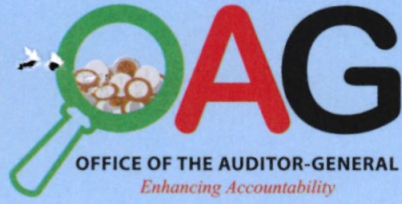



REPUBLIC OF KENYA



 <b>THE NATIONAL ASSEMBLY</b> <b>PAPERS LAID</b>			
<b>REPORT DATE: 26 FEB 2026</b>			
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PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**MURANG'A TECHNICAL TRAINING  
INSTITUTE**

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



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**MURANG'A TECHNICAL TRAINING INSTITUTE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30<sup>TH</sup> JUNE 2025**

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

**Murang'a Technical Training Institute**  
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## 1. Acronyms & definition of key terms

### A. Acronyms

<b>BOG</b>	Board Of Governors
<b>COVID – 19</b>	Corona Virus
<b>CSR</b>	Corporate Social Responsibility
<b>ECL</b>	Expected Credit Level
<b>FY</b>	Financial Year
<b>HELB</b>	Higher Education Loan Board
<b>HoD</b>	Head Of Department
<b>IEBC</b>	Independent Electoral Boundary Commission
<b>ICT</b>	Information Communication Technology
<b>ICPAK</b>	Institute Of Certified Public Accountants of Kenya
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>KCSE</b>	Kenya Certificate of Secondary Education
<b>KNEC</b>	Kenya National Examination Board
<b>KRA</b>	Kenya Revenue Authority
<b>MTTI</b>	Murang'a Technical Training Institute
<b>NBV</b>	Net Book Value
<b>NGAAF</b>	National Government Affirmative Action Fund
<b>NGCDF</b>	National Government Constituency Development Fund
<b>NITA</b>	National Industrial Training Authority
<b>PFM</b>	Public Finance Management
<b>PSASB</b>	Public Sector Accounting Standards Board
<b>TTI</b>	Technical Training Institute
<b>TVC</b>	Technical Vocational College
<b>TVET</b>	Technical Vocational Education Training
<b>Moe</b>	Ministry Of Education
<b>SAGA</b>	Semi Automatous Government Agencies

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B. Definition of Key Terms

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

**Comparative Year**- Means the prior period.

## 2. Key Institute Information and Management

(a) **Background information**

Murang'a Technical Training Institute was registered on 21/07/2021 in accordance with TVET act 2013 section 20 (1) and fast-growing Government middle level TVET Institution located in Maragua constituency in Murang'a County only 1kilometer from rapidly growing town of Maragua. The location provides a serene environment that is conducive for learning while availing all necessary amenities of an urban center. The institute has ample well-built infrastructure and facilities for the provision of quality technical skills, Business and Entrepreneur studies. The facility has spacious classrooms, well equipped workshops and computer laboratory.

The institute is headed by the principal Mr.Robinson Wachira who has wide experience in institution management having served in various institutions in senior positions. MTTI is managed by a committed Board of Governors drawn from various fields who oversees the learning and utilization of the institute resources. MTTI has made major strides in putting in place the required infrastructure and resources to mount quality TVET programmes.

The institute offers training in Competence Based Education (CBET) in all courses and course levels. The courses are offered in nine academic departments namely Mechanical Engineering, Building and Civil Engineering, Business and Entrepreneurship Studies, Electrical and Electronics Engineering, Hospitality and tourism, Fashion Design and cosmetology, Computing and Informatics and Agriculture and Environmental studies. Other support departments include Examinations, Guidance & Counselling, Industrial Liaison, Office of Career Services, Games and Sports, Performance Contract, Research and Quality Assurance.

(b) **Principal Activities**

The principal mission of the Murang'a Technical Training Institute is to equip trainees with technical & vocational skills for global competitiveness through innovation and technological empowerment

**Mission**

To provide competent graduates with relevant quality training, skills and technology meet for the global commerce and industry.

**Vision**

To be the leading Institution in the provision of quality technical & Vocational training.

**Core Values**

- Integrity

**Murang'a Technical Training Institute**  
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- Teamwork
- Professionalism
- Innovativeness
- Creativity

**(c) Key Management**

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

- Board of Governors
- Accounting Officer/ Principal
- Deputy Principal
- Heads of Departments
- Finance Officer
- Procurement Office

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Mr. Robinson Wachira	Principal/BoG secretary
2.	Mr. Ephantus Ngiri Wachira	Deputy Principal- Administration
3.	Ms Florence Maweu	Deputy Principal- Academic
4.	CPA Alex Kamau	Finance Officer
5.	Mr. Kelvin Wanyama	Procurement Officer
6.	Mr. Michael Tirop	Registrar/Exams Officer
7.	Mrs. Ann Mwangi	Dean of students
8.	Mr.Lameck Kirubi	ILO
9.	Mr. John Ndung'u	HoD Mechanical
10.	MS. Susan Wanja	HoD Building
11.	Mr. Francis N Muchai	HoD Electrical
12.	Mr.Harun Thumbi	HoD ICT
13.	Ms Joy Weddy Kanana	HoD Agriculture
14.	Mr. Eston Gateru	HoD Business
15.	Winfred Gakii	HoD Hospitality

**(e) Fiduciary Oversight Arrangements**

**Audit and risk committee activities**

**Risk Management**

- Monitor the effectiveness of risk management strategies.
- Review the risk register and mitigation measures.
- Advise the Board on emerging risks.

**Internal Controls**

- Assess the adequacy and effectiveness of internal control systems.
- Recommend improvements where necessary.

**Financial Reporting**

- Review financial statements before submission to the Board.
- Ensure transparency, accuracy, and compliance with applicable standards.

**Internal Audit**

- Approve the internal audit plan and monitor its implementation.
- Review internal audit reports and follow up on findings and recommendations.
- Assess the performance of the internal audit function.

**External Audit**

- Liaise with external auditors on the annual audit plan.
- Review audit findings and management responses.
- Ensure timely implementation of audit recommendations.

**Compliance**

- Ensure adherence to applicable laws, regulations, and policies.

**Finance and operations committee activities**

- Review and recommend the institution's annual budgets and forecasts.
- Monitor financial performance and review quarterly and annual financial reports.
- Assess and recommend financial risk mitigation strategies.
- Review and recommend fee structures, capital projects, and investment proposals.
- Oversee procurement plans and financial audits.
- Evaluate and support the implementation of the strategic plan.
- Advise on public-private partnerships, donor funding, and resource mobilization.
- Ensure compliance with financial regulations and policies.

**Human resource, training and research committee**

*Human Resource Functions*

- Review and recommend HR policies and procedures.
- Monitor staff recruitment, selection, and promotion processes.
- Oversee performance appraisal systems.
- Promote staff development and capacity-building initiatives.
- Advise on staff discipline, grievance handling, and welfare

*Academic Functions*

- Review and recommend new academic programs.

**Murang'a Technical Training Institute**  
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- Monitor academic quality assurance processes.
- Review training materials, curricula, and assessment methods.
- Ensure compliance with national TVET academic standards (e.g., TVETA, CDACC).
- Promote industry linkages and innovation in academic programs.

