shortlisting or interviews. This suggests the hiring process was not competitive, violating principles of fairness, transparency and merit-based recruitment.
- iii. Unjustified salary increment: The trainer's hourly rate increased from Kshs.1,000 to Kshs.1,500, yet the engagement contract dated 1 May, 2024 did not contain any clause allowing for such an increment or existence of documentation justifying the change.

This is contrary to Article 232(1)(g) of the Constitution of Kenya, 2010 relating to values and principles of Public Service, which requires that fair competition and merit to be the basis of appointments and promotions.

1.6 Non-Compliance with National Cohesion and Integration Act, 2008 on Ethnic Diversity

The statement of financial performance reflects employee costs amounting to Kshs.134,249,894 as disclosed under Note 13 to the financial statements. Review of employee records for the Institute revealed that one hundred and ninety-eight (198) or 63% of employees of the total population of three hundred and fourteen (314) staff, comprised staff from one dominant ethnic community employed by the College. This is 30% above the provision of National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

1.7 Underrepresentation of Persons with Disabilities

Review of staff composition indicates that six (6) out of three hundred and fourteen (314) employees were identified as persons with disabilities (PWDs), representing approximately 1.9%, which falls significantly short of the statutory 5% employment quota mandated for PWD inclusion. Further, the specific nature or type of disabilities of these

individuals was not documented, limiting clarity around their representation and potential need for reasonable accommodations.

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

2. Irregular Splitting of Tenders

The statement of financial performance reflects expenditure on use of goods and services amounting to Kshs.548,389,327 as disclosed under Note 12 to the financial statements. Audit review of procurements done within the year established that the Institute awarded tenders of Kshs.38,240,647 through use of Request for Quotations (RFQs) procurement method for goods and works to various firms. However, the goods and works were of the same nature, same period and same supplier which amounted to splitting of procurements to avoid the open tender method of procurement contrary to Public Procurement and Disposal Act, 2015, Section 54(1) which provides that no procuring entity may structure procurement as two or more procurement for the purpose of avoiding the use of a procurement procedure except where prescribed.

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

3. Irregularities in Training Expenditure

The statement of financial performance and Note 12 to the financial statements reflects expenditure on use of goods and services amounting to Kshs.548,389,327. Included in this amount are training expenses of Kshs.8,321,046. However, audit review of expenses related to conference facilities established that the Institution used individuals for training for activities amounting to Kshs.435,487. However, it was not clear how the trainers were identified and why the Institution procured from individuals instead of registered companies.

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

4. Irregularities in Administrative Costs

The statement of financial performance reflects total expenditure on use of goods and services amounting to Kshs.548,389,329 as disclosed under Note 12 to the financial statements which include expenses related to administration fees of Kshs.56,482,714 incurred within the financial year. Audit review of the expense related to administration fees established that;

- i. A sample of payment vouchers amounting Kshs.6,150,348 paid for administrative expenses had not been fully supported.
- ii. There was no user requisition for payment voucher No.3055 dated 24 June, 2025 for audit of energy with an aim of reducing energy usage, of Kshs.1,277,250.
- iii. Invitation for quotation was done on 4 April, 2025, opened and evaluated on 15 April, 2025 and notification of award on 15 April, 2025. However, the contract was signed on 22 April, 2025 which was before 14 days after notification of award.

In the circumstances, Management was in breach of law.

5. Irregularities in Procurement of Works

5.1 Proposed Construction of Staff Complex at Thika Technical Training Institute

The Institute awarded a contract worth Kshs.80,696,593 through open tender to a contractor through tender No. TTTI/BOG/04/2024/2025. The tender was opened on 10 February, 2025, evaluated on 17 February, 2025 and the professional opinion was signed on the same day, 17 February, 2025. However, provisional sums totalling Kshs.1,500,000 for project management expenses, as reflected in the second interim payment certificate, were not supported with detailed schedules or with evidence of approval by the Accounting Officer of the procuring entity, based on the recommendation of the Contract Implementation Team.

5.2 Proposed Construction of Auditorium at Thika Technical Training Institute

The Institute awarded a contract worth Kshs.132,238,813 through open tender to a contractor through tender No. TTTI/BOG/05/2024/2025. The tender was opened on 10 February, 2025, evaluated on 17 February, 2025 and the professional opinion was signed on the same day, 17 February, 2025. Similarly, the provisional sums totalling Kshs.2,000,000 for project management expenses, as reflected in the second interim payment certificate, were not supported with detailed schedules or with evidence of approval by the Accounting Officer of the procuring entity, based on the recommendation of the Contract Implementation Team. This was contrary to Section 139(2e)(4) of the Public Procurement and Asset Disposal Act, 2015, which requires that the utilization of provisional sums must be justified and approved, with appropriate supporting documentation.

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

6. Irregular Distribution of Overheads

Analysis of payment voucher number 1487, covering the driving school production unit for the period April to December, 2024, revealed that the policy framework was not followed. Instead of allocating 30% of the total income to the Institute's kitty as required, the Institute's kitty was allocated 30% of the net income amounting to Kshs.1,499,750 from the Driving School Training Programme. Facilitators collectively received only 11% of the net income; with Board of Governors facilitators receiving 3% and main facilitators 8%, while Heads of Department and Deputy Heads of Department received high allocations of 20% and 11% respectively which were not proportionate. This distribution was contrary to the approved policy guidelines for income apportionment as set out by the Board of Governors.

This is contrary to Section 7 of Thika Technical Training Institute's Income Generating Activities Policy which provides clear guidelines on the distribution of revenues accruing from income-generating units. The policy stipulates that from the total income generated,

30% should be allocated to the Institute's kitty, 10% to overheads, and 10% as honorarium, leaving 60% as net income to facilitators. This net income is then treated as 100% and further apportioned as follows: 69% to facilitators, 4% to the Head of Department, 3% to the Deputy Head of Department, 1% to departmental responsibility, 3% to the course coordinator, 17% to central administration, 1.5% to technicians, and 1.5% to cleaners.

