

REPUBLIC OF KENYA



Enhancing Accountability

REPORT


THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 19 JUN 2025 DAY: Thursday

OF
TABLED
BY:

Hon. Silvanus Ogori
(Majority Party Whip)

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Anastacia

PARLIAMENT
OF KENYA
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THE AUDITOR-GENERAL

ON

**MUKURWEINI TECHNICAL TRAINING
INSTITUTE**

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



MUKURWEINI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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



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

Mukurweini Technical Training Institute
Annual Report and Financial Statements For the year ended 30th June 2024

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2. Key Entity Information and Management

(a) Background information

Mukurweini TTI was started in 2014 under the Ministry of education department of vocational training; the Institution is represented by the Cabinet Secretary for education who is responsible for the general policy and strategic direction of the Institution.

(b) Principal Activities

Mukurweini Technical Training Institute is under the Ministry of Education in the State Department of Technical and Vocational Training and has the mandate to provide quality Technical Vocational Training and Entrepreneurship training for effective and sustainable nation building.

Our Vision

A world class TVET institution producing highly skilled professionals for sustainable development.

Our Mission

To impart trainees with relevant skills, knowledge and values through provision of quality Technical and Vocational Education and Training.

Our Values

- Integrity
- Professionalism
- Innovativeness
- Team Work
- Customer centric.

(c) Key Management

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

- Board of Governors
- Accounting officer/ Principal
- Top Management

(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:

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
MTTI	Mukurwe-ini Technical Training Institute
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
Fiduciary Management	Key management personnel who have financial responsibility in the entity
Entity/Institute	Mukurwe-ini Technical Training Institute

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

- (iv) Reviewing current and pending corporate governance related litigation or regulatory proceedings to which the institution is party;
- (v) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas;
- (vi) Ensuring the internal auditor's access to the audit committee, encouraging communication beyond scheduled committee meetings;
- (vii) Reviewing internal audit plans, reports and significant findings; and
- (viii) Establishing a direct reporting relationship with the external auditors.

Academics and Human Resource Committee Activities

The Committee shall exercise all the powers of BOG in Education, Research and Human Resource matters except in relation to items which are reserved to BOG, on which the Committee shall advise the BOG. The Committee responsibilities shall include:

- (i) Driving the Institute's research agenda in line with the country's Vision;
- (ii) Encourage research culture in the institute;
- (iii) Institutionalize networking, collaboration research and outreach in the Institute;
- (iv) Encourage innovation and handle issues to do with intellectual property rights;
- (v) Ensure dissemination of research findings;
- (vi) Advises the Board of Governors on the strategic direction of the Institute's academic activities, academic risks and the overall effectiveness of services in support of the academic endeavour;
- (vii) Responsible for providing assurance to the Board of Governors on the effectiveness of the Institute's academic governance arrangements, the student experience, and setting and maintaining standards;
- (viii) Support the development of HR policies, guidelines, procedures, regulations and standard; and
- (ix) Monitor labour administration in the Institute.

Senior Management Activities

The main purpose of the senior management team is to:

- (i) Ensure that MTTI's BOG is able to take strategic decisions relation to the Institute's activities;
- (ii) Provide leadership in communicating MTTI's mission, vision, strategic goals, core values, plans and achievements effectively and consistently to BOG, Government, and Staff, Clients, community members and the general public and other stakeholders;
- (iii) Be accountable for the development and implementation of the Institute's strategic, corporate and business plans in line with the mission and vision; and
- (iv) Take a strategic overview of performance in all areas of the Institute's activities.

SN.	Designation	Name
1.	Principal	Samuel Mwangi
2.	Deputy Principal Administration	Milcah Muthama
3.	Deputy Principal Academics	Charles Mwaura
4.	Finance Officer	Esther Karuita
5.	Procurement Manager	Francis Ngure

(e) Fiduciary Oversight Arrangements

Finance and Infrastructure Committee Activities

The Committee shall exercise all the powers of BOG in financial matters except in relation to items which are reserved to BOG, on which the Committee shall advise the BOG.

Terms of Reference: The role of the Committee shall be to monitor the financial status of the Institute on behalf of the BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

- (i) To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters;
- (i) To receive reports from the Accounting Officer ensuring that ensuring that financial statements are understandable, transparent and reliable;
- (ii) To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new projects;
- (iii) To determine the fees and charges made for the institute services and facilities;
- (iv) To supervise the financial administration of the Institute and make recommendations to BOG where appropriate;
- (v) To supervise the arrangements for safeguarding the Institute's assets;
- (vi) To ensure the proper financial evaluation and control of projects;
- (vii) To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments;
- (viii) To ensure the appropriate exploitation of the Institute's intellectual property;
- (ix) To make recommendations to BOG on the financing of projects; and
- (x) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institute.

Audit, Risk and Governance Committee Activities

The Committee shall exercise all the powers of BOG in audit, governance and risk management matters except in relation to items which are reserved to BOG, on which the Committee shall advise the BOG. The Committee responsibilities shall include:

- (i) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic;
- (ii) Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top;
- (iii) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud;

Key Entity Information and Management (Continued)

(j) Principal Legal Adviser

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

Specifically, the Senior Management Team:

- i) Make recommendations to the BOG on the implementation and achievement of the Board’s Strategic Framework;
- ii) Monitor the Institute’s Corporate Plan delivery through appropriate key management and performance information reporting to the Board of Governors appropriately;
- iii) In light of income projections and forecasts, considers the annual grants and operational expenditures and monitors such expenditures;
- iv) Determines strategic issues arising from the introduction of new policies or process, including actively managing risks across the Institute and regularly reviewing the corporate risk register;
- v) Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Board and/or its relevant Committees; and
- vi) Leads all managers in motivating and developing the Institute’s staff to deliver the highest standards of performance and customer service.

(f) Entity Headquarters
P.O. Box: 23-10103
Mukurweini, Nyeri.
Mukurweini Town.






(g) Entity Contacts
P.O. Box: 23-10103
Mukurweini, Nyeri.
Telephone :(+254) 710440944
E-mail: mukurweinitti@gmail.com
Website: www.mukurweinitechnical.ac.ke

(h) Entity Bankers






Equity Bank Mukurweini Branch P.O. Box 450-10103 Mukurweini, Kenya	Kenya Commercial Bank Mukurweini Branch P.O Box 233 - 10103 Mukurweini, Kenya
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(i) Independent Auditors
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

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Photo and name of the BOG Members	Description of each BOG's date of birth, key qualifications and work experience
 6. Lilian Bonareri Maisiba Member	<p>Date of birth:1991</p> <p>Academic Qualifications: M.A Communication & Media Studies</p> <p>Work Experience: Works as a Chief Information & Public Communication Officer at Kisi County, 2017 to date.</p>
 7. Ruchuiya Kimani Member	<p>Date of birth:1992</p> <p>Academic Qualifications: Master of Laws (LL.M), Bachelor of Law (LL.B), Post Graduate Diploma in Law, Diploma in Accounting and Business (ACCA).</p> <p>Work Experience: Attorney at Nyeri County, 2015 to date</p>
 8. Charles Nyota Member	<p>Date of birth: 1969</p> <p>Qualifications: Master of Science in Computer Science</p> <p>Work Experience: TVET Administration, County Director TVET Nyeri County</p>
 9. Symon Kamore Member	<p>Date of birth: 1973</p> <p>Qualifications: M.B.A Strategic Management & Finance, BED Science, CPA (K), C.I.S.A Member IOD</p> <p>Work experience:</p>
 10. Samuel Mwangi Principal/Secretary BOG	<p>Date of Birth: 1977</p> <p>Academic Qualifications: MBA -Strategic Management, Bachelor of Procurement and Contract Management, BED Arts, HND in Entrepreneurship Development.</p> <p>Work experience: 2003-2018 TSC trainer/HOD/PC Coordinator/ag. Deputy Principal. 2019 to date PSC deployment as TVET Principal</p>