**(f) Institute Headquarters**

P.O. Box 27- 10205  
Maragua, Murang'a County  
Kenya

**(g) Institute Contacts**

Telephone: (254) 0748 108 000  
E-mail: murangatti@gmail.com  
Website: murang'atech. ac.ke

**(h) Institute Bankers**

**Central Bank of Kenya**

Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

**Other Commercial Banks**

Kenya commercial bank, Murang'a Branch

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue





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

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P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**Murang'a Technical Training Institute**  
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### 3. The Board of Governors


No.	Member/ Director	Details
1.	 <b>Chairman</b> Pro. Peter Kagwanja	D.O.B: 8/8/1963 PHD in Philosophy Masters of Arts – History, Politics, Economic History and Labour Studies Bachelor of Education CEO of Africa Policy Institute (API) Visiting scholar at the institute of diplomacy and international studies Principal consultant in the development of Kenya Foreign Policy
2.	 Rev Stanley Amukoa Ochiel	D.O.B 12/10/1972 MA in Leadership BA in Bible & Theology Diploma in Human Resources Management 24 Years Working Experience in administration and clergy duties at CITAM church.
3.	 Mrs. Judith Mbete Mutune	D.O.B: 22/03/1974 MA in Economics BA in Economics and Geography Higher Diploma in Management of Information Systems Computer networking Instructor training (part 1 and part 2) 19 Years Working experience
4.	 Eng. Watson N Nyamweya	D.O.B:20/10/1967 Advance professional training Germany in automotive Higher national diploma – mechanical engineering Diploma in business management Workshop manager DT Dobie & co 31 years of work experience

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No.	Member/ Director	Details
5.	 Secretary to the Board Eng. Robin Wachira	D.O.B: 17/09/1965 Bachelor of Science in Mechanical Engineering  28 years working Experience in TVET training and management.
6.	 Mrs. Millicent Wanjiru Gikunju	D.O.B 15/12/1982 Masters- Occupational Safety & Health Bsc. Food Science & Technology 15 Years Working Experience in occupational safety& health, quality, food safety management, training and ISO Auditing and implementation.
7.	 Dr. Linus Isaac Francis Ochieng'	D.O.B: 1988 PHD – Finance MSC – Finance & accounting Bachelors of commerce degree – Finance CPA(K) Academic/Lecturing and administration at JKUAT, Kenya School of monetary studies & KCA Tax consultant
8.	 Mr. Peter Kamau NJioka	D.O.B 18/03/1966 Masters of Business Administration Higher Diploma in Human Resources Management Diploma in Human Resource Management Certified Human Resource Professional Kenya 17 Years Working Experience in ICT Business, management Consultancy, Research, sales & marketing

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No.	Member/ Director	Details
9.	 Mr. Charles Nyota	County Director TVET Ms. In communication Science, University of Nairobi.  26Years of Experience in governance and management of technical institution



## 4. Key Management Team

No	Member	Details
1.	 Mr. Robinson Wachira	<b>Principal/BoG secretary</b> <b>Qualifications:</b> Bachelor of science in Mechanical Engineering, Diploma in technical Education
2.	 Mr. Ephantus Ngiri Wachira	<b>Deputy Principal- Administration</b> <b>Qualifications:</b> Master of business Administration (Finance), Bachelor of education (science) and CPA FINAL
3.	 Madam Florence Maweu	<b>Deputy Principal- Academic</b> <b>Qualifications:</b> Master of Computer science
4.	 Mr. Eston Gateru	<b>HoD Business</b> <b>Qualification:</b> DEGREE -BED, PTCl, KACE, KCE, CPE, senior management course, TVE CDACC
5.	 Mr. John Mwangi	<b>HoD Mechanical</b> <b>Qualifications:</b> Bachelor of Education in technology education and computing. (Automotive Technology)

**Murang'a Technical Training Institute**  
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No	Member	Details
6.	 MS. Susan Wanja	<b>HoD Building</b> <b>Qualifications:</b> Higher diploma in construction (building & civil Engineering option), Diploma in technical training programme and craft certificate in technical education programme.
7.	 Mr. Michael Tirop	<b>Registrar/Exams Officer</b> <b>Qualifications:</b> Bachelor of Education in electrical & electronics
8.	 Mr. Lameck Kirubi	<b>Industrial liaison's Officer</b> <b>Qualifications:</b> Bsc. IT 2ND Class Honour. Dipoma in IT (KNEC) Cisco Certified network associate (CCNA)
9.	 Madam. Anne Mwangi	<b>Dean of students</b> <b>Qualifications:</b> Degree in catering and accommodation
10.	 Mr. Francis N Muchai	<b>HoD Electrical</b> <b>Qualification:</b> Diploma in electrical and electronics engineering and Diploma in technical education in electrical and electronics engineering

**Murang'a Technical Training Institute**  
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No	Member	Details
11.	 CPA. Alex Kamau Njuguna	<b>Finance Officer</b> <b>Qualifications:</b> Bachelor of commerce
12.	 Mr. Kevin Wanyama	<b>Procurement Officer</b> <b>Qualifications:</b> Bachelor of Business management (purchasing and supplies chain management option)

## 5. Chairman's Statement

On behalf of the Board of Governors of Murang'a Technical Training Institute (MTTI), I am pleased to present the Chairman's Statement accompanying the financial statements for the financial year 2024/2025. This statement provides a highlight of the Institute's key achievements, challenges, and the future outlook as we continue to advance our mandate of providing quality technical and vocational education and training (TVET).

### Key Activities and Achievements During the Year

The 2024/2025 financial year was marked by remarkable progress in infrastructure development, academic growth, and student support. Key achievements include:

#### Infrastructure Development

- a) Completion of additional academic buildings to expand learning and office space.
- b) Modernization and improvement of the Mechanical, Building, and Hospitality workshops, enhancing hands-on training capacity.
- c) Acquisition of new training equipment and instructional materials to support competency-based education and training.

#### Transport and Logistics

- a) Successful acquisition of a **67-seater bus** and a **utility vehicle**, which have greatly improved mobility for academic, co-curricular, and administrative purposes.

#### Academic and Student Growth

- a) Significant **increase in student enrolment**, reflecting growing confidence in the quality of education and training offered at the Institute.
- b) Improvement in **students' performance in national examinations** administered by KNEC, NITA, and CDACC.
- c) Introduction of **new academic programmes** aligned with the Competency-Based Education and Training (CBET) framework, broadening opportunities for learners.

#### Modernization Efforts

- a) Initiatives towards digitalization and modernization of academic delivery and institutional management systems, ensuring efficiency and competitiveness in the TVET sector.

#### Challenges Faced During the Year

While the Institute made significant strides, a number of challenges constrained operations:

**Murang'a Technical Training Institute**  
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- **Delayed release of HELB funds and Government capitation**, affecting cash flow and timely service delivery.
- **Overstretched institutional resources** due to increasing student enrolment against limited facilities and staffing.
- **High wage bill**, occasioned by **understaffing from the Public Service Commission (PSC)**, compelling the Institute to engage more staff under Board of Governors (BoG) terms, straining financial resources.