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

7. Lack of Public Participation on Climate Change Activities

The statement of financial performance and Note 12 to the financial statements reflects use of goods and services expenditure amount of Kshs.548,389,327 which includes an amount of Kshs.12,355,324 for electricity, water and conservancy. Analysis of information provided for audit regarding the Institution's environmental sustainability initiatives revealed that the Institution had partnered with several schools including General Kago Primary, Karibaribi Primary, Wabeni TVC, and Chania Boys High School to undertake tree planting exercises, with expenditure of Kshs.10,200, Kshs.8,400, Kshs.8,400 and Kshs.7,200 respectively amounting to Kshs.34,200. It was noted that the Institution wrote to the County Director of Education seeking to proceed with public participation on the issue. However, no correspondence was received from the County Director of Education to show acceptance of the initiative, or existence of minutes or attendance registers with the public to show that public participation was conducted. As a result, it was not clear how the schools were selected and how the decision to focus on tree planting was reached without input from the wider public.

This was contrary to Section 24(1) and (2) of the Climate Change Act, 2016 (Revised 2023) which requires that public entities, at all levels of Government, shall undertake public awareness and conduct public consultations when developing strategies, laws, and policies relating to climate change. Such consultations must be conducted in a manner that ensures that public input makes a meaningful impact on the decisions taken.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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. Irregularities in Fuel and Oil

The statement of financial performance reflects expenditure on use of goods and services amounting to Kshs.548,389,327 as disclosed under Note 12 to the financial statements which include fuel and oil expenditure of Kshs.8,445,036. However, audit review of the expenditure revealed that the Institute does not maintain or prepare monthly reconciliations to compare the quantity of fuel issued against the actual fuel consumed based on verified mileage from vehicle work tickets or generator usage logs. This lack of reconciliation undermines the ability to monitor fuel efficiency, detect anomalies and ensure economical use of resources. It was further noted that there was excessive reliance on manual pump fuel dispensing for motor vehicles. This method poses discrepancies, as fuel receipts issued manually may be tampered with, in comparison with use of automated pumps, which generate receipts automatically and provide a more reliable record.

Further, examination of vehicle work tickets indicated that essential fields such as fuel drawn, oil drawn and the corresponding payment voucher or LPO numbers were routinely left blank or incompletely filled. The absence of this information compromises the integrity of the transport records and prevents proper linkage of fuel consumption to approved procurement transactions.

In the circumstances, the effectiveness of internal controls on monitoring of fuel and oil for motor vehicles could not be confirmed.

2. Lack of Policy Documents

Scrutiny of Human Resource documents provided revealed that Thika Training Institute did not have an approved staff establishment document, career progression guidelines, succession plan policy, casual recruitment policy, recruitment plan and procedures relevant for the effective management of its public services. Further, the schemes adopted by the Institution did not include all the cadres of staff employed by the Institution or incorporate the changes that have occurred over the years.

In the circumstances, the effectiveness of internal control systems on human resource procedures could not be confirmed.

3. Anomaly in Audit Committee

The statement of financial performance reflects expenditure on remuneration of directors totalling Kshs.7,443,675 as disclosed under Note 14 to the financial statements. However, it was noted that the risk and audit committee did not have any member well versed in finance or accounting as required. It was also noted that the risk and audit and academic committee did not hold a meeting in the first quarter during the year under review.

In the circumstances, the effectiveness of the controls that govern internal control systems of the Institution could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The ISSAIs requires 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

6 November, 2025

Thika 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	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	227,799,347	207,762,222
Donations for capital expenditure	7	266,894,626	-
Donations for recurrent expenses	8	32,847,282	-
Total Revenue from non-exchange transactions		527,541,255	207,762,222
Revenue from exchange transactions			
Rendering of services- Fees from students	9	709,101,132	591,044,232
Rental revenue from facilities and equipment	10	5,551,344	3,222,808
Other income	11	12,959,165	13,129,307
Revenue from exchange transactions		727,611,641	607,396,347
Total revenue		1,255,152,896	815,158,569
Expenses			
Use of goods and services	12	548,389,327	453,812,070
Employee costs	13	134,249,894	125,164,041
Remuneration of directors	14	7,443,675	8,065,685
Depreciation charge	15	64,417,520	46,032,345
Repairs and maintenance	16	24,295,953	53,574,717
Revaluation loss	17	66,443,892	-
Total expenses		845,240,261	686,648,858
Net Surplus for the year		409,912,634	128,509,711

The notes set out on pages' 6 to 37 form an integral part of the Annual Financial Statements.



Chairman of Board of Governors
 18th September 2025.



Chief Principal
 18th September 2025.



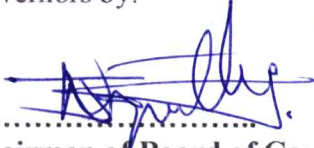
Finance Officer
 ICPAK No 21023
 18th September 2025.

Thika 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	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	18	56,239,869	86,581,416
Receivables from exchange transactions	19	123,506,861	77,491,181
Total Current Assets		179,746,730	164,072,597
Non-current assets			
Property, plant and equipment	20	3,346,516,508	2,342,304,933
Intangible assets	21	1,727,759	2,018,000
Total Non-current Assets		3,348,244,267	2,344,322,933
Total assets		3,527,990,997	2,508,395,530
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	22	38,527,754	20,212,680
Refundable deposits from customers	23	1,155,440	1,155,440
Payable to mentored institutions	24	20,335,765	31,114,794
Total Current Liabilities		60,018,959	52,482,914
Total liabilities		60,018,959	52,482,914
Reserves			
Accumulated surplus		1,152,949,081	743,036,447
Revaluation reserve		1,185,624,377	583,477,589
Capital grants		1,129,398,580	1,129,398,580
Total Reserves		3,467,972,038	2,455,912,616
Total Liabilities and Reserves		3,527,990,997	2,508,395,530

The Financial Statements set out on pages 1 to 37 were signed on behalf of the Institute Board of Governors by:




Chairman of Board of Governors

8th September 2025.