3. Board of Governors

Photo and name of the BOG Members	Description of each BOG's date of birth, key qualifications and work experience
 <p>1. Anthony Maina Mithanga Chairman BOG</p>	<p>Date of birth: 1968 Qualifications; Bachelor of science. Work Experience: Director Biometric Ltd from 2005 to date.</p>
 <p>2. Fr. Evaristus Maranga Member</p>	<p>Date of birth: 1971 Qualifications: Masters in Philosophy Work experience: Lecturer- Christ the King Major Seminary, and currently working as the Education Secretary at Archdiocese of Nyeri (Catholic).</p>
 <p>3. Eng. Erick Auma Omondi Member</p>	<p>Date of birth: 1982 Qualifications: PHD in Civil Engineering. Work experience: Technical Manager at Avatech Consult Limited from 2016 to date</p>
 <p>4. Jackline Munyoki Member</p>	<p>Date of birth: 1971 Qualifications: B.SC Information Science. Work experience: Senior Administrative Assistant, 2016 to date.</p>
 <p>5. Dorcas Mwari Member</p>	<p>Date of birth: 1983 Qualifications: Bachelor of Science in Agricultural Economics and Resource Management. Work Experience: Works as a Branch Manager at the Cooperative Bank of Kenya, 2017 to date.</p>







Francis Ngure
Procurement Officer

Qualifications: Diploma in Purchasing & Supplies Management

Experience: 14 years

4. Key Management Team

Photo and name of the Management	Description of each key profession/academic qualification
 <p>1 Samuel Mwangi Principal</p>	<p>Qualifications: MBA -Strategic Management, Bachelor of Procurement and Contract Management, BED Arts, HND in Entrepreneurship Development.</p> <p>Experience: 22 years</p>
 <p>2. Milcah Muthama Deputy-Principal Administration</p>	<p>Qualifications: BED Technical Education – Building Construction</p> <p>Experience: 7 years</p>
 <p>3. Charles Mwaura Deputy Principal Academics</p>	<p>Qualifications: CPA Finalist</p> <p>Experience:32 years</p>
 <p>Esther Karuita Finance officer</p>	<p>Qualifications: Bachelor’s degree in business administration. (Finance) CPA (K)</p> <p>Experience: 15 years</p>

6. Report of the Principal

I am pleased to give a review of Mukurwe-ini Technical Training Institute for the FY 2023/24. I wish to state from the onset that the institute is well placed to continue providing quality and relevant training to her graduates that will enable them to contribute towards the attainment of our country's Vision 2030 strategic objectives and the government's Bottom-Up Economic Transformation Agenda (BETA). In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate our institutional policies and academic programs to ensure competitiveness in terms of quality and relevance. With the guidance of the Governing Board, we have worked hard in setting up structures aimed at guiding the institution in the right strategic direction.

During the Financial Year 2023/2024, the TVET sector underwent major reforms in terms of curriculum design and funding model. The Government of Kenya directed all TVET institutions to fully implement the Competency Based Education and Training (CBET) curriculum effective September 2023. The institute complied and mounted CBET programs during the September 2023 intake and the subsequent intakes.

During the year under review, the Government of Kenya introduced a new funding model for TVETs and universities. The total fee for TVETs was set at Kshs. 67,189 which was to be financed partly as scholarship partly HELB loan and partly by the Households. This was based on the categorization resulting from Mean Testing Instruments (MTI) which classified trainees into 5 different bands. This model applied to trainees admitted from September, 2023. This was a shift from the previous model that was based on capitation per trainee. In the previous model, the total tuition fee had been capped at Kshs. 56,420. All eligible trainees would receive capitation of Kshs. 30,000 while the balance of Kshs 26,420 would be paid by the parents, guardians and sponsor including The Higher Education Loans Board (HELB).

During the year 2023/2024, there was an increase in trainee enrolment from 1801 to 1811 by the close of the financial year ended 30 June 2024. The increment could be attributed to introduction of courses in Hair Dressing and Beauty Therapy and Automotive Engineering as well as increased marketing activities. The institute managed to put up the cosmetology and automotive workshop during the year under review.

The institute also continued with good performance in national exams registering 84.1% overall pass in KNEC examinations March, 2024 series. I acknowledge the dedication and team spirit of all the staff who have continued to work selflessly to realize the mission of MTTI. The institute also participated in various co-curricular activities such as sports and games, drama festivals and TVET fairs where trainees not only competed but also showcased their talents and abilities. The institute also introduced the dual training mode of training where trainees in Electrical Operator and Water Engineering were on-boarded. Dual training entails training with the industry and for the industry where trainees gain the industry experience as they undertake the course.

On behalf of the Institute Board of Governors and Management, I take this opportunity to thank the Government for unequivocal support during the year under review. In particular, I acknowledge the recruitment of trainees during the year under review by the Public Service Commission where the institute received 7 additional trainees.

I also appreciate the support of all our stakeholders and partners during the year. Special thanks to the Chairmen and members of the Board for their valuable insights and guidance in their oversight role. I look forward to the continued support in the new financial year and the years ahead.

5. Chairman’s Statement

I am delighted to present my insights on the institute’s performance during the FY2023/24. The Institute remained focused on its mission to impart trainees with relevant skills, knowledge and values through provision of quality technical and vocational education and training.

During the year under review, the Board of Governors played its oversight and resource mobilization role effectively. The Board ensured that resources were availed to facilitate quality training and assessment throughout the year. The Board also facilitated the review of the institute’s Strategic Plan to align with the Government economic policy of Bottom-up Economic Transformation Agenda (BETA). In addition, the Board reviewed and approved the institute’s academic policy to accommodate the changes in the curriculum design and also reflect the current realities in the TVET sector. The Institute maintained prudent financial management strategies and controls to avoid wastage of resources. I wish to report that the management ensured compliance with the various regulatory bodies including Kenya Revenue Authority, National Social Security Fund and National Hospital Insurance Fund by paying all the requisite taxes and remittances as permitted by the legislation.

The institute managed to expand facilities by constructing and equipping an automotive workshop as well as cosmetology workshop. This has gone a long way in ensuring diversification of the programs. I wish to recognize and appreciate the support given by the Government of Kenya through capitation, scholarships and loans which has gone a long way in making the training affordable. In a special way I acknowledge the support of our development partner, African Development Bank (AfDB) who have been instrumental in the growth of the institute. During the year under review, the institute benefitted from AfDB funded project, Mechanical Engineering workshop which was 75% complete by the end of the financial year under review. I thank the Ministry of Education for managing the project effectively.

The Board also wishes to thank all the stakeholders including the management, trainers, administrative staff, service providers, parents/guardians, trainees, the community surrounding the Institute.

God bless us all.



.....
Caroline Muturi
CHAIRMAN BOG
Date:01/05/2025

7. Statement of Performance against Predetermined Objectives

Mukurweini Technical Training Institute has nine strategic pillars/issues/ themes and objectives within current Strategic Plan for the FY2023- FY2028. These strategic pillars are as follows: Governance, Curriculum Implementation, Facilities and Infrastructure, Human Resource Development, ICT Integration, Research Development and Innovation, Collaboration, Linkages and Networking, Enrolment and Tracer Studies and Income Generating Activities.