### **Future Outlook and Way Forward**

Despite these challenges, the Institute remains optimistic about the future. Key priorities going forward include:

**Strengthening Financial Sustainability** Enhancing resource mobilization through partnerships, income-generating projects, and prudent financial management.

**Infrastructure Expansion** Continued investment in modern classrooms, workshops, laboratories, and recreation facility to cater for the growing student population.

**Human Resource Development** Advocacy for increased staffing through PSC and capacity-building of existing staff to match the evolving TVET training demands.

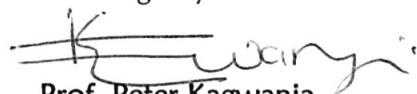
**Student-Centred Development** Expansion of student welfare services and academic support to ensure holistic development.

**Digital Transformation and Modernization** Scaling up digital learning platforms, e-resource centres, and management information systems for efficiency.

**Strengthened Partnerships and Collaboration** Leveraging linkages with industry, government agencies, and development partners to support training, innovation, and employment opportunities for graduates.

### **Conclusion**

On behalf of the Board, I commend the management, staff, and students for their dedication and commitment to the growth of Murang'a Technical Training Institute. I also extend our appreciation to the Government of Kenya, development partners, and the wider community for their continued support. The Institute remains committed to its mission of delivering quality, practical, and industry-relevant training, positioning our graduates to excel in the competitive job market and contribute meaningfully to national development.



**Prof. Peter Kagwanja**  
**Chairman: Board of Governors.**

## 6. Report of the Principal

The 2024/2025 financial year has been a period of remarkable growth, transformation, and resilience for Murang'a Technical Training Institute (MTTI). Despite challenges arising from delayed capitation and constraints in staffing, the institute has continued to pursue its mandate of providing high-quality technical and vocational training. This report presents highlights of the year's key achievements, challenges, financial analysis, and the strategic outlook for the future.

### **Key Activities and Successes**

During the year under review, the Institute recorded significant milestones:

#### **Infrastructure Development**

- a) Construction of additional mechanical workshop and buildings department shed to accommodate the growing student population.
- b) Upgrading of the Mechanical, Building, and Hospitality Workshops, creating modernized and industry-aligned training environments.

#### **Acquisition of Assets**

- a) Purchase of a 67-seater bus and a utility vehicle, significantly improving student mobility and logistics.
- b) Procurement of modern training equipment and materials, enhancing hands-on learning.

#### **Academic Growth**

- a) Increase in student enrolment, reflecting rising confidence in MTTI's programmes.
- b) Improved performance in KNEC, NITA, and CDACC examinations.
- c) Introduction of new academic programmes in response to market needs and Competency-Based Education and Training (CBET) demands.

#### **Sustainability and Partnerships**

- a) Acquisition and installation of water tanks for rainwater harvesting.
- b) Implementation of a solar power system, reducing reliance on the national grid and lowering utility costs.
- c) Strengthened Public-Private Partnerships (PPP) and collaborations with industry to support training, attachments, and resource mobilization.

### **Financial Performance Analysis** **Statement of Financial Performance**

**Murang'a Technical Training Institute**  
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- **Revenue:** The Institute's income was mainly derived from government capitation, tuition fees, internally generated income, and partnerships. A growth in student population translated into higher tuition revenue. The total revenue increased to Ksh. 99,409,440 from kshs 92,685,540. Translating to 7.3 % increase
- **Expenditure:** Major expenses were incurred on use of goods & services, salaries and wages, training materials, maintenance, utilities, and infrastructure development.
- **Surplus/Deficit:** Despite the delayed release of capitation and HELB funds, prudent financial management allowed the Institute to sustain operations, though cash flow constraints created temporary operational pressures.

Expenditure on development projects and asset acquisition increased, demonstrating a commitment to long-term institutional growth.

#### **Statement of Financial Position**

- **Assets:** The acquisition of the bus, utility vehicle, training equipment, solar system, and water tanks significantly increased the Institute's asset base.
- **Liabilities:** Short-term obligations rose due to delays in capitation and HELB disbursements, which occasionally led to strained working capital.
- **Equity/Net Worth:** The Institute's net worth improved, reflecting growth in fixed assets and infrastructure investments.

#### **Statement of Cash Flows**

- **Operating Activities:** Cash inflows from tuition fees and government grants were not always timely, resulting in liquidity challenges.
- **Investing Activities:** Significant outflows were recorded in the purchase of vehicles, workshop equipment, and infrastructural works.
- **Overall:** While investment in development projects reduced short-term liquidity, the long-term position of the Institute remains positive.

#### **Challenges**

The Institute faced the following challenges during the year:

1. **Delayed HELB and Government Capitation**, affecting cash flow and timely implementation of activities.
2. **Overstretched Resources** due to increased student enrolment against limited infrastructure and staff.
3. **High Wage Bill** arising from PSC understaffing, leading to reliance on BoG hired trainers.
4. Rising **operational costs** despite cost-cutting measures instituted by the management

**Murang'a Technical Training Institute**  
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### **Future Outlook and Way Forward**

Looking ahead, MTTI is committed to consolidating its gains and addressing the challenges to ensure sustainable growth. Strategic priorities include:

1. **Resource Mobilization:** Enhance PPPs, alumni engagement, and income-generating projects to supplement government funding.
2. **Staffing:** Engage the public service for increased PSC staffing to reduce wage pressure on internally generated funds.
3. **Digitalization and Modernization:** Expand e-learning platforms, digital record systems, and smart classrooms to improve service delivery.
4. **Infrastructure Expansion:** Continue construction of lecture rooms, laboratories, and workshops to accommodate enrolment growth.
5. **Financial Sustainability:** Strengthen financial controls, optimize cash flow management, and expand internal revenue streams.
6. **Quality Training:** Sustain improvements in student performance and align programmes with industry demands.

### **Conclusion**

The 2024/2025 financial year has been marked by significant progress in infrastructure, asset acquisition, and academic growth. Despite financial and staffing challenges, Murang'a Technical Training Institute has demonstrated resilience and prudent management. With continued stakeholder support, strategic partnerships, and focus on modernization, the Institute is well-positioned to achieve its vision of becoming a centre of excellence in technical and vocational education and training.

**PRINCIPAL**  
MURANG'A TECHNICAL TRAINING INSTITUTE  
P.O. Box 27 - 10205, MARAGUA  
Cell: 0748 108 000  
Email: murangatti@gmail.com

Rachel Kimani

Principal/Secretary of the Board

## 7. Statement of Performance against Predetermined Objectives

MTTI has eight strategic pillars and objectives within its Strategic Plan for the FY 2023-2028. These strategic pillars are as follows:

**Strategic Objectives**

- SO1: Introduce courses and programs
- SO2: Revenue generation
- SO3: Adequate Infrastructure
- SO4: Develop Institutional and Human Resource Capacity
- SO5: Promote the corporate image of the institution

MTTI developed its annual work plans based on the above nine pillars. Assessment of the Board's performance against its annual work plan is done on annual basis. The institute achieved its performance targets set for the FY 2024/2025 period for its eight strategic pillars, as indicated in the diagram below:

Pillar no	Strategic issues	Strategic Objective	Key Performance Indicators	Activities	Achievements
1:	Introduce courses and programs	To diversify training programmes	No. of students enrolled No. of programmes launched	Introduce new academic programmes	Introduced new academic programmes and applied for registration.
2:	Promote the corporate image of the institution	Improve Institutional corporate governance/Management	Organisational structure, institute management policies Board of governors' committee induction of the institute Board	Develop institution management policies, strategies and programmes	Developed institutional policies, strategies and programmes that are responsive to effective governance and management of TVET New institute board members inaugurated board committee established

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3:	Revenue generation	Enhance fees collection	fees collection & debts Control systems established and implemented	Develop fees collection policy	fees collection policy developed debt management policy developed and operationalized
4:	Human Resource	Enhance the staff adequacy and competent.	increased number of the PSC /BoG staffs	- Liaise with the PSC/BoG for meeting gaps in teaching as per the skills gap analysis done.	Additional trainers hired under both PSC and BoG terms
5:	Adequate Infrastructure	Upgrade infrastructure	number of new facilities constructed number of offices established	source for the BQ for the workshop Source for the material construct the offices and workshop sheds	Construction of the Automotive shed on-going

## 8. Corporate Governance Statement

Murang'a Technical Training Institute (MTTI) is committed to the principles of good corporate governance, which emphasize accountability, transparency, integrity, and effective stewardship of institutional resources. The Board of Governors provides oversight and ensures that the institute achieves its mandate in line with the Technical and Vocational Education and Training (TVET) Act, relevant government policies, and international best practices in governance.

### Appointment of Board Members

The appointment and removal of Board members is guided by the TVET Act, the Mwongozo Code of Governance for State Corporations, and other relevant government guidelines. Members are appointed by the Cabinet Secretary for Education, while removal follows due process anchored in law.

The appointment of the chairman and other members of the board is done by the cabinet secretary, ministry of education through a gazette notice to serve for period of three (3) years renewable once. The board members who served during the year under review were Inaugurated on 7<sup>th</sup> March, 2024. For the purpose of succession planning the Cabinet Secretary shall stagger the appointment of some members to maintain a proportion of new membership that ensures continuity in the services of the Board

### Names of the MTTI board members

No	Name	Designation	Term status
1.	Prof. Peter Kagwanja	Chairman	On-going
2.	Dr. Linus Ochieng	Member	On-going
3.	Eng. Watson Nyakundi	Member	On-going
4.	Mr. Robin Wachira	Principal- Secretary	On-going
5.	Mr.Charles Nyota	CD-TVET	On-going
6.	Ms. Judith Mutune	Member	Appointed
7.	Peter Njioka	Member	Appointed
8.	Mrs. Millicent Muchiri	Member	Appointed
9.	Rev. Stanley Amukoa Ochiel	Member	Appointed

The Board comprises a diverse mix of professionals with expertise in education, finance, governance, industry, and community representation. Diversity in terms of gender, age, and professional backgrounds ensures inclusivity and broad perspectives in decision-making.

The Board operates under a **Board Charter** that clearly outlines its mandate, responsibilities, and code of conduct.

**Murang'a Technical Training Institute**  
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### **Roles and Functions of the Board**

The primary role of the Board is to provide strategic direction, oversight, and policy guidance. Specific functions include:

Approving the strategic and annual work plans.

- a) Oversight of financial management and accountability.
- b) Monitoring institutional performance against set targets.
- c) Ensuring compliance with statutory and regulatory requirements.
- d) Safeguarding the welfare of students and staff.

### **Induction, Training, and Development**

All new Board members undergo a structured induction program to acquaint them with the institute's mandate, policies, and governance frameworks. Continuous training is provided through workshops, seminars, and benchmarking visits to enhance the Board's knowledge in governance, finance, risk management, and emerging trends in technical education.

### **Board and Members' Performance**

The performance of the Board and its members is evaluated annually in line with the Mwongozo Code. The 2024–2025 evaluation showed satisfactory performance in strategic oversight, financial management, and stakeholder engagement, with areas for improvement identified in digital transformation and industry linkages.

### **Number of Board Meetings and Attendance**

During the financial year 2024–2025, the Board held **six (6) ordinary meetings** and **two (2) special meetings**. Attendance was generally high, with an overall average participation rate of **90%**, reflecting the members' commitment to institutional growth.

### **Succession Plan**

The Board has approved a **Succession Planning Policy** that ensures continuity of leadership at both governance and management levels. The plan includes identification of potential leaders, mentorship, and training to ensure institutional stability.

### **Conflict of Interest Policy**

The institute has in place a **Conflict of Interest Policy** requiring members to declare any personal, professional, or financial interests that may compromise impartiality. Such declarations are recorded in the Board's conflict of interest register.

### **Board Remuneration**

Board remuneration and allowances are determined in accordance with the guidelines issued by the **Salaries and Remuneration Commission (SRC)**. The institute adheres strictly to the approved remuneration framework, ensuring transparency and fairness.

### **Ethics and Conduct**

The Board upholds the highest standards of integrity and ethical conduct. Members are bound by the **Code of Conduct and Ethics for Public Officers** and the institute's internal policies on professional behavior, accountability, and zero tolerance to corruption.

### **Governance Audit**

An independent **Governance Audit** was carried out during the year in compliance with the Mwongozo Code. The audit confirmed that MTTI has made significant progress in strengthening governance structures, with recommendations adopted to enhance accountability and effectiveness.

### **Communication Policy**

The institute has adopted a **Communication and Stakeholder Engagement Policy** that ensures timely, accurate, and transparent communication with students, staff, government agencies, development partners, and the public.

### **Terms of Reference of Committees**

The Board has established specialized committees to enhance its oversight role. Each committee operates under well-defined **Terms of Reference**, including:

- **Finance and Audit Committee** – oversees financial management, audit, and risk.
- **Academic and Standards Committee** – ensures curriculum quality, compliance, and student performance.
- **Human Resource and Governance Committee** – addresses staffing, welfare, and governance practices.

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**Board Meeting Attendance Register**

Board attendance register is **vital governance tool** that upholds accountability, transparency, and institutional growth while ensuring compliance with legal and policy frameworks.

**Board of Governors Meetings for FY 2024-2025**

**Attendance register for the risk & audit board committee**

Name	Designation	Q1	Q2	Q3	Q4
Dr. Linus Ochieng	Member	√	√	√	√
Ms. Judith Mutune	Member	√	√	√	√

**Attendance register for the academic & human resource board committee**

Name	Designation	Q1	Q2	Q3	Q4
Mrs. Millicent Muchiri	Member	√	√	√	√
Peter Njioka	Member	√	√	√	√
Eng. Watson Nyakundi	Member	√	√	√	√

**Attendance register for the finance & planning board committee**

Name	Designation	Q1	Q2	Q3	Q4
Mrs. Millicent Muchiri	Member	√	√	√	x
Peter Njioka	Member	√	√	√	√
Rev. Stanley Amukoa Ochiel	Member	√	√	√	√

**Attendance register for the full board committee**

Name	Designation	Q1	Q2	Q3	Q4
Prof. Peter Kagwanja	Chairman	√	√	√	√
Dr. Linus Ochieng	Member	√	√	√	√
Mrs. Millicent Muchiri	Member	√	√	√	√
Mr. Robin Wachira	Member	√	√	√	√
Mr. Charles Nyota	CD-TVET	√	√	√	√
Ms. Judith Mutune	Member	√	√	√	√
Peter Njioka	Member	√	√	√	√
Rev. Stanley Amukoa Ochiel	Member	√	√	√	√

**Policy on Related Party Transactions**

The institute has a clear **Related Party Transactions Policy** that requires disclosure of all transactions involving Board members or senior management. Such transactions are subject to strict approval processes to ensure transparency, fairness, and avoidance of undue influence.