Chief Principal

18th September 2025.



Finance Officer
 ICPAK No 21023
 18th September 2025.

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

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

	Revaluation reserve	Accumulated Surpluses	Capital grants	Total
Balance c/d as at June 30, 2023	583,477,589	599,767,583	1,144,157,733	2,327,402,905
Balance b/f as at July 1, 2023	583,477,589	599,767,583	1,144,157,733	2,327,402,905
Surplus for the year	-	128,509,711	-	128,509,711
Transfer of depreciation from capital fund to retained earnings		14,759,153	(14,759,153)	-
Balance c/d as at June 30, 2024	583,477,589	743,036,447	1,129,398,580	2,455,912,616
Balance b/f as at July 1, 2024	583,477,589	743,036,447	1,129,398,580	2,455,912,616
Surplus for the year	-	409,912,634	-	409,912,634
Revaluation reserves during the year	602,146,788			602,146,788
Balance c/d as at June 30, 2025	1,185,624,377	1,152,949,081	1,129,398,580	3,467,972,038

Tika Technical Training Institute
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17 Statement of Cash Flows for The Year Ended 30 June 2025

		2024-2025	2023-2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		227,799,347	270,965,890
Rendering of services- fees from students		633,602,436	619,483,903
Cafeteria sales		4,063,150	2,756,580
Hire of facilities and IGA		8,964,855	3,222,808
Grants for Mentored institutions		10,497,736	10,378,955
Total Receipts		884,927,524	906,808,136
Payments			
Compensation of employees		134,249,894	125,164,041
Use of goods and services		475,713,415	454,191,327
Board expenses		7,443,675	8,065,685
Payment made on-behalf of mentees		21,276,190	36,285,190
Repairs and maintenance		24,256,290	53,574,714
Total Payments		662,939,463	677,280,957
Net cash flows from operating activities	26	221,988,061	229,527,179
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(252,329,607)	(186,894,480)
Net cash flows used in investing activities		(252,329,607)	(186,894,480)
Net increase/(decrease) in cash and cash equivalents		(30,341,546)	42,632,698
Cash and cash equivalents at 1 JULY	18	86,581,416	43,948,718
Cash and cash equivalents at 30 JUNE		56,239,870	86,581,416

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

18 Statement of comparison of budget and actual amounts for the year ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Percentage difference
	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025	
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	38,415,353	38,415,353	38,415,353	0	0%
Transfers from other Govt entities Govt grants	117,000,000	133,230,425	250,230,425	227,799,347	22,431,078	9%
Rendering of services- Fees from students	935,389,250	(100,000,000)	835,389,250	633,602,436	201,786,814	24%
IGA	7,809,600	-	7,809,600	13,028,005	(5,218,405)	-67%
Total income	1,060,198,850	71,645,778	1,131,844,628	912,845,141	218,999,487	
Expenses						
Compensation of employees	181,895,478	-	181,895,478	134,249,894	47,645,584	26%
Use of Goods and services	576,571,947	-	576,571,947	475,713,415	100,858,532	17%
Repairs, Maintenance & Improvements	52,747,500	(20,440,076)	32,307,424	24,256,290	8,051,134	25%
Remuneration of directors	7,830,000	-	7,830,000	7,443,675	386,325	5%
Total expenditure	819,044,925	(20,440,076)	798,604,849	641,663,274	156,941,575	
Surplus for the period	241,153,925	92,085,854	333,239,779	271,181,867	62,057,912	
Capital expenditure	241,153,925	53,670,501	294,824,426	252,329,607	42,494,819	14%
Surplus for the period after capital expenditure	-	38,415,353	38,415,353	18,852,260		

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	18,852,260
1 Add payable to Mentored institutions	20,335,765
2 Add trade payables brought forward - for FY 2023/2024	17,051,844
Closing Cash and Cash Equivalent as per the statement of Cash flows	56,239,870

Budget notes

- The variance of 24% on rendering of service is inability of students to clear fees on time
- The variance of (-67%) on other income is due to increased opportunities to hire facilities
- The variance of 26% on Compensation of employees is due to reduction of BoG trainers after receiving trainers from PSC
- The variance of 17% on Use of Goods and services is due to reduction in revenue
- The variance of 25% on Repairs, Maintenance & improvements is due to reduction in revenue
- The variance in Capital expenditure is due to reduction in expected revenue

19 Notes to the Financial Statements

1. General Information

Thika Technical Training Institute is established by and derives its authority and accountability TVET Act 2013. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is to provide quality technical and vocational training that responds to the needs of the society

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the institute's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Thika Technical Training Institute. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There are no new and amended standards issued in the financial year.

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>There is no impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p> <p><i>There is no impact of the standard to the Entity if relevant</i></p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>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.</p> <p><i>Due to application of IPSAS 45, the classes of fixed assets have been expanded to accommodate infrastructure assets.</i></p>

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<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value. <i>There is no impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>There is no impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. <i>There is no impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. <i>There is no impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. 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 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 2024/2025 was approved by the board of governors on **23rd January 2025**. 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. The entity's budget is prepared on a different

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basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis

s 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 5 of these financial statements.

c) 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.

Depreciation on all other assets is calculated on reducing balance basis method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

<u>Asset</u>	<u>Rate %</u>
Buildings	2.5
Infrastructure assets	2.5
Plant and machinery	2
Motor vehicles	12.5
Furniture and fittings	5
Computer equipment	10

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings in the statement of changes in equity.

d) Leases

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

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

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

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

e) 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.