Mukurweini Technical Training Institute develops its annual work plans based on the above nine pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2023/2024 period for its nine strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: GOVERNANCE	To maintain and continually improve principles of good governance	<ul style="list-style-type: none"> - Revised academic policy - Formulation of Board charter - Review of Strategic plan 	Development of Institutional policies	- Well-coordinated policy direction
Pillar2: CURRICULUM IMPLEMENTATION AND DEVELOPMENT	To offer quality training	<ul style="list-style-type: none"> - Adequate skilled and experienced trainees - Adequate tools, equipment and materials 	<ul style="list-style-type: none"> - Training - Attachment - Field trips - Dual training - Assessment 	- Exemplary performance in KNEC examination
Pillar 3: FACILITIES & INFRASTRUCTURE, EQUIPMENT, MACHINES & TOOLS.	To upgrade the Institute facilities and Infrastructure	<ul style="list-style-type: none"> -New workshops -Maintained infrastructure -Adequate furniture 	<ul style="list-style-type: none"> -Construction of automotive workshop(shed) - Cosmetology workshop -Provision of lecture chairs 	<ul style="list-style-type: none"> -constructed workshops -Maintained infrastructure. -Availability of furniture
Pillar4: HUMAN RESOURCE DEVELOPMENT	To recruit, capacity build and maintain qualified staff	Training needs assessment reports. Appraisal reports	Participating in seminars and workshops	Improved performance and motivated workforce
Pillar 5: ICT INTEGRATION	Enhance the process of automation	<ul style="list-style-type: none"> -Availability of ICT related appliances -upgrading the networking infrastructure and segmentation 	<ul style="list-style-type: none"> -Installation of modern operating systems -Upgraded network and reduced down time 	<ul style="list-style-type: none"> Efficient and faster data processing Improved service delivery
Pillar6: RESEARCH, INNOVATION & DEVELOPMENT	To enhance research, innovation and development	-Participate in trade fairs and exhibitions	<ul style="list-style-type: none"> -Training -Presentations 	-Tap new talents, skills and innovativeness
Pillar 7: COLLABORATION, LINKAGES AND	To strengthen and enlarge linkages with	<ul style="list-style-type: none"> -Onboard -Records of partnership 	- List of industry practitioners engaged	-Improved MTT collaborations

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In conclusion, I assure all stakeholders that the Institute is on course in achieving her mandate resource challenge notwithstanding. It is our hope that the economic environment will be favourable to allow for timely disbursement of allocated funds. During the year under review, the institute was faced with reduction in capitation revenue per trainee. Each trainee was to receive capitation of 7,500 per quarter but the government instead released Kshs 3,500, Kshs3,500 and Ksh.4,000 in quarters one, two and three respectively. The capitation for quarter four is yet to be remitted. This adversely affected our performance and budget projections. However, look forward to a better performing year ahead.

Thank you and God bless you all.



.....

SAMUEL MWANGI

PRINCIPAL/SECRETARY BOG

Date: 02/05/2025

8. Corporate Governance Statement

The statement outlines the key aspects of the Institute's corporate governance framework. Corporate governance is the process by which the Institute is directed, controlled and held to account. It provides the structure through which the strategic objectives of the Institute are set, and the means of attaining of them as well as monitoring performance. Corporate Governance dictates the engagement between the Institute Board of Governors, Management, Regulators and all Stakeholders.

The Institute in its decision-making processes observes the highest ethical standards and benchmarks on global best practices in compliance with the applicable legal principles, its vision, mission and core values for sustainability of the Institute.

(i) The Board charter.

The Board is guided by the Board Charter which defines the governance procedures within which the Board exists and operates. The charter was enacted by the board in December 2023 and it clearly states the respective roles, responsibilities and the authorities of the Board and its Committees.

(ii) Board Appointment and Composition.

In accordance with the TVET Act, 2013, the Board of Governors consists of nine persons appointed by the Cabinet Secretary for a period for of three years and who are eligible for re-appointment for a further one term.

The membership of the Board of Governors comprises of;

- (a) The Chairperson;
- (b) Representative of the Principal Secretary in the Ministry of Education Science and Technology, State Department of TVET
- (c) Representative of the Governor of County Government of Nyeri
- (d) Six (6) other members appointed on the basis of their knowledge and experience in— (i) leadership and management; (ii) financial management; (iii) technology; (iv) industry; (v) engineering; (vi) information communication technology

Some of the roles of the Board of Governors include:

- (a) Approve the policies of the Institute
- (b) Recruit staff
- (c) Approve the Annual Budget
- (d) Cause the Accounts to be kept and financial statement to be prepared and presented for audit.
- (e) Undertake other functions set out in the TVET Act, 2013.

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NETWORKING	strategic partners nationally and internationally		in dual training and industrial attachment -Signed MOU with partners	
Pillar 8: ENROLLMENT AND TRACE STUDIES	-Mount additional courses -Track graduates upon completion of their course	Increased enrolment	Marketing the Institute	-Increased number of students -Up to date data bank for MTTI graduates.
Pillar 9: INCOME GENERATING ACTIVITIES	-To supplement Institute revenue	- Implementation of IGU policy	Develop IGU units	Increased revenue collection

9. Management Discussion and Analysis

SECTION A:

(a) The Institute’s Performance

Revenue

The Institute’s sources of funds during the year under review includes;

- (i) Government Grants – Capitation
- (ii) Internally generated funds – Tuition and other related charges
- (iii) Transfers from the Ministry of Gender and Youth affairs for NYS trainees.

During the year, revenue of Ksh.14,048,500 was received from the national government as capitation, Ksh.16,977,800 receivable from the Ministry of Gender and Youth Affairs for NYS trainees, Ksh. 72,960,405 from for rendering of services and Ksh.2,421,261 from other incomes generated internally. The Institute’s total revenue increased by 21% to Ksh. 106,407,966 from Ksh. 88,262,201. The variance was attributed to increased student enrolment and increased fees due to changes in the new funding model.

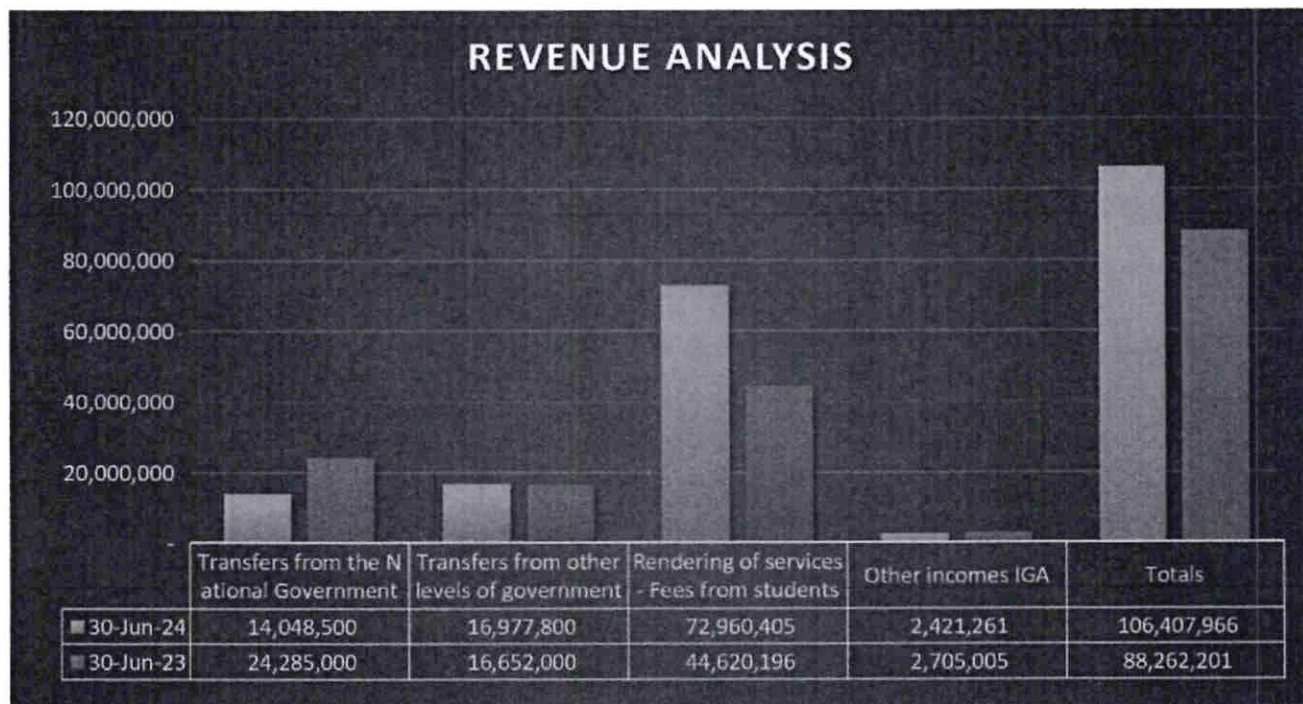


Fig. 1. The Institute’s Comparative Revenue Analysis for the periods ending 30th June 2023 and 30th June 2024.