**Conclusion**

Murang'a Technical Training Institute remains committed to entrenching strong corporate governance practices as a foundation for institutional sustainability and growth. The Board continues to align its operations with national policies, regulatory frameworks, and international best practices to deliver quality technical and vocational education.

**Murang'a Technical Training Institute**  
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### **Compliance with Statutory Requirements**

The Institute remained committed to compliance with statutory and regulatory obligations. Key compliance areas included:

- **Social Health Insurance Fund (SHIF):** Deductions and remittances made promptly as per the statutory deadlines.
- **National Social Security Fund (NSSF):** Full compliance in remitting employee contributions.
- **Pay As You Earn (PAYE):** Taxes deducted and remitted to Kenya Revenue Authority (KRA) on time.
- **National Industrial Training Authority (NITA):** Contributions fully settled as required.
- **Higher Education Loans Board (HELB):** Employer obligations honored, with timely remittance of employee deductions.
- **Occupational Safety and Health Act (OSHA):** Regular compliance audits conducted, ensuring adherence to workplace safety and health standards.

### **Major Risks Facing the Institute**

Management recognizes several risks that may impact performance and service delivery:

- **Financial Risks:** Delays in government capitation and rising operational costs may constrain service delivery.
- **Infrastructure Constraints:** Pressure on available facilities due to growing student population.
- **Regulatory Risks:** Frequent policy changes in the TVET sector require continuous adaptation.
- **Human Resource Risks:** Shortages in specialized trainers may affect training quality.
- **Technological Risks:** Inadequate ICT infrastructure could hinder full adoption of e-learning platforms.

Mitigation strategies are being implemented, including diversification of income streams, proactive infrastructure expansion, continuous staff training, and phased digitization.

### **Material Arrears in Statutory and Other Financial Obligations**

The Institute made significant effort to clear statutory obligations promptly. As at 30th June 2025:

- No material arrears were outstanding in statutory deductions (PAYE, NSSF, SHIF, NITA, HELB).
- Minor arrears existed in utility bills (electricity and water), which management is addressing through payment plans.
- Supplier obligations were largely met, with outstanding balances being scheduled for settlement within the first quarter of the 2025–2026 financial year.

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**Other Relevant Information**

- The Institute continued to build strong partnerships with industry players to enhance industrial attachment opportunities.
- Environmental sustainability initiatives were enhanced, including tree planting and waste management programs.
- Student welfare was prioritized, with expanded counseling services, co-curricular activities, and bursary support.

**Conclusion**

The 2024–2025 financial year was marked by growth in enrollment, expansion of infrastructure, and prudent financial management. While challenges remain, particularly in funding and infrastructure adequacy, the Institute remains committed to delivering quality technical training, compliance with statutory obligations, and continuous improvement in governance and service delivery.

## 10. Environmental and Sustainability Reporting Statement

### 1. Sustainability strategy and profile

- a) **Innovation and technology**- the institute has put a lot of effort in sustainability related to Research and development in order to reduce environmental impacts in new products and in business activities of training. The institute uses best available techniques and integrated environmental technologies in all its operations for cleaner production and zero-emission technologies.
- b) **Collaboration** – the institute maintained a good cooperation and active collaboration with various business partners which included suppliers, TVET institutions, universities and others working in common programmes and networks on innovative products and technologies. Exchange of information and knowledge through bench marking, industrial attachments and trade exhibitions
- c) **Knowledge management** – the institute have planned, developed, organized, maintained, transferred, applied and measured specific knowledge and to improve the organizational knowledge base.
- d) **Processes**- Clear processes and roles are defined so that institute activities are efficiently conducted and that every employee knows what the institute management expects from him or her.
- e) **Purchase**- the institute had a good Relationship with suppliers focusing also on sustainability.
- f) **Sustainability reporting** – the institute maintained Considerable reporting of sustainability issues within the board meeting reports.

### 2. Environmental performance

This dimension deals with environmental impacts due to corporate activities. These environmental impacts are caused by resource use and emissions into air, water, ground and hazardous waste.

#### **Ecological Dimension of Corporate Sustainability**

This dimension deals with environmental impacts due to corporate activities. These environmental impacts are caused by resource use, and emissions into air, into water or into ground, as well as waste and hazardous waste. Additionally, the impact on biodiversity and environmental issues of the product over the life cycle are of importance. This dimension is mainly measured by impacts, but within corporate sustainability strategies the focus has to be laid on the effects causing these impacts

### 3. Employee welfare

#### a) **Corporate governance**-

This is the transparency in all of the institute activities in order to ameliorate relationship towards its stakeholders. During the financial year, the institute recruited staff using the laid down recruitment procedures. This was done through the guidance of public service commission who Give insight into all

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relevant data; following rules of on recruitment of the corporate governance and defining responsibilities and behaviour of the board.

- b) **Staff Motivation and incentives** – this is an Active involvement and exemplary function of management on sustainability of all the employees being aware of their needs, claims and motivation factors of employees in order to implement sustainability sufficiency into the organization due to support of management for acting in sustainable way (e.g., time, money, resources). The management has developed and implemented incentives and reward systems (monetary and non-monetary). for motivating its employees.
  - c) **Health and safety** – the institute guarantee that no health and safety risks occur when workingin/for the institute. No negative impact of employees' physical health at any time was reported. The institute has Operation of programmes for employees to prevent dangers and to stay generally fit and healthy.
  - d) **Human capital development** - Development of human capital for sustainability related issues through specific programmes is key to any organization. The institute has sponsored staff to various seminars and workshops and also allowed others join holiday classes. The institute has also encouraged Broad cross-working education (job enrichment, job enlargement) for staff in order to become aware of the different challenges and issues of corporate sustainability
4. **Market place practices-**
- a) **Responsible competition practice.**  
The institute practices responsible competition by following normal procedure of marketing. The institute has developed an anti-corruption policy and non-political adherence
  - b) **Responsible Supply chain and supplier relations-**  
The institute has list of suppliers who were prequalified through advertisement. The policy of the institute is to pay all the bills at the end of every month and this has created a good rapport with her suppliers and service providers
  - c) **Responsible marketing and advertisement**  
The institute carries out normal marketing through media and organized talks.
  - d) **Product stewardship.**  
Trainees of the Institute are competently prepared emotionally, intellectually and spiritually. They are equipped with Hands on Skills and Technology to make a difference in this generation and generations to come.
5. **Corporate Social Responsibility / Community Engagements**  
MTTI being a public entity embraces the policy of Corporate Social Responsibility (CSR) through engaging herself with the following amongst many social responsibilities:

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

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**(a) Charitable Activities**

The Institute trainees have been offering material & spiritual support to needy children in various children's homes within Maragua region through donation of foodstuffs and cloths.