The assessed impairment loss for the year was at 17% of the total cost at year end ie KSh 1,788,000 as on note 21

f) 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.

g) 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. Thika TTI does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Institute's financial statements. 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 cash flows 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 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

Thika TTI 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. Thika TTI 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 16.

Financial liabilities

Classification

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

h) Inventories

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

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

- Raw materials: purchase cost using the weighted average cost method.

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of Thika TTL.

i) Provisions

Provisions are recognized when Thika TTI 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 Thika TTI 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

Thika TTI 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.

During the FY 2025/2025, the institute is engaged in various legal actions.

- (a) A DCI court case against several persons including an internal auditor an employee of the institution who is under half pay. The outcome in favour of the internal auditor may lead to outflow of funds that could not be pre-determined.

Contingent assets

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

j) 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 Institution recognises a social benefit as an expense for the social benefit 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 Institution will incur in fulfilling the present obligations represented by the liability.

k) Nature and purpose of reserves

Thika Technical Training Institute creates and maintains reserves in terms of specific requirements. These reserves include:

- Accumulated surpluses
- Development funds

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

Thika Technical Training Institute provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

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

n) Related parties

Thika TTI 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.

o) Service concession arrangements

Thika TTI 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 Institution 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'

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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 Institution also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

p) 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.

q) Comparative figures

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

r) 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, 2025.

5. Significant judgments and sources of estimation uncertainty

The preparation of Thika TTI 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. Thika TTI 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 Institution. 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 Thika TTI
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 16

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. The provisions applicable to the institution is provision for bad debts and its provided at 20% of the students dent only. There is no provision on rent receivable.

This Provision was reviewed from 6% to 20% after relooking variables like ageing of receivables, probability of default and exposure to default.

This change in accounting estimate is applied prospectively and affects only the current period in line with paragraph 43 of IPSAS 3

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Notes to the Financial Statements (Continued)

6. (a) Transfers from National Government entities

Description	2024-2025	2023-2024
	KShs	KShs
Unconditional grants		
Capitation grants	159,096,350	153,894,000
Operational Grant	499,827	500,000
Sponsorship (MOE)	68,702,997	53,368,222
Conditional Grants		
Development grants	10,000,000	63,203,667
Total Government Grants and Subsidies	238,299,174.50	270,965,889.00
Less: Operational grants transferred to Muranga TTI	(499,827)	(13,437,000)
Less: Development grants transferred to Makongeni TVC	(10,000,000)	(24,766,667)
Less: Development grants transferred to Kiharu TTI	-	(25,000,000)
Total Government Grants and Subsidies for Thika TTI	227,799,347.50	207,762,222

(b) Transfers from ministries, departments and agencies

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognise d in capital fund.	Total grant income during the year	2023-2024
			KShs	KShs	KShs
State department of Vocational and Training	227,799,347.50	-	-	227,799,347.50	207,762,222
Total	227,799,347.50	-	-	227,799,347.50	207,762,222

7. Donations for Capital expenditure

Description	2024-2025	2023-2024
	KShs	KShs
GoK and Germany Corporation - buildings	207,343,060	-
GoK and Germany Corporation - computers	35,870,367	-
GoK and Germany Corporation - furniture	19,107,327	-
GoK and Germany Corporation - Infrastructure assets	4,573,872	-
Total Donations for Capital Donations	266,894,626	-

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Notes to the Financial Statements (Continued)

8. Donations for Recurrent Expenses

Description	2024-2025	2023-2024
	KShs	KShs
Training materials	32,847,282	-

9. Rendering of services

Description	2024-2025	2023-2024
	KShs	KShs
Tuition fees	97,749,912	172,115,386
Activity fees	11,669,436	22,976,207
Exam fee	111,351,930	114,053,455
Facilities and materials	479,786,834	273,540,692
Registration fees	8,543,020	8,358,492
Total rendering of services	709,101,132	591,044,232

Income from rendering of services relates to compensation paid by the students as school fees for services offered by the Institute.

10. Rental revenue from facilities and equipment

Description	2024-2025	2023-2024
	KShs	KShs
Hire of facilities	4,019,021	1,949,770
Rent	1,532,323	1,273,038
Total rentals	5,551,344	3,222,808

This is income earned by letting out the Institute facilities like the ground and staff houses

11. Other income

Description	2024-2025	2023-2024
	KShs	KShs
Center Fee	4,295,950	2,377,400
Driving school charges	2,733,000	2,454,092
Damages and recoverable losses	67,615	95,825
Catering services	4,063,150	2,756,580
Graduation	-	4,609,560
ODFL Fees	639,000	834,350
Library fee	-	1,500
Production income	1,160,450	-
Total other income	12,959,165	13,129,307

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12. Use of goods and services

Description	2024-2025	2023-2024
	KShs	KShs
Electricity, Water & Conservancy	12,355,324	13,462,412
Activity	14,419,777	13,092,770
Teaching and training materials	129,419,139	75,225,097
Admin fees	56,482,714	54,341,125
Local travel and transport	63,777,336	56,129,484
Medical	1,831,353	1,057,987
Student identity cards	4,036,389	2,928,620
Examination expense	109,794,270	109,964,000
Student council	6,700,798	3,822,154
Industrial attachment	9,972,700	5,341,467
Registration	10,225,285	6,994,500
Advertising	1,989,616	2,280,065
Security costs	5,507,551	5,970,000
Insurance	6,996,242	6,160,893
Cafeteria	9,838,593	6,913,603
Internet cost	5,479,010	4,063,540
ICT infrastructure	2,647,518	8,356,086
Fuel and oil	8,445,036	8,352,062
Printing and stationery	46,151,490	39,542,023
Telecommunication and postage	4,133,141	3,942,800
Training Expenses	8,321,046	7,834,257
Driving school expenses	1,930,005	1,427,502
Bank Charges	151,237	161,450
Graduation expense	-	13,449,163
Centre expenses	775,759	440,811
Payment of disputed prior year invoices	-	3,990,275
Provision for bad debts	25,852,254	(1,477,562)
Equipment impairment loss	-	45,486
ODFL Charges	204,000	
Production unit Expenses	951,744	
Total good and services	548,389,327	453,812,070