Expenditure

The institute’s expenditure comprises of the use of goods and services, employee costs, repairs and maintenance, the board of governor’s costs, and general expenses.

(iii) Board Diversity

The Board members possess a broad range of skills, expertise, experience and knowledge essential to undertake the institute's mandate. The institute endeavors to and remains compliant with the one third (1/3) gender balance.

(iv) Separation of Powers

The Chairman of the Board's responsibilities include the operation, leadership and governance of the Board, ensuring its effectiveness and setting its agenda. The Institute Principal's roles and responsibilities include the day-to-day management of the Institute's business and overseeing the implementation of strategies, policies approved by the Board.

(v) Board's Effectiveness

In order to ensure that the Board members are effective in their contribution to the management of the Institute, the members undergo regular training to enable them to fulfill their responsibilities. The Board members undergo a comprehensive induction and capacity building program upon their inauguration.

(vi) Sitting Allowances of the Board

The Board members are remunerated for their service in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. The remuneration includes sitting allowances per sitting to the Chairman and members. In addition, sitting allowances may be payable when on official duty in and outside the country.

(vii) Conflict Of Interest

The Institute conflict of interest policy outlines the circumstances under which a conflict of interest may arise. Board members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the organization. However, a board member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the board. A register of interests is maintained and declarations of any conflicts of interests are made at the start of each committee and board meetings.

(viii) Committees of the Board:

The Institute has a total of three committees which are;

COMMITTEE	MEMBERS
(i) The Audit, Risk and Governance Committee	1. Mr. Kimani Ruchuiya - Chairperson 2. Fr. Evaristus Maranga 3. CPA Mercy Ngure -Internal Auditor
(ii) Finance and Infrastructure Committee	1. Mr. Simon Kamore - Chairperson 2. Eng. Erick Auma 3. Ms. Lilian Maisiba
(iii) Academic and Human Resource Committee	1. Ms. Jackline Munyoki - Chairperson 2. Ms. Dorcas Mwari 3. Mr. Charles Nyota

(e) The proposed projects are provided in the table below:

No.	PROPOSED PROJECTS	SOURCE OF FUNDS
1	Erection of farm house at Karindi farm	Internally generated revenue
2	Construction of an ablution block at the main field	Internally generated revenue

(f) Major Challenges and Risks Facing the Institute

The following are the major challenges facing the Institute.

No.	Challenge	Mitigation
1	Delayed disbursement of capitation funds from the Government	Making formal follow-ups including, writing letters and visiting the Ministry of Education Offices
2	Infrastructure limitation due increased trainee population.	Constructed temporary lecture halls, writing and submitting proposals to the Ministry of Education for Development Grants.

(g) The Entity's Financial Probity and serious Governance Issues

There are no financial probity and serious governance issues during the year under review.

10. Environmental And Sustainability Reporting Statement

Mukurweini Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, 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 triple Bottom Line concepts analyses the sustainability of an organization based on three concepts: Profits, People (social) and Planet (environment).

Profit: The institute has adopted a transformation strategy aimed at ensuring that she remains financially sound in the face of dwindling funding from the government. The institution has expanded its capacity for internally generated income like making furniture and growing crops for sale

Social: The institute has developed a Human Resource management policy to address the welfare of employees and ensure that the organization is sustainable in the future

Environment: The Board of Governors has plans to undertake an environmental sustainability audit and developed an environmental policy to address the issues of environmental sustainability that will be identified during the audit.

The overall expenditure for the period decreased by 7% to 104,0128,406 from 111,374,535 in the last financial year.

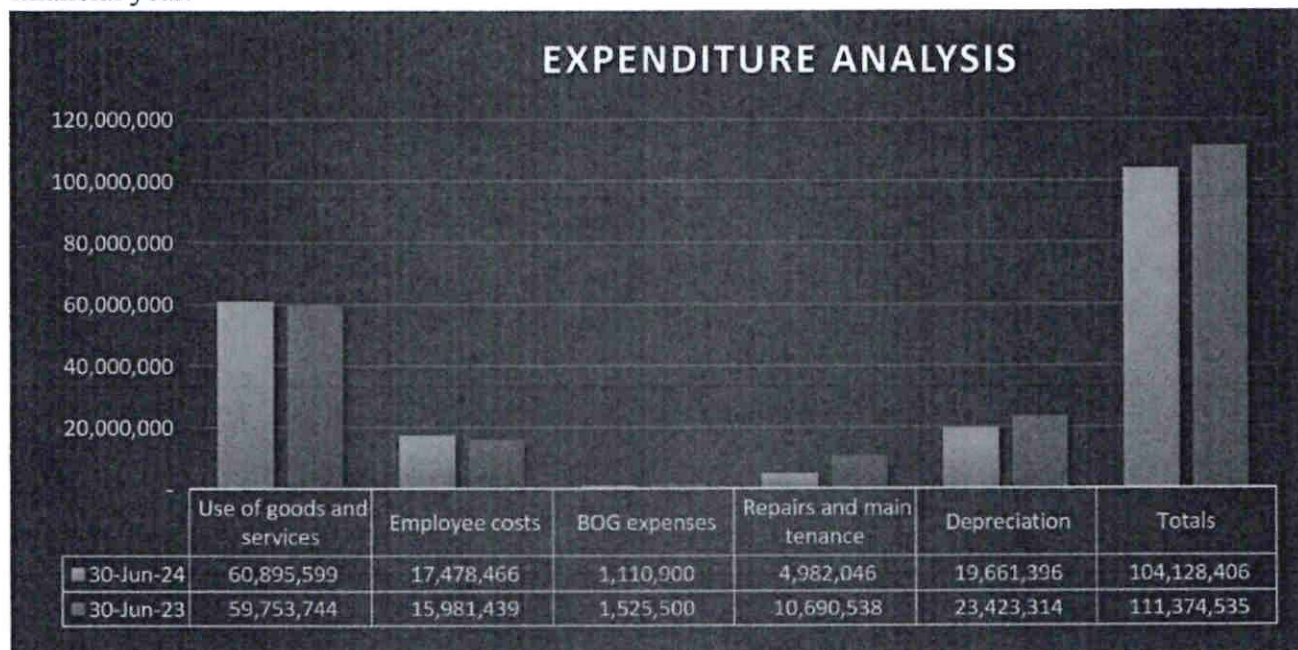


Fig. 2. The Institute’s Comparative Expenditure Analysis for the periods ending 30th June 2023 and 30th June 2024.

(b) The Institute’s Compliance with Statutory Requirements

The Institute complies with statutory requirements and has remitted payroll statutory deductions over the years.

(c) Material Arrears in Statutory/Financial Obligations

The Institute does not have any loan default, pending bills, tax default, outstanding staff and pension obligation/actuarial deficit.