**(b) Communities outreach activities**

MTTI in conjunction with Maragua Hospital organised for communicable diseases awareness sensitization programmes at Local shopping centres. This was a sign that the Institute is moving towards fulfilling its core mandate of community service. The institute worth its name must benefit the community and not only improve its economic activities but also uplift the health and the well-being of people around it to attain the country's Universal Health. Universal Health Coverage (UHC) concept is firmly based on WHO constitution of 1948 declaring health a fundamental Human right. This is equally in line with the Constitution of Kenya 2010 that confers on every Citizen Highest attainable standard of Health Including Reproductive Health. The President reaffirmed the objective of Kenyan constitution through the Big Four Agenda Where Affordable Health Care is a pillar. UHC should be every body's business and a multi-sectoral approach is the way to go in the realization of this concept of Health care delivery.

The Institute has also been offering both social and economic support to the external community through provision of casual labour opportunities and supplies wherever such opportunities arise.

**(c) Environmental Improvement activities**

Introduction of communal periodical cleaning day at Maragua Town has been one of the environmental improvement activities of the Institution.

**(d) Academic Mentorship**

MTTI in conjunction through the registrar's office was involved in offering career advice to students within and around Maragua during the financial year. The Institute also offered internship and industrial attachment to qualified youths from the surrounding community and Institutions.

## 11. REPORT OF THE BOARD OF GOVERNORS

The Board of Governors submits its report together with the audited financial statements for the year ended 30 June 2025, which present the financial performance and position of the Institute.

### Principal Activities

The principal activity of the Institute is to provide technical and vocational education and training (TVET) to trainees who meet the minimum academic qualifications for enrolment. The Institute continues to offer competency-based and skills-oriented programmes aimed at preparing graduates for industry, self-employment, and national development.

### Results

The financial results for the year ended 30 June 2025 are presented in the audited financial statements on pages 1–5.

### Board of Governors

The members of the Board of Governors who served during the year are listed on pages ix–xi of this report.

The Board met regularly during the year and discharged its responsibilities in accordance with the TVET Act, 2013, the Mwongozo Code of Governance for State Corporations, and all relevant government circulars and regulations.

### Auditors

The Auditor-General is responsible for the statutory audit of the Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015. The audit for the year ended 30 June 2025 was conducted in accordance with the mandate of the Office of the Auditor-General.

By Order of the Board

Secretary to the Board

Nairobi

Date: 2<sup>nd</sup> December 2025

**PRINCIPAL**

MURANG'A TECHNICAL TRAINING INSTITUTE  
Box 27 - 10205, MARAGUA  
Cell: 0748 108 000  
Email: murangatti@gmail.com

## 12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the board 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/period. 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 the institute's financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 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 institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The board members are of the opinion that the institute's financial statements give a true and fair view of the state of institute's

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

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transactions during the financial year ended June 30, 2025, and of the institute's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the institute's financial statements as well as the adequacy of the systems of internal financial control.


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

**Approval of the financial statements**

The institute's financial statements were approved by the Board on 02-12-2025 and signed on its behalf by:



.....  
Name **PROF. PETER KAGWANKIRA**  
Chairperson of the Board



**PRINCIPAL**  
MURANG'A TECHNICAL TRAINING INSTITUTE  
P.O. BOX 27 - 10205  
Cell: 0748 104 104  
Email: murangai@mtti.ac.ke

.....  
Name **RACHEL KIMANI**  
Accounting Officer/Principal

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13. Report of the Auditor General for Murang'a Technical Training Institute

# REPUBLIC OF KENYA

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E-mail: 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 MURANG'A TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2025**

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### **PREAMBLE**

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Murang'a Technical Training Institute set out on pages 1 to 34, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and

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*Report of the Auditor-General on Murang'a Technical Training Institute for the year ended 30 June, 2025*

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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Murang'a Technical Training Institute as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Lack of Ownership Documents**

The statement of financial position reflects property, plant and equipment balance of Kshs.498,602,717 which as disclosed in Note 19 to the financial statements Includes land valued at Kshs.40,000,000. However, the ownership documents for the land were not provided for audit.

In the circumstances, the accuracy, completeness and valuation of land balance of Kshs.40,000,000 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.125,708,975 and Kshs.112,579,398 resulting in an under-funding of Kshs.13,129,577 or 10% of the approved budget. Similarly, the Institute spent Kshs.123,766,798 against actual receipts amount of Kshs.112,579,398 resulting in an over-utilization of Kshs.11,187,400 or 10% of the actual receipts.

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

My opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

## Other Matter

### Unresolved Prior Year Audit Matters

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

Review of the status of the issues during audit of Murang'a Technical Training Institute in 2024/2025 revealed that the following matters remained unresolved.

S/No.	Financial Year	Audit Issue
1	2023/2024	Undisclosed Value of Land and Lack of Ownership Documents
2	2023/2024	Budgetary Control and Performance
3	2023/2024	Non-Compliance with Law on Ethnic Composition
4	2023/2024	Failure to Carry Out Training Needs Assessments
5	2023/2024	Employment of Unlicensed Trainers
6	2023/2024	Lack of Business Continuity and Disaster Recovery Plan
7	2023/2024	Lack of Internal Audit Function and Audit Committee

## Other Information

The Management is responsible for the Other Information set out on page iv to xxxv 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 the Statement of Board of Governors responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

## **Conclusion**

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

## **Basis for Conclusion**

### **1. Irregular Transfer of Funds to Kenya Association of Technical Training Institute**

The statement of financial performance reflects use of goods and services amount of Kshs.76,095,476 which includes Kshs.414,120 paid to Kenya Association of Technical Training Institute (KATTI) as disclosed in Note 10 to the financial statements. However, the payment to KATTI a privately owned and run entity that does not provide services and or goods to the Institute is not backed by any authority or law.

In the circumstances, value for money in the payment of Kshs.414,120 to Kenya Association of Technical Training Institute (KATTI) could not be confirmed.

### **2. Failure to Meet the Requisite Number of Representation of Persons Living with Disability in the Staff Establishment**

Review of the Institute bio data and personal files revealed that the Institute has eighty-six (86) employees. However, none of the employees is a person living with disability. contrary to the provision of Section.B23(1,2) of Public Service Human Resource Policy, 2016 that requires at least five (5) percent of all appointments shall be for persons with disabilities.

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

### **3. Failure to Remit Public Procurement Regulatory Authority Levy**

As required by the Circular No.01/2024 (Ref PPRA/6/5/VOL.II (224) dated 30 August, 2024, public entities are expected to deduct Public Procurement Regulatory Authority levy at the rate of 0.03% of the contract sum from suppliers on all procurement contracts and remit to the Authority through the e-Citizen platform. However, during the year under review, the Institute did not deduct the levy as required contrary to the circular.

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

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **Under-Staffing in the Institute**

Review of organization structure and staff establishment revealed approved staff establishment of one hundred and eight (108) staffs. However, the Institute has a current staffing of eighty-six (86) or 80% resulting to a shortfall of twenty-two (22) or 20%. The shortfall has the negative effect of derailing the delivery of services and implementation of the Institute's objectives, mission and vision.