13. Employee costs

	2024-2025	2023-2024
	KShs	KShs
Salaries and wages	134,249,894	125,164,041
Total Employee costs	134,249,894	125,164,041

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Notes to the Financial Statements (Continued)

14. Board expenses

Description	2024-2025	2023-2024
	KShs	KShs
Chairman's Honoraria	841,200	707,500
Directors' emoluments	6,602,475	7,358,185
Total director emoluments	7,443,675	8,065,685

15. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	KShs	KShs
Property, plant and equipment	62,629,520	44,244,345
Amortisation	1,788,000	1,788,000
Total depreciation and amortization	64,417,520	46,032,345

16. Repairs and maintenance

Description	2024-2025	2023-2024
	KShs	KShs
Property	14,280,234	49,657,899
Equipment and machinery	2,608,539	1,483,407
Vehicles	3,408,353	917,979
Furniture and Fitting Repairs	-	390,098
Computers and accessories	3,998,827	1,125,331
Total Repairs and Maintenance	24,295,953	53,574,714

17. Revaluation loss

Description	2024-2025	2023-2024
	KShs	KShs
Motor vehicles	3,156,134	-
Computers	15,083,836	-
Furniture and fittings	30,417,187	-
Equipment	17,786,735	-
Total impairment losses	66,443,892	-

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

Notes to the Financial Statements (Continued)

18. Cash and cash equivalents

Description	2024-2025	2023-2024
	KShs	KShs
Equity bank	260,619	1,094,219
Barclays Main	28,009,188	47,695,139
Cash on hand	77,813	130,173
Family Cafeteria A/c	94,156	1,859,326
Barclays Gichugu	10,327,601	17,878,809
Barclays Maragwa	8,164	8,664
KCB Main	7,462,328	4,688,340
KCB Makongeni TVC	10,000,000	-
KCB Kiharu	-	13,226,746
Total cash and cash equivalents	56,239,869	86,581,416

18 (a). Detailed analysis of Cash and Cash equivalents

Financial institution	Account number	2024-2025	2023-2024
		KShs	KShs
i) Current a/c - Fees Collection			
Equity bank	0090292436622	260,619	1,094,219
Absa bank	0311190628	28,009,188	47,695,139
KCB Main	1263884806	7,462,328	4,688,340
Sub- total		35,732,135	53,477,698
ii) Cafeteria a/c			
Family bank	005000036290	94,156	1,859,326
Sub- total		94,156	1,859,326
iii) Mentored Inst			
Gichugu TVC Absa bank	2038121076	10,327,601	17,878,809
Maragwa TVC Absa bank	2038121033	8,164	8,664
Makongeni TVC	1332835511	10,000,000	-
KCB Kiharu	Account Closed	-	13,226,746
Sub- total		17,470,492	31,114,219
Cash at hand		77,813	130,173
Grand total		56,239,869	86,581,416

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Notes to the Financial Statements (Continued)

19. Receivables from exchange transactions

19 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	KShs	KShs
Current receivables		
Student debtors	153,783,653	81,741,281
Less: impairment allowance	(30,756,731)	(4,904,477)
Net student debtors	123,026,922	76,836,804
Rent debtors	479,939	654,380
Total current receivables from exchange	123,506,861	77,491,184

19 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	76,497,776	68%	52,480,024	67%
Between 1- 2 years	34,630,521	18%	14,278,755	18%
Between 2-3 years	12,035,230	8%	5,827,928	9%
Over 3 years	343,335	6%	4,904,477	6%
Total	123,506,861	100%	77,491,184	100%

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

Notes to the financial statements (continued)

20. Property, plant and equipment

	Buildings	Land	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Infrastructure Assets	Capital Work in progress	Total
Cost/Valuation	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
At 30 th June 2023	806,182,564	1,060,000,000	52,261,634	67,304,366	76,842,846	193,630,451		67,809,702	2,324,031,564
Additions	24,638,528	-	-	25,703,826	40,737,262	21,287,029		88,302,507	200,669,152
Transfer from WIP	135,081,409	-	-	-	-	-		(135,081,409)	-
At 30 th June 2024	965,902,501	1,060,000,000	52,261,634	93,008,192	117,580,108	214,917,480		21,030,800	2,524,700,715
Transfers from buildings to infrastructure	(103,228,522)	-	-	-	-	-	103,228,522		-
Transfer of WIP			21,030,800					(21,030,800)	-
Additions that were revalued	20,925,941			3,222,776	5,801,280	6,376,995	4,797,107		41,124,099
Additions after revaluation	17,652,969		6,191,389	7,412,455	22,586,254	25,162,976	14,794,705	129,318,727	223,119,474
Total additions for the year	38,578,910	-	6,191,389	10,635,231	28,387,534	31,539,971	19,591,812	129,318,727	264,243,574
Capital donations	207,343,060			19,107,327	35,870,367		4,573,872		266,894,626
Revaluation reserve	188,270,080	340,000,000	(26,419,934)	(31,797,498)	(61,811,447)	(56,782,458)	1,848,371	-	353,307,114
At 30 th June 2025	1,296,866,029	1,400,000,000	53,063,889	90,953,252	120,026,562	189,674,993	129,242,577	129,318,727	3,409,146,028
Depreciation and impairment									
At 30 th June 2023	49,108,487	-	19,121,252	12,698,160	21,818,055	35,405,483		-	138,151,437
Depreciation	22,919,850	-	4,142,548	4,015,502	9,576,205	3,590,240			44,244,345
At 30 th June 2024	72,028,337	-	23,263,800	16,713,662	31,394,260	38,995,723		-	182,395,782
Transfer of infrastructure depreciation	(9,569,607)	-	-	-	-	-	9,569,607		-
Reversal of depreciation on valuation	(62,458,730)	-	(23,263,800)	(16,713,662)	(31,394,260)	(38,995,723)	(9,569,607)		(182,395,782)
Depreciation	32,421,651	-	6,632,986	4,547,663	12,002,656	3,793,500	3,231,064		62,629,520
At 30 th June 2025	32,421,651	-	6,632,986	4,547,663	12,002,656	3,793,500	3,231,064		62,629,520
Net book values									
At 30 th June 2025	1,264,444,378	1,400,000,000	46,430,903	86,405,589	108,023,906	185,881,493	126,011,513	129,318,727	3,346,516,508
At 30 th June 2024	893,874,164	1,060,000,000	28,997,834	76,294,530	86,185,848	175,921,757		21,030,800	2,342,304,933
At 30 th June 2023	757,074,077	1,060,000,000	33,140,382	54,606,206	55,024,791	158,224,968		67,809,702	2,185,880,127