(d) Key Projects and Investment Decisions the Institute is Planning/Implementing

During the year under review the Institute undertook the following projects some of which are works in progress

No.	ONGOING PROJECTS	SOURCE OF FUNDS
1	AfDB Phase III-Mechanical Engineering Workshop	GoK /AfDB

6	Disability Mainstreaming	Regularly	The institute offers equal employment opportunities to officers living with disability. The institute also offers rights and privileges as provided in the PWDs Act and Board employment policies
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Market place practices-

Responsible Supply Chain and Supplier relations

The institute has maintained good business practice by complying with the government policy and Section 227 of The Constitution of Kenya.

All procurement activities have continuously been carried out where Supply Chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure.

The organization has maintained and continuously updated list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs.

Mukurweini Technical Training Institute has at all-time ensured responsible treatment of the suppliers in various ways as featured below;

- i) Ensuring proper communication channels e.g. Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- ii) Providing customer support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- iii) When doing procurement planning the institute has complied with preference and reservation requirements.
- iv) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

Corporate Social Responsibility / Community Engagements

During the year under review, the institute carried out various CSR activities to impact the society such as tree planting, road safety awareness and helping the less fortunate in our community.

Employee welfare

The Institute values employees and all stakeholders, including the wider community where the training of our students has the potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through community

Environmental performance

Use of soft-copy materials has been encouraged and thereby reducing on the use of paper. Training sessions are conducted with the use of white boards instead of chalk board thereby reducing dust and related effects.

Employee welfare

The Institute values her employees and the stakeholders, including the wider community where the training of our students has the potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through community consultation process. Capacity building trainings were conducted during the year to improve on the staff competency.

We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviors of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel.

Activity	Description
Better training	<ul style="list-style-type: none"> • Optimizing training operations to meet ongoing social and sustainability objectives. • Providing opportunities for growth as the Institute by becoming involved in our local community.
Enhanced community	<ul style="list-style-type: none"> • Focusing on good urban design and empowered members for healthy, happy and resilient community.
Supported Staff	<ul style="list-style-type: none"> • Promoting initiatives that support staff and their families, beyond the provision of employment. • Promoting initiatives that recognize the contribution of the students to the community.

Policies Guiding the Institute’s Hiring Process

S/no	Title	Review Period	Remarks
1	Career Progression	Regularly	Vacant positions are filled competitively both internally and externally. Financial resources are considered before effecting the strategy
2	Human Resource 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	The Institute observes equal employment opportunities during staff recruitment across all genders

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, 2024, which show the state of the Institute's affairs.

Principal activities

The principal activities of the institute are is to provide high quality Technical and Vocational Education and Training and Research that promote Creativity and Innovations to meet global challenges

Results

The results of the Institute for the year ended June 30 2024 are set out on page 1 to 5.

Board of Governors

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

Auditors

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

By Order of the Board



.....
Samuel K Mwangi
Secretary of the Board

Mukurweini Technical Training Institute

Date: 02/05/2025

Mukurweini Technical Training Institute
Annual Report and Financial Statements For the year ended 30th June 2024

consultation process. Capacity building trainings were conducted during the year to improve on the staff competency and planning for retirement.

We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviors of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We integrate the principles of social responsibility into our training activities externally by minimizing our environmental impact and seeking to enhance the amenity of residential communities.

Activity	Description
Better training	<ul style="list-style-type: none">• Optimizing training operations to meet ongoing social and sustainability objectives.• Providing opportunities for growth as the Institute by becoming involved in our local community.
Enhanced community	<ul style="list-style-type: none">• Focusing on good urban design and empowered members for healthy, happy and resilient community.
Supported Staff	<ul style="list-style-type: none">• Promoting initiatives that support staff and their families, beyond the provision of employment.• Promoting initiatives that recognize the contribution of the students to the community.

Corporate Social Responsibility / Community Engagements

During the year under review, the institute carried out various CSR activities to impact the society such as tree planting, road safety awareness and helping the less fortunate in our community.

12. Statement of Board of Governors Responsibilities

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

The board members are responsible for the preparation and presentation of Mukurweini Technical Training Institute financial statements, which give a true and fair view of the state of affairs of Mukurweini Technical Training Institute for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Mukurweini Technical Training Institute (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

Approval of the financial statements

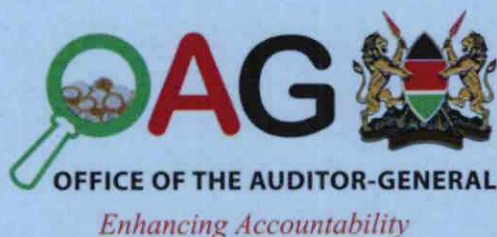
The Mukurweini Technical Training Institute's financial statements were approved by the Board on 22/4/2025 and signed on its behalf by:

.....
Chairperson of the Board/Board

.....
Samuel K Mwangi
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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

Report of the Auditor-General on the Mukurweini Technical Training Institute for the year Ended 30 June, 2024

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 Mukurweini Technical Training Institute set out on pages 1 to 31, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in Net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mukurweini Technical Training Institute as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unexplained Variances in Refundable Deposits.

The financial statements and as disclosed in Note 8 to the financial statements reflects refundable deposits from students totaling Kshs.2,223,500. However, review of the ledger provided for audit indicates a balance of Kshs.1,525,063 as refundable deposits resulting to unreconciled and unexplained variance of Kshs.698,437.

In the circumstance, the accuracy of the refundable deposits balance could not be confirmed.

2. Doubtful Recoverability of Receivables from Non-Exchange Transactions

The financial statements and as disclosed in Note 17 to the financial statements reflects receivables from non-exchange transaction of Kshs.23,821,150 which relates to

capitation receivable from the Ministry of Education and the Ministry of Gender and Youth Affairs. However, schedules provided for audit indicated a total amount of Kshs.9,922,500 was overdue for over three years and Kshs.13,898,650 was also overdue from the Ministry of Education and Ministry of Gender and Youth affairs as a capitation receivable.

In the circumstances, the recoverability of the receivable balance of Kshs.23,821,150 from non-exchange transactions could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the 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.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters above, provide the basis for my audit opinion on the accompanying financial statements.

Other Matter

Budget Control and Performance

Review of the Institute's approved budget of Kshs.100,014,103 revealed total expenditure of Kshs.84,467,011 representing 84% of the budget, resulting to under expenditure of Kshs.15,547,093(16%). In addition, budgeted revenue was Kshs.117,143,000 against actual revenue realized of Kshs.106,407,966 representing 90% of budgeted revenue resulting to revenue short fall of Kshs.10,735,034 being 10% of budgeted revenue.

In the circumstances, the underperformance and underfunding of the budget affected the planned activities and impacted negatively on service delivery to the public.

Other Information

Conclusion

The Management is responsible for the Other Information set out on page iv to xxvi which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of The Board of Governors, and statement of the Board of Governors Responsibilities.

The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact.

Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements

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 USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on the Lawfulness and Effectiveness in Use of Public Resources section of my report, I

confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Lack of Staff Ethnic Diversity and Gender Balance

The College has a total of thirty-three (33) staff members out of which twenty-six (26) are Male representing 78% and seven (7) females representing 22% in violation of the constitutional requirements of not less than a third gender balance in Article 27(8). In addition, the audit revealed that out of the total staff composition of thirty-three, twenty-six (26) representing 78% are from the dominant ethnic group in violation of Section 7 of National Cohesion and Integration Act 2012.

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

2. Failure to Update the Fixed Assets Register.

The statement of financial position and as disclosed in Note 19 to the financial statements reflects property, plant and equipment. However, review of the fixed asset register revealed that the new acquisitions were not updated contrary to Section 143 of the Public Finance Management (National Government) Regulations, 2015, that requires every accounting officer to maintain an updated register of all assets under their control or possession.