In the circumstances, the Institute may not be able to achieve planned objectives.

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

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

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**15 December, 2025**

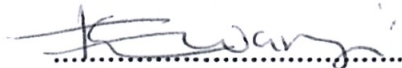
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14. Statement of Financial Performance for the Year Ended 30 June 2025

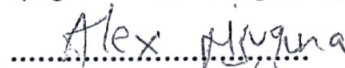
Description	Notes	2024 - 2025 FY	2023 - 2024 FY
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants/ gifts in kind	6	9,999,425	10,570,400
<b>Total Revenue from non-exchange transactions</b>		<b>9,999,425</b>	<b>10,570,400</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	98,292,779	81,083,848
Rental revenue from facilities and equipment	8	610,500	237,000
Miscellaneous Income	9	506,161	794,292
<b>Revenue from exchange transactions</b>		<b>99,409,440</b>	<b>82,115,140</b>
<b>Total revenue</b>		<b>109,408,865</b>	<b>92,685,540</b>
<b>Expenses</b>			
Use of goods and services	10	76,095,476	49,858,439
Employee costs	11	9,900,460	10,364,739
Remuneration of directors	12	2,403,266	480,900
Depreciation and amortization expense	13	532,126	8,132,809
Repairs and maintenance	14	1,996,981	5,177,797
Contracted services	15	2,294,660	554,800
<b>Total expenses</b>		<b>93,222,969</b>	<b>74,569,484</b>
<b>Net Surplus for the year</b>		<b>16,185,896</b>	<b>18,116,056</b>

(The notes set out on pages 6 to 38 form an integral part of the Annual Financial Statements).

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



Chairman of the Board



Finance Officer

ICPAK No.26021

Date

2/12/2025

Date

2/12/2025

**PRINCIPAL**  
**MURANG'A TECHNICAL TRAINING INSTITUTE**  
 P.O. Box 27 - 10205, MARAGUA  
 Cell: 0748 108 000  
 Email: murangatti@gmail.com

Principal

Date 2<sup>nd</sup> December 2025



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

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

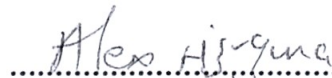
Description	Notes	2024 - 2025 FY	2023 - 2024 FY
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	14,683,721	25,871,121
Current portion of receivables from exchange transactions	17	24,627,725	22,216,479
Inventory	18	1,299,805	
<b>Total current asset</b>		<b>40,611,251</b>	<b>48,087,600</b>
<b>Non-current assets</b>			
Property, plant and equipment	19	498,602,717	273,658,653
Intangible assets	20	322,037	370,158
<b>Total Non-current assets</b>		<b>498,924,754</b>	<b>274,028,811</b>
<b>Total assets (A)</b>		<b>539,536,005</b>	<b>322,116,411</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	21	6,710,857	2,811,665
Refundable deposits from customers	22	1,984,010	1,569,010
Payments received in advance	23	13,352,770	8,185,991
<b>Total liabilities (B)</b>		<b>22,047,637</b>	<b>12,566,666</b>
<b>Net assets (A-B)</b>		<b>517,488,368</b>	<b>309,549,745</b>
<b>Represented By:</b>			
Reserves		191,752,727	
Accumulated surplus		47,295,195	31,109,299
Capital Fund		278,440,446	278,440,446
<b>Net Assets</b>		<b>517,488,368</b>	<b>309,549,745</b>

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



Chairman of the Board

Date 2/12/2025



Finance Officer

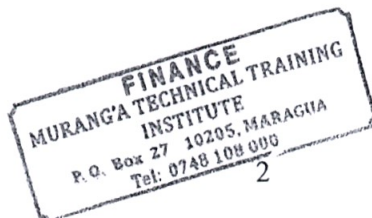
ICPAK No.26021

Date 2/12/2025

**PRINCIPAL**  
MURANG'A TECHNICAL TRAINING  
P.O. Box 27 - 10205, MA.  
Cell: 0748 108 008  
Email: murangatti@gmail.com

Principal

Date 2<sup>nd</sup> December 2025



## 16. Statement of Changes in Net Assets for The Year Ended 30 June 2025

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
<b>At July 1, 2023</b>			<b>16,155,968</b>	<b>278,440,446</b>	<b>294,596,414</b>
value of the asset					
Revaluation gain					
Adjustment for prior year KNEC receivable			(3,267,565)		(3,267,565)
Adjustment for prior year trade payable			104,840		104,840
Fair value adjustment on quoted investments					
Total comprehensive income			18,116,056		18,116,056
Capital/Development grants received during the year					
Transfer of depreciation/amortization from capital fund to retained earnings					
<b>At June 30, 2024</b>			<b>31,109,299</b>	<b>278,440,446</b>	<b>309,549,745</b>
<b>At July 1, 2024</b>			<b>31,109,299</b>	<b>278,440,446</b>	<b>309,549,745</b>
value of the asset					
Revaluation gain	198,452,302				198,452,302
Revaluation Loss	-6,699,575				-6,699,575
Fair value adjustment on quoted investments					
Total comprehensive income			16,185,896		16,185,896
Capital/Development grants received during the year				0	0
Transfer of depreciation/amortization from capital fund to retained earnings					
<b>At June 30, 2025</b>	<b>191,752,727</b>		<b>47,295,195</b>	<b>278,440,446</b>	<b>517,488,368</b>

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

Description	Note	2024 - 2025 FY	2023 - 2024 FY
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other levels of government	6	9,999,425	10,570,400
Rendering of services- fees from students	24(a)	101,463,312	81,579,242
Rental revenue from facilities	8	610,500	237,000
Miscellaneous income	9	506,161	794,292
<b>Total Receipts</b>		<b>112,579,398</b>	<b>93,180,934</b>
<b>Payments</b>			
Use of goods and services	24(b)	73,496,089	47,206,571
Employee costs	11	9,900,460	10,364,739
Board Expenses	12	2,403,266	480,900
Repairs and maintenance	14	1,996,981	5,177,797
Contracted services	14	2,294,660	554,800
<b>Total Payments</b>		<b>90,091,456</b>	<b>63,784,807</b>
<b>Net cash flow before working capital changes</b>		<b>22,487,942</b>	<b>29,396,127</b>
Changes in working capital	27		
<b>Net Cash Flows from operating activities</b>	26	<b>22,487,942</b>	<b>29,396,127</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	19	- 33,675,342	-9,973,844
Proceeds from sale of property, plant and equipment			
<b>Net cash flows used in investing activities</b>		<b>- 33,675,342</b>	<b>-9,973,844</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>-11,187,400</b>	<b>19,422,283</b>
Cash and Cash equivalents at 1 July	16	25,871,121	6,448,838
<b>Cash and Cash equivalents at 30 June</b>	16	<b>14,683,721</b>	<b>25,871,121</b>