Capita Work in progress related to the construction of auditorium and staff complex that were ongoing at the end of the financial year. It also relates to two Institute's buses which had not been released by Isuzu East Africa for registration process as at 30TH June 2025.

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Notes to the financial statements (continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Benchmark Valuers Limited professional valuers on 27th February 2025. These amounts were adopted in the financial statements on 30th June 2025.

20 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost as at 30 June 2025	Accumulated Depreciation	NBV As at 30 June 2025
	Kshs	Kshs	Kshs
Buildings	1,296,866,029	32,421,651	1,264,444,378
Land	1,400,000,000	-	1,400,000,000
Motor vehicles	53,063,889	6,632,986	46,430,903
Furniture and fittings	90,953,252	4,547,663	86,405,589
Computers	120,026,562	12,002,656	108,023,906
Plant and equipment	189,674,993	3,793,500	185,881,493
Infrastructure Asset	129,242,577	3,231,064	126,011,513
Capital Work in progress	129,318,727	-	129,318,727
Total	3,409,146,028	62,629,520	3,346,516,508

21. Intangible assets-software

Description	2024-2025	2023-2024
	KShs	KShs
Cost		
At start of year	8,940,000	8,940,000
Additions	1,497,759	-
At end of year	10,437,759	8,940,000
Amortisation		
At start of year	6,922,000	5,134,000
Charge for the year	1,788,000	1,788,000
At end of year	8,710,000	6,922,000
Net book Value	1,727,759	2,018,000

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Notes to the financial statements (continued)

22. Trade and other payables from exchange transactions

Description		2024-2025		2023-2024	
		KShs		KShs	
	Trade payables	28,913,927		17,051,844	
	Fees paid in advance	6,484,484		3,160,836	
	Undistributed funds	3,129,343			
	Total trade and other payables	38,527,754		20,212,680	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total	
	Under one year	100%	20,212,680	100%	
	1-2 years	0%	-	0%	
	2-3 years	0%	-	0%	
	Over 3 years	0%	-	0%	
	Total	100%	20,212,680	100%	

23. Refundable deposits from customers/students

Description		2024-2025		2023-2024	
		KShs		KShs	
	Caution money	1,155,440		1,155,440	
	Total deposits	1,155,440		1,155,440	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total	
	Over 3 years	100%	1,146,240	99%	
	Total	%	1,155,440	%	

24. Payable to mentored institutions

Description		2024-2025		2023-2024	
		KShs		KShs	
	Muranga Technical Training Institute	8,164		8,664	
	Gichugu Technical Training Institute	10,327,601		17,879,384	
	Kiharu Technical Training Institute	-		13,226,746	
	Makongeni Technical Training Institute	10,000,000		-	
		20,335,765		31,114,794	

Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total	
	Under one year	100%	31,114,794	100%	
	Total	100%	31,114,794	100%	

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25. Revaluation reserve

Description	2024-2025	2023-2024
	KShs	KShs
i. Buildings		
Cost as at the time of valuation	883,599,920	459,805,800
Depreciation	(62,458,730)	(9,196,116)
Net book value	821,141,190	450,609,684
Amount as per the revaluation report	1,071,870,000	474,087,273
Revaluation reserve	250,728,810	23,477,589
ii. Land		
Cost as at the time of valuation	1,060,000,000	500,000,000
Amount as per the revaluation report	1,400,000,000	1,060,000,000
Revaluation reserve	340,000,000	560,000,000
iii. Infrastructure assets		
Cost as at the time of valuation	108,025,629	135,081,409
Depreciation	(9,569,607)	62,458,730
Net book value	98,456,022	197,540,139
Amount as per the revaluation report	109,874,000	474,087,273
Revaluation reserve	11,417,978	276,547,134
Total revaluation reserve	602,146,788	583,477,589

26. Cash generated from operations

	2024-2025	2023-2024
	KShs	KShs
Surplus for the year before tax	409,912,634	128,509,711
Adjusted for:		
Depreciation	64,417,520	46,032,345
Provisions for bad debts	25,852,254	(1,477,562)
Impairment of equipment	66,443,892	45,486
Non-cash donations	(299,741,908)	
Working Capital Adjustments		
Decrease in Receivables	(52,432,377)	28,726,611
Increase/(decrease) in payable to mentored institutions	(10,779,029)	27,217,935
Increase/(decrease) in trade and other Payables for current expenditure	18,315,074	472,653
Net Cash Flow from Operating Activities	221,988,061	229,527,179

Thika Technical Training Institute
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Notes to the financial statements (continued)

27. Financial risk management

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

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

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the institution's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the Institution's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	77,491,184	52,480,024	20,106,683	4,904,477
Bank balances	86,581,416	86,581,416	-	-
Total	164,072,600	139,061,440	20,106,683	4,904,477
At 30 June 2025				
Receivables from exchange transactions	123,506,861	76,497,776	46,665,751	343,335
Bank balances	56,239,869	56,239,869	-	-
Total	303,253,591	132,737,645	46,665,751	343,335