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

3. Lack of Imprest Register

The financial statements and as disclosed in Note 9 reflects Kshs.60,895,599 in respect to use of goods and services. However, included in this amount was Kshs.4,300,495 that was spent on travelling and accommodation without being accounted for in the imprest register contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) which provides that the imprest applicant should be recorded in the imprest register including the amount applied for.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 effects of the matter described in the Basis for Conclusion on the 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.

Lack of Information Technology Policy

The College lacks Information Security Policy contrary to section 165(1)(b)/158(1)(b) of Public Finance Management Act 2012 which requires Accounting Officers to ensure their entities develop a system of risk management and internal controls that enhance business operations.

In the circumstances, the ICT risk management in the institution could not be confirmed and therefore Management was in breach of the law.

The audit was conducted in accordance with ISSAIs 2315 and 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 Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance. In preparing the financial statements, Management is responsible for assessing the 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.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework 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 IFPP 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

19 May, 2025

**Mukurweini Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2024**

14. Statement of Financial Performance for the Year Ended 30 June 2024

	Notes	Year ended 30 June 2024	Year ended 30 June 2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government	6	14,048,500	30,690,000
Transfers from other levels of government	7	16,977,800	16,652,000
Total Revenue from non-exchange transactions		31,026,300	47,342,000
Revenue from exchange transactions			
Other incomes IGA	8	2,421,261	2,705,005
Rendering of services- Fees from students	9	72,960,405	44,620,196
Revenue from exchange transactions		75,381,666	47,325,201
Total revenue		106,407,966	94,667,201
Expenses			
Use of goods and services	10	60,895,599	59,753,744
Employee costs	11	17,478,466	15,981,439
BOG expenses	12	1,110,900	1,525,500
Repairs and maintenance	13	4,982,046	10,690,538
Depreciation	14	19,661,395	23,423,314
Provision for bad debts			
Total expenses		104,128,406	111,374,535
Surplus for the year		2,279,560	(16,707,334)

(The notes set out on pages 6 to 31 form an integral part of the Annual Financial Statements).

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



.....

Chairman of Board

Date 02/05/2025



.....

Principal

Date 02/05/2025



Finance Officer

ICPAK No 32319

Date 02/05/2025

15. Statement of Financial Position as at 30th June 2024

	Notes	30-Jun-24	30-Jun-23
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	4,499,117	1,187,738
Receivables from exchange transactions	16	26,183,606	36,617,833
Receivables from non-exchange transactions	17	13,898,650	-
Inventories	18	937,964	-
Total Current Assets		45,519,337	37,805,571
Non-current assets			
Property, plant and equipment	19	369,132,899	383,336,248
Intangible Assets	20	1,967,847	2,416,000
Total Non-current Assets		371,100,746	385,752,248
Total assets		416,620,083	423,557,819
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	1,885,238	8,316,981
Refundable deposits from customers	22	901,629	696,063
Total Current Liabilities		2,786,867	9,013,044
Net Assets		413,833,216	414,544,775
Capital and Reserves			
Reserves		366,245,094	369,236,211
Accumulated surplus		47,588,122	45,308,564
Total Reserves		413,833,216	414,544,775
Total Net Assets and Liabilities		413,833,216	414,544,775

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



.....
Chairman of Board

Date 02/05/2025



.....
Principal

Date 02/05/2025



.....
Finance Officer
ICPAK No 32319

Date 02/05/2025

16. Statement of Changes in Net Asset for the Year Ended 30th June 2024

Description	Accumulated surplus	Capital Reserves	Total
Balance brought forward as 30th June 2022	39,922,112	246,969,443	286,891,555
Surplus for the year	22,093,784	-	22,093,784
Revaluation Gain	-	138061831	138,061,831
Balance carried forward as at 30 June 2022	62,015,896	385,031,274	447,047,171
Balance brought forward as at 1 July 2022	62,015,896	385,031,274	447,047,171
Surplus for the year	-16,707,334		-16,707,334
Adjustment		-15,795,063	-15,795,063
Balance carried forward as at 30 June 2023	45,308,562	369,236,211	414,544,775
Balance B/F 1st July 2023	45,308,562	369,236,211	414,544,775
Surplus for the year/deficit	2,279,560		2,279,560
Adjustment		-2,991,117	(2,991,117)
Balance carried forward as at 30th June 2024	47,588,122	366,245,094	413,833,216

**Mukurweini Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2024**

17. Statement of Cash Flows for The Year Ended 30 June 2024

Cash flows from operating activities	Notes	30-Jun-24	30-Jun-23
Receipts		Kshs	Kshs
Transfers from National government	6	14,048,500	30,690,00
Transfers from other Government entities	7	16,977,800	6,676,3000
Other incomes IGA	8	2,421,261	2,705,005
Rendering of services- Fees from students	9	71,805,905	41,703,265
Total Receipts		105,253,466	81,774,570
Payments			
Compensation of employees	11	17,478,466	15,981,439
Use of goods and services	10	60,895,599	58,192,984
BOG remuneration	12	1,110,900	1,525,500
Repairs and maintenance	13	4,982,046	9,545,428
Total Payments		84,467,011	85,245,351
Cash flow from Operations before working capital changes		20,786,456	-3,470,781
Increase in receivables			-14,665,266
Decrease in payables			-13,579,057
Cash flow from operations	24	(9,837,130)	-
Net cash flow from operating activities		10,949,326	-28,244,323
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	19&20	(7,637,947)	-2,665,674
Net cash flows used in investing activities		(7,637,947)	-2,665,674
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents		3,311,379	(34,380,878)
Cash and cash equivalents at 1 July		1,187,737	35,568,615
Cash and cash equivalents at 30 June		4,449,116	1,187,737

Mukurweini Technical Training Institute
Annual Report and Financial Statements
For the year ended 30th June 2024

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

	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	Performance	% of Utilization	Explanation
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs		
Transfers from National Government-capitation	48,533,962	-	48,533,962	14,048,500	34,485,462	(71%)	(a)
Transfers from other Government entities	14,400,000	-	14,400,000	16,977,800	(2,577,800)	18%	(b)
Rendering of services- Fees from students	50,451,038	-	50,451,038	72,960,405	(22,509,367)	45%	(c)
Other income- IGA and rental income	3,758,000	-	3,758,000	2,421,261	1,336,739	(36%)	(d)
Total Receipts	117,143,000	-	117,143,000	106,407,966	10,735,034		(e)
Payments	-						
Compensation of employees	18,775,750	-	18,775,750	17,478,466	1,297,284	(7%)	
Use of goods and services	74,066,353	-	74,066,353	60,895,599	13,170,755	(18%)	(e)
BOG remuneration	2,086,500		2,086,500	1,110,900	975,600	(47%)	(f)
Repairs and maintenance	5,085,500	-	5,085,500	4,982,046	103,454	(2%)	
Total recurrent expenditure	100,014,103	-	100,014,103	84,467,011	15,547,093	(16%)	
Surplus for the period	17,128,897		17,128,897	21,940,956	(4,812,059)		
Development Expenditure	17,128,897		17,128,897	7,637,947	9,490,950	55%	(g)

(Budget notes)

- (a) The variance was due to reduced capitation for the first three quarters from Kshs 7,500 per quarter to 3,500,3,500 and 4,000. Capitation for quarter four was not disbursed in totality.
- (b) The variance was due to increased trainees from NYS in the third quarter increasing the revenue receivable
- (c) The variance was due to increased fees arising from the new funding model leading to increase in fees collectible
- (d) The variance was due to decreased revenue from Income Generating Activities.
- (e) The variance was due to reduced operations due to cash flow problems as a result of decreased and delayed capitation and scholarship disbursements.
- (f) The variance was due to adoption of virtual meeting thus reduced expenses.
- (g) The variance was due to lack of funds to undertake budgeted projects.