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

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

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

(ii) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade and other payables from exchange transactions	-	20,212,680	-	20,212,680
Refundable deposits from customers	-	-	1,155,440	1,155,440
Payable to mentored institutions	-	31,114,794		31,114,794
Total	-	51,327,474	1,155,440	52,482,914
At 30 June 2025				
Trade and other payables from exchange transactions	-	38,527,754	-	38,527,754
Refundable deposits from customers	-		1,155,440	1,155,440
Payable to mentored institutions	-	20,335,765		20,335,765
Total	-	58,863,519	1,155,440	60,018,959

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

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Financial risk management (continued)

Iv) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	1,185,624,377	583,477,589
Retained Earnings	1,152,949,081	743,036,450
Capital Reserve	1,129,398,580	1,129,398,580
Total Funds	3,467,972,038	2,455,912,619
Less: Cash and Bank Balances	(56,239,869)	(86,581,416)
Net Debt/(Excess Cash and Cash Equivalents)	86,581,416	86,581,416
Gearing	2%	4%

28. Related party balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Total		
b) Purchases from related parties		
Purchases of electricity from kplc	8,214,866	9,600,046
Purchase of water from Thika Water Co	4,140,458	3,862,366
Total	12,355,324	13,462,412
c) Grants /Transfers from the Government		
Grants from National Government	227,799,347	207,762,222
Total	227,799,347	207,762,222
d) Key Management Compensation		
Directors' emoluments	7,443,675	8,065,685
Extraneous allowance to Key Management		1,710,000
Total	7,443,675	9,775,685

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Aggregate remuneration of BoG members

Member	Honoraria	Sitting Allowance	Transport	Perdiem /Allowance	Bundles Allowance	Emp H/L
Dr. Joseph Njuguna Muguthu	841,200	480,000	317,800	54,600	0	7,225
Peris Muniafu	0	400,000	221,100	109,200	18,000	3,650
Stephen Chongoti	0	360,000	221,100	109,200	0	3,350
Daniel Ochieng Agola	0	276,350	205,800	54,600	0	3,350
Eng. Dr. Charles Mwaniki	0	336,350	219,800	54,600	18,000	3,650
Irene Wanjiru Karuru Kamau	0	300,000	193,100	54,600	0	3,050
Antony Moseka Pareyio	0	440,000	291,100	54,600	0	3,350
Lydia Musanzi Kyalo	0	340,000	221,100	54,600	0	3,650
Bishop Kennedy Mbatia	0	360,000	235,100	54,600	0	5,650
Mayryann Abdi	0	260,000	155,100	54,600	0	3,050
Jane Kariuki - MoE	0	20,000	17,500	0	0	0
Total	841,200	3,572,700	2,298,600	655,200	36,000	39,975

Aggregate Extraneous allowance to Key Management

S/N	Name	Designation	Amount
1	Hannah Mburu	Principal	240,000
2	Gerald Kigia	D/Principal Admin	216,000
3	John Njiru	D/Principal Academics	216,000
4	Stephen Wairima	Finance Officer	192,000
5	Joseph Gachau	Registrar	192,000
6	Mary Mungai	Dean of Students	192,000
7	Magdaline Njambi	Procurement Officer	168,000
8	Mercy Mwangi	Principal's Secretary	168,000
9	Peter Mugi	Security Officer	126,000
	Total		1,710,000

29. Events after the reporting period

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

30. Ultimate and holding entity

The entity is a State Corporation under the Ministry of Education State department of Vocational and Training. Its ultimate parent is the Government of Kenya.

31. Currency

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

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

32. Appendices

Appendix 1: Progress on follow up of auditor recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Long Outstanding Student Debtors	The management has set up the minimum amount to be paid every term before a student is reported for studies.	Resolved partly	Continuous
2	Unsupported Payment of Disputed Prior Year Invoices	The payment was done after the advice of the state council as the legal adviser of the institution,	Resolved	March 2025
3	Irregular Procurement of Graduation Booklets	A register was maintained , And Goods Received Note (GRN) sytem in place	Resolved	March 2025
4	Irregularities in Procurement of Fuel and Oil	Procurement process put in place accordingly	Resolved	March 2025
5	Irregularities in Staffing Requirements			
5.1	Understaffing in the Institution	In the financial year 2024-2025 the ministry posted Fifty-Five (55) New Trainers and Eighteen (18) trainers were recruited by the Board of Governance. In the month of February 2025, the institute advertised Thirty-Five (35) vacancies for the non-teaching staff.	Continuous resolve	June 2027

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5.2	Non-Compliance with Minimum Requirements on Ethnic Diversity	Management is working toward compliance of the minimum requirement on ethnicity diversity	Continuous resolve	June 2027
6	Anomalies in Rental Incomes	The Housing Policy and Tenancy Agreement were developed and approved by the Board. A meeting of all the tenants (Resident Staff) was held and sensitized on the same. They signed the Agreement with the new rates effective from January 2025.	Partly Resolved	September 2025
7	Irregular Use of Standing Tender Opening and Evaluation Committees.	ad hoc tender committees were constituted for each term to handle the specific procurement processes, including both opening and evaluation stages.	Resolve	May 2025
8	Incomplete Fixed Asset Register	Assets valuation and tagging was done and asset register updated	Resolved	May 2025
9	Non-Adherence to Audit Committee Quarterly Meetings	Board meetings Scheduled accordingly and its followed	Resolved	March 2025

Accounting Officer

HANNAH N. MBURU


Signature

Date. 18th September 2025.