19. Notes to the Financial Statements

1. General Information

Mukurweini TTI entity is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is training.

2. Statement of Compliance and Basis of Preparation

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

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3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should

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

iii. Early adoption of standards

MTTI did not early-adopt any new or amended standards in year 2023/2024

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the 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 2023/2024 was approved by the Board on 30.06.2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 5 under section of financial statements of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule 1 of the Income Tax Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

The depreciation rates used are as follows:

Land	-
Building	5%
Motor vehicles	25%
Furniture and fittings	12.5%
Computers	30%
Equipment	12.5

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the

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

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date. The intangible assets are amortized at the rate of 20% p.a

h) Research and development costs

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

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

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

i) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

The Institute regards a related party as a person or an 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.

s) Service concession arrangements

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

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6. Transfers from other National Government entities

Transfers from National Government Ministries	Year ended 30 June 2024	Year ended 30 June 2023
Description	Kshs	Kshs
Unconditional grants		
Operational grant/Capitation	14,048,500	15,690,000
Development grants	-	8,595,000
Total Government grants and subsidies	14,048,500	24,285,000

The amount relates to Kshs 4,553,500, 4,431,000, 5,064,000 for quarter 1,2, and 3 respectively. Capitation for quarter four was not disbursed from the Ministry of Education.

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of Education	14,048,500	-	-	-	30,690,000
Total	14,048,500	-	-	-	30,690,000

7. Transfers from Other Levels of Government

	Year ended 30 June 2024	Year ended 30 June 2024
Description	Kshs	Kshs
National Youth Services	16,977,800	16,652,000
Total transfers from other levels of government	16,977,800	16,652,000

This relates to income receivable from the National Youth Services for trainees placed in the institute. The fees receivable per trainee is Kshs 144,800 per year.

8. Other incomes

	Year ended 30 June 2024	Year ended 30 June 2023
Description	Kshs	Kshs
Income Generating Activities	2,421,261	2,705,005
Total Other Incomes	2,421,261	2,705,005

This relates to income generated from Income Generating Activities.

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9. Rendering of Services

Rendering of Services	Year ended 30 June 2024	Year ended 30 June 2023
Description	Kshs	Kshs
SES (Tuition)	34,681,295	21,638,603
Personal Emoluments (PE)	13,113,464	8,178,370
Local Travel & Transport (LT&T)	3,572,417	2,119,135
Repair Maintenance & Improvement (RMI)	2,720,887	1,167,831
Electricity Water & Conservancy (EWC)	2,673,815	2,314,365
Activity Fund	3,826,969	2,378,259
Examination fees	3,401,139	4,564,317
Industrial Attachment, insurance	6,577,619	1,471,916
Student ID	498,500	204,500
Registration fees	498,500	245,400
Student welfare	897,300	337,500
TVETA fee	498,500	-
Total Rendering of Services	72,960,405	44,620,196

This relates to income receivable from trainees as per the fees structure for the year 2023/2024. Trainees under the old funding model were to pay Kshs.26,420 per year and under the new funding model were to pay Kshs.67,189 comprising of government scholarship, Helb loan and household contribution. The revenue was accrued at the end of the financial year.

10. Use of Goods and Services

	Year ended 30 June 2024	Year ended 30 June 2023
Description	Kshs	Kshs
Admin fees	11,757,196	19,561,809
Activities	6,415,348	4,937,113
Electricity and water	2,788,793	3,199,805
Student welfare	1,062,574	626,334
Teaching materials	9,977,401	3,733,394
Industrial attachment	1,225,458	1,045,137
Exams	7,992,110	8,448,650
ICT integration	3,097,712	1,185,067
IGA - Income Generating Activities	2,488,246	1,610,902
Registration	92,800	-
Local travel	4,300,495	5,861,445
Student ID	73,605	79,755
Bank charges	68,840	56,670
School equipment and store expenses	3,397,361	2,336,498
Meals and Accommodation	6,157,660	7,071,165
Total general expenses	60,895,599	59,753,744

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11. Employee Costs

Employment Cost	Year ended 30 June 2024	Year ended 30 June 2023
Description	Kshs	Kshs
Salaries and wages	17,478,466	15,981,439
Total Employee costs	17,478,466	15,981,439

12. Board Expenses

BOG Expenses	Year ended 30 June 2024	Year ended 30 June 2023
Description	Kshs	Kshs
BOG expenses	1,110,900	1,525,500
Total BOG Expenses	1,110,900	1,525,500

13. Repairs and maintenance

	Year ended 30 June 2024	Year ended 30 June 2023
Description	Kshs	Kshs
Repair, maintenance and improvement	4,982,046	10,690,538
Total repair, maintenance and improvement	4,982,046	10,690,538

14. Depreciation and Amortization expense

	Year ended 30 June 2024	Year ended 30 June 2023
Description	Kshs	Kshs
Property and equipment	19,557,824	23,423,314
Amortization Expense	103,571	
Total depreciation	19,661,396	23,423,314

15. Cash and Cash Equivalents

Cash and Cash Equivalents	30-Jun-24	30-Jun-23
Description	Kshs	Kshs
KCB Development	28,323	191,314
KCB Bank-Operation	1,701,945	308,522
Equity Bank- Tuition	2,703,410	64,849
Equity Bank- Exam	29,272	558,053
Cash on hand	36,166	65,000
Total cash and cash equivalents	4,499,116	1,187,738

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

Financial Institution	Account number	30-Jun-24	30-Jun-23
		Kshs	Kshs
a) Current Account			
KCB Development		28,323	191,314
KCB Bank-Operation		1,701,945	308,522
Equity Bank- Tuition		2,703,410	64,849
Equity Bank- Exam		29,272	558,053
Sub- Total		4,462,950	1,122,738
b) On - Call Deposits			
Cash in Hand		36,166	65,000
Sub- Total		36,166	65,000
Grand Total		4,499,117	1,187,738

16. Receivables from Exchange transactions

16 (a) Current Receivables from Exchange transactions

Receivables from Exchange Transactions	30-Jun-24	30-Jun-23
Description	Kshs	Kshs
Current receivables		
Student debtors	26,183,606	36,617,833
Total Receivables from Exchange Transactions	26,183,606	36,617,833

16 (b) Ageing Analysis of Receivables from Exchange transactions

Description	Insert Current FY		Insert Comparative FY	
	Kshs 2023-2024		Kshs 2022-2023	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	14,051,659	50%	13,857,107	38%
Between 1- 2 years	7,658,928	27%	11,019,129	30%
Over 3 years	4,546,624	23%	4,103,820	32%
Total (a+b)	26,183,606	100%	36,617,833	100%

17. Receivables from Non-Exchange transactions

Receivables from Non-Exchange transactions	30-Jun-24	30-Jun-23
Description	Kshs	Kshs
Government capitation	-	-
Ministry of Gender and Youth Affairs (NYS)	13,898,650	-
Receivables from non-exchange Transactions	13,898,650	-

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The capitation receivable relates to capitation arrears for the FY2021/2022

17 (a) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	Year ended 30 June 2024		Year ended 30 June 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	13,898,650	58%	-	0%
Between 1- 2 years	-	0%		100%
Between 2-3 years		42%	-	0%
Total	13,898,650	100%		100%

18. Inventories

	30-Jun-24	30-Jun-23
Description	Kshs	Kshs
Consumables	937,964	-
Total inventories at the lower of cost and net realizable value	937,964	-

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19. Property, Plant and Equipment