Appendix II: Projects Implemented by Thika Technical Training Institute

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Construction of car-wash	4,624,637.00	4,624,637.00	100%	4,624,637.00	4,624,637.00	A in A
2	Installation of sub-boards on the Power house	3,320,000.00	3,320,000.00	100%	3,320,000.00	3,320,000.00	A in A
3	Construction of staff canteen	2,105,800.00	2,105,800.00	100%	2,105,800.00	2,105,800.00	A in A
4	Construction of Curing and masonry practicing workshop	4,691,568.00	4,691,568.00	100%	4,691,568.00	4,691,568.00	A in A
5	Procurement and Installation of Steam boiler	3,850,569.39	3,850,569.39	100%	3,850,569.39	3,850,569.39	A in A
6	Replacement of bricks with box profile iron-sheets on Labs and workshop	2,387,338.00	2,387,338.00	100%	2,387,338.00	2,387,338.00	A in A
7	Construction of steam boiler room	1,780,470.00	1,780,470.00	100%	1,780,470.00	1,780,470.00	A in A
8	Construction of 3 dome shape serving area	3,486,820.00	3,486,820.00	100%	3,486,820.00	3,486,820.00	A in A
9	Power reticulation from power house to cabro making machine	2,998,379.00	2,998,379.00	100%	2,998,379.00	2,998,379.00	A in A
10	Structural works to Construction of Access ramp to Resource center	3,640,893.77	3,640,893.77	100%	3,640,893.77	3,640,893.77	A in A
11	Finishes works to construction of Access ramp to	4,148,037.69	4,148,037.69	100%	4,148,037.69	4,148,037.69	A in A
12	Relocation of sewer next to new the staff complex	793,254.00	793,254.00	100%	793,254.00	793,254.00	A in A
13	Construction of two service bay	4,738,660.00	4,738,660.00	100%	4,738,660.00	4,738,660.00	A in A
14	Construction of sliding gate cabro and 2 turnstile shades	2,311,150.00	2,311,150.00	100%	2,311,150.00	2,311,150.00	A in A
15	Installation of solar system on Tuition block	3,863,220.00	3,863,220.00	100%	3,863,220.00	3,863,220.00	A in A
16	Installation of solar system on Lecture rooms Block	4,662,435.00	4,662,435.00	100%	4,662,435.00	4,662,435.00	A in A
17	Power reticulation from power house to New existing power house	3,270,670.00	3,270,670.00	100%	3,270,670.00	3,270,670.00	A in A
18	Construction of Generator house	1,258,759.00	1,258,759.00	100%	1,258,759.00	1,258,759.00	A in A
19	Procurement and Installation of three phase generator	10,496,942.86	10,496,942.86	100%	10,496,942.86	10,496,942.86	A in A
20	Construction of Auditorium -To be Completed FY 2025/2026	63,102,433.50	63,102,433.50	56%	132,238,812.50	63,102,433.50	A in A
21	Construction of Staff Complex - To be Completed FY 2025/2026	41,076,290.44	41,076,290.44	55%	80,696,592.95	41,076,290.44	A in A
22	Procurement of Toyota Hiace	6,191,389.00	6,191,389.00	100%	6,191,389.00	6,191,389.00	A in A
23	Procurement of 33 Seater Bus	8,125,812.00	8,125,812.00	90%	8,125,812.00	8,125,812.00	A in A
24	Procurement of 67 Seater Bus	16,050,500.00	16,050,500.00	90%	16,050,500.00	16,050,500.00	A in A

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity... State department for Technical, Vocational Education and Training

Name of beneficiary entity... Thika Technical Training Institute

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Receipt no 211791	20th September 2024	8,948,424.80		8,948,424.80	Scholarship
Receipt no 211795	20th September 2024	10,554,816.90		10,554,816.90	Scholarship
Receipt no 211797	20th September 2024	4,393,585.60		4,393,585.60	Scholarship
Receipt no 211804	23rd September 2024	221,551.20		221,551.20	Scholarship
Receipt no 211805	24th September 2024	10,984,826.50		10,984,826.50	Scholarship
Receipt no 211810	24th September 2024	33,230,425.00		33,230,425.00	Capitation
Receipt no 211811	25th September 2024	369,367.00		369,367.00	Scholarship
Receipt no 211812	23rd September 2024	43,110,925.00		43,110,925.00	Capitation
Receipt no 227897	15th January 2025	1,877,400.00		1,877,400.00	Monitoring and evaluation
Receipt no 236817	14th February 2025	115,985,425.00		115,985,425.00	Capitation
Receipt no 257633	8th May 2025		10,000,000.00	10,000,000.00	Kandara TVC Dev Grant
Total as at 30th June 2025		229,676,747.00	10,000,000.00	239,676,747.00	
Receipt no 269806	14th July 2025		11,111,111.00	11,111,111.00	Kenneth Matiba TVC Dev Grant
Total		229,676,747.00	21,111,111.00	250,787,858.00	

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

fw **Head of Accounts Department - Disbursing Entity:**
 Name Grace Kinyatta Sign [Signature] Date 22/8/25

Head of Accounts Department - Beneficiary Entity:
 Name S. K. Kamau Sign [Signature] Date 22/8/25

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Tree planting	participating in Mazingira day celebration on 10th October 2024 at Karibaribi primary school as by Planting trees	To increase trees coverage in the nearby schools	Planting 5100 tree seedlings		8,400	367,743		A in A	None
Tree planting	Tree planting exercise at Thika Road near Kenyatta University, Kisiwa Comprehensive school and General Kago primary school on 29th March, 1st and 2nd April 2025 respectively as attached.	To increase trees coverage in the nearby schools					10,200	A in A	None

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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
Firefighting equipment	Procuring fire alarm system, fire blankets, fire extinguishers	Fire	Disaster preparedness – to be well prepared and equipped in case of fire outbreak	Inspection, and refilling of fire extinguishers	937,363	This expenditure was budgeted for during the year hence implemented as per budget provision