Depreciation Rates	0%	5%	25%	12.5%	30%	12.5%		
	Land	Buildings	Motor Vehicles	Furniture and fittings	Computers	Plant, Machinery and Equipment	Work-in-progress (WIP)	TOTAL
COST	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs		Kshs
At 1 July 2022	93,200,000	230,687,100	11,396,875	7,764,372	5,320,692	52,558,988		400,928,026
Additions	-	4,019,985	-	170,550	910,000	127,000		5,227,535
Revaluation gain (loss)	-	-	-	-	-	-		-
At 30 June 2023	93,200,000	234,707,085	11,396,875	7,934,922	6,230,692	52,685,988		406,155,561
ACCUMULATED DEPRECIATION								
Depreciation	-	11,373,559	2,593,060	946,333	1,622,939	6,283,423		22,819,314
At 30 June 2023	-	11,373,559	2,593,060	946,333	1,622,939	6,283,423	-	22,819,314
Net book values								
At 30 June 2023	93,200,000	223,333,526	8,803,815	6,988,589	4,607,753	46,402,565	-	383,336,248
At 30 JUNE 2022	93,200,000	230,687,100	11,396,875	7,764,372	5,320,692	52,558,988	-	400,928,026
At 1 July 2023	93,200,000	223,333,526	8,803,815	6,988,589	4,607,753	46,402,565		383,336,248
Additions	-	-	-	1,171,600	705,300	475,245	5,285,802	7,637,947
Revaluation gain (loss)	-	-	-	-	-	-		-
At 30 June 2024	93,200,000	223,333,526	8,803,815	8,160,189	5,313,053	46,877,810	5,285,802	390,974,195
ACCUMULATED DEPRECIATION								
Depreciation	0	11,166,676	2,200,954	1,020,024	1,593,916	5,859,726	0	21,841,296
At 30 June 2024	93,200,000	212,166,850	6,602,861	7,140,165	3,719,137	41,018,084	5,285,802	369,132,899
Net book values								
At 30 June 2024	93,200,000	212,166,850	6,602,861	7,140,165	3,719,137	41,018,084	5,285,802	369,132,899

Work in progress relates to Furniture, equipment, computers and development projects that were not fully operational and were not due for depreciation.

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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 **Icon Valuers** professional valuers on 22.05.2022. These amounts were adopted in the financial statements on 30 June 2024.

19 (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:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	93,200,000	-	93,200,000
Buildings	223,333,526	10,447,665	212,885,860
Plant And Machinery	46,877,810	5,028,663	41,849,147
Motor Vehicles including Motorcycles	8,803,815	1,651,023	7,152,792
Computers and Related Equipment	5,313,053	1,182,386	4,130,667
Office Equipment, Furniture, And Fittings	8,160,189	903,505	7,256,684
Total	385,688,393	19,213,243	366,475,150

20. Intangible Assets

Description	30-Jun-24	30-Jun-23
	Kshs	Kshs
Cost		
At beginning of the year	2,071,418	1,800,000
Additions	-	1,220,000
At end of the year	2,071,418	3,020,000
Valuation gain		-
At end of the year	2,071,418	3,020,000
Amortization and impairment		
At beginning of the year	-	-
Amortization	(103,571)	(604,000)
At end of the year	1,967,847	2,416,000
Impairment loss		-
At end of the year		
NBV	1,967,847	2,416,000

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21. Trade and Other Payables

Description	Year ended 30 June 2024		Year ended 30 June 2023	
	Kshs		Kshs	
Trade payables	1,885,238		6,487,731	
Fees paid in advance-NYS	-		1,451,950	
Total Trade and Other Payables	1,885,238		7,939,681	
Ageing analysis:	FY2023-2024	% of the Total	FY2022-2023	% of the Total
Under one year	1,885,238	100%	7,939,681	100%
Total (to tie to totals above)	1,885,238	100%	7,939,681	100%

22. Refundable Deposits from Students

Description	Year ended 30 June 2024		Year ended 30 June 2023	
	Kshs		Kshs	
Caution money	901,629		696,063	
Fees paid in advance	-		-	
Total Trade and Other Payables	901,629		696,063	

23. Employee Benefit Obligations

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.1,080 per employee per month.

24. Cash generated from operations.

Surplus for the year before tax	Year ended 30 June 2024	Year ended 30 June 2023
	Kshs	Kshs
Adjusted for:		
Depreciation	19,661,395	23,423,314
Operating cashflow before working capital changes	21,940,956	310,980

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Working Capital Adjustments		
Increase in Receivables	(3,464,423)	(14,665,266)
Increase in Payables	(5,434,743)	(13,579,057)
Increase in inventories	(937,964)	-
Net Cash Flow from Operating Activities	12,103,826	(27,933,343)

25. 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

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

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

The carrying amount of financial assets recorded in the financial statements representing the entity'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 2023				
Receivables from exchange transactions	36,617,833	36,617,833	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	1,187,738	1,187,738	-	-
Total	47,728,071	47,728,071	-	-
At 30 June 2024				
Receivables from exchange transactions	26,183,606	26,183,606	-	-

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Receivables from non-exchange transactions	13,898,650	13,898,650	-	-
Bank balances	4,499,117	4,499,117	-	-
Total	44,581,373	44,581,373	-	-

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	6,487,731	-	-	6,487,731
Total	6,487,731	-	-	6,487,731
At 30 June 2024				
Trade Payables	1,885,238	-	-	1,885,238
Total	1,885,238	-	-	1,885,238

(iii) Market risk

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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.

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

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

iv) Capital Risk Management

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

Description	30-Jun-24	30-Jun-23
	Kshs	Kshs
Retained Earnings	62,735,243	38,903,563
Capital Reserve	365,369,879	385,031,274
Total Funds	428,105,122	423,934,837
Less: Cash and Bank Balances	(4499117)	(1,187,738)
Net Debt/ (Excess Cash and Cash Equivalents)	(4499117)	(1,187,738)
Gearing	0%	0%

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

- i) The National Government;
- ii) The Ministry of Education;
- iii) Key management;
- iv) Board of directors;

27. Events After the Reporting Period

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

28. Ultimate And Holding Entity

The entity is a State an Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

29. Currency

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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	Unsupported fuel expenditure	Agreed with the observation	Resolved	30 th June 2023
2	Inaccurate statement of changed in net assets	Agreed with the observation	Resolved	30 th June 2023
3	Lack of ethnic staff diversity	Observation agreed with and will be complied with forthwith	Not resolved	Work in progress
4	Failure to provide internal audit records and reports	Agreed with the observation.	Resolved	30 th June 2024
5	Lack of Risk management policy, disaster recovery and business continuity plans	Agreed with the observation. Risk management policy Formulated	Resolved	30 th June 2024



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Samuel K Mwangi
Accounting Officer
Principal
Date 02/05/2025

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Appendix II: Projects Implemented by Mukurwe-ini Technical Training Institute.

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
AfDB Phase III-Mechanical Engineering Workshop*		GoK /AfDB				No

**The project is being carried out by the Government of Kenya and Africa Development bank and the project documentations are with the Ministry of Education.*

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Construction of Automotive workshop shed	2,129,545	2,129,545	100%	2,000,000	2,129,545	Fees
2	Construction of Canteen 2	899,040	899,040	100%	1,000,000	899,040	Fees

Appendix III- Inter-Entity Confirmation Letter

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Name of transferring entity: **Ministry of Education**

Name of beneficiary entity: **Mukurweini Technical Training Institute**


Confirmation of amounts received by Mukurweini Technical Training Institute as at 30th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
FT23271ZYHVI	28/9/2023	4,553,500 (Capitation Q1)	-	-	
FT24018X6DQF	18/1/2024	4,431,000 (Capitation Q2)	-	-	
FT24031JYG8P	31/1/2024	5,064,000 (Capitation Q3)	-	-	
Total		14,048,500		14,048,500	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name **Mary Kiugu**. Sign  Date **02/05/2025**

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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		

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