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18. Statement of Comparison of Budget And Actual Amounts for Year Ended  
30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other levels of government	9,999,425		9,999,425	9,999,425	0	100
Rendering of services- fees from students	115,058,550		115,058,550	101,463,312	13,595,238	88
Rental revenue from facilities and equipment	621,000		621,000	610,500	10,500	98
Miscellaneous Income	30,000		30,000	506,161	-476,161	1,687
<b>Total Income</b>	<b>125,708,975</b>		<b>125,708,975</b>	<b>112,579,398</b>	<b>13,129,577</b>	90
<b>Expenses</b>						
Use of goods and services	64,337,185	9,000,000	73,337,185	73,496,089	-158,904	100
Employee costs	12,340,000	-3,000,000	9,340,000	9,900,460	-560,460	106
Board Expenses	3,188,000	-1,000,000	2,188,000	2,403,266	-215,266	110
Repairs and maintenance	2,650,000	-500,000	2,150,000	1,996,981	153,019	93
Contracted services	3,206,800	-1,000,000	2,206,800	2,294,660	-87,860	104
<b>Total Expenditure</b>	<b>85,721,985</b>		<b>89,221,985</b>	<b>90,091,456</b>	<b>-869,471</b>	101
<b>Surplus For the Period</b>	<b>39,986,990</b>		<b>36,486,990</b>	<b>22,487,942</b>	13,999,048	62
<b>Capital Expenditure</b>	39,986,990	-3,500,000	36,486,990	33,675,342	2,811,648	92
<b>Deficit</b>				-11,187,400		

**Budget notes**

**1. explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14**

- a) The rendering of expenditure underachieved by 11% as result of the delayed capitation & scholarship

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b) The over achievement in the hire of institute facilities is as result of the rental income from the hostel, Kitchen and hall

**2. explanation of changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)**

a) The original budget was reviewed to reallocate budget from over funded budget to underfunded budget

**Budget Reconciliation**

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	-11,187,400
Reason for differences- Cash and Cash Equivalent as at 1/7/2024	25,871,121
Closing Cash and Cash Equivalent as per the statement of Cash flows	14,683,721

## 19. Notes to the Financial Statements

### 1. General Information

Murang'a Technical Training Institute (MTTI) is established by and derives its authority and accountability from TVET Act of 2013. The institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The institute principal activity is technical & vocational 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 institute's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 18. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the institute. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

### 3. Adoption of New and Revised Standards

#### i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	<b>Applicable 1<sup>st</sup> January 2025</b> 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	<b>Applicable 1<sup>st</sup> January 2025</b> 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:

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<b>Standard</b>	<b>Effective date and impact:</b>
Discontinued Operations	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	<b>Applicable 1<sup>st</sup> January 2025</b> 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	<b>Applicable 1<sup>st</sup> January 2025</b> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<b>Applicable 1<sup>st</sup> January 2026</b> 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.
IPSAS 48: Transfer Expenses	<b>Applicable 1<sup>st</sup> January 2026</b> 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.
IPSAS 49: Retirement Benefits Plans	<b>Applicable 1<sup>st</sup> January 2026</b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector

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Standard	Effective date and impact:
	employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b>Applicable 1<sup>st</sup> January 2027</b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>

**ii. Early adoption of standards**

The institute did not early-adopt any new or amended standards in year 2025

**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

**ii) Revenue from exchange transactions**

**Rendering of services**

The institute recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

**b) Budget information**

The original budget for FY 2024/2025 was approved by the Board or Board on 23rd May, 2024. No Subsequent revisions or additional appropriations were made to the approved budget.

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

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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.

**c) Taxes**

**Current income tax**

The institute is exempted from paying taxes

**d) Property, plant and equipment**

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

**e) Intangible assets**

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

### **Trade and other receivables**

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

### **Impairment**

The institute assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The institute recognizes a loss allowance for such losses at each reporting date.

### **Financial liabilities**

#### **Classification**

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

#### **f) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions, 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:

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

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

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

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exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Institute.

**g) Provisions**

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

**h) Social Benefits**

Social benefits are cash transfers provided to

- a) specific individuals and / or households that meet the eligibility criteria,
- b) mitigate the effects of social risks and
- c) Address the need of society as a whole.

The institute recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is

**Murang'a Technical Training Institute**  
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measured at the best estimate of the cost (the social benefit payments) that the institute will incur in fulfilling the present obligations represented by the liability.

**i) Nature and purpose of reserves**

The Institute does not create and maintains reserves

**j) 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.

**k) Employee benefits**

**Retirement benefit plans**

The Institute does not provide retirement benefits for its employees and directors.

**l) Related parties**

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

**m) Service concession arrangements**

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

**n) Cash and cash equivalents**

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Cash and cash equivalents comprise cash on hand and cash at bank 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.

**o) Comparative figures**

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

**p) Subsequent events**

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

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

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**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:

- a) The condition of the asset based on the assessment of experts employed by the Institute.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) 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 the Notes.

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.

Provisions for Doubtful Debts are recognized at the following rate:

No	Debt age	Rate
i.	Current Year	2.5%
ii.	Over 1 Year	10%
iii.	Over 2 Years	15%
iv.	Over 3 Years	20%
v.	Over 4 Years	50%
vi.	Over 5 Years	100%)

**Depreciation**

Depreciation is charged on a reducing balance basis over the estimated useful lives of the assets. The annual rates of depreciation used shall be as

No	Classification of asset	Rate
i.	Building	2 %
ii.	Plant, Machinery and equipment	12.5%
iii.	Office Equipment and computer accessories	12.5%
iv.	Computer equipment	30%
v.	Motor vehicles- Buses & others	12.5%

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vi.	Furniture and fittings	12.5%
vii.	Library books	20%

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**6. Transfers from other National Government entities**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
<b>Unconditional Grants</b>		
Development Grants	9,999,425	
NYS		10,570,400
<b>Total unconditional Grants</b>	<b>9,999,425</b>	<b>10,570,400</b>

**(a) Transfers from other Government entities**

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
State Department of Technical training			9,999,425	9,999,425	
State Department of Technical training					10,570,400
<b>Total</b>			<b>9,999,425</b>	<b>9,999,425</b>	<b>10,570,400</b>

**7. Rendering of Services**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Registration	450,900	923,500
Tuition	61,617,977	30,520,446
KUCCPS	729,000	1,365,000
Student Welfare	623,559	454,000
Student Id	284,400	550,800
Activity	3,628,664	3,794,856
EWC	3,355,959	3,469,290
P Emoluments	10,737,641	11,430,832
RMI	2,454,592	2,527,016
LTT	3,200,279	3,294,996
Medical/Insurance	1,729,478	1,042,042
Bursary		70,065
Attachment	21,000	1,134,100
HELB Bursary		148,296
ICT Infrastructure	424,500	910,000
CDF Bursary		439,900
Administration	4,455	15,800
Learning Materials	5,549,500	5,780,500
Meals & Accommodation		
NITA examinations	183,400	186,700
CDACC examinations	477,499	3,087,010
Examinations		1,647,800

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Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
KNEC Examinations	1,910,520	7,204,599
TVETA		455,000
Student Board	712,456	631,300
Graduation	197,000	
<b>Total Revenue from The Rendering of Services</b>	<b><u>98,292,779</u></b>	<b><u>81,083,848</u></b>

(Rendering of services is the fees from institute trainees)

**8. Rental revenue from facilities and equipment**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Hire of boarding facilities	610,500	201,000
Rent		36,000
<b>Total</b>	<b><u>610,500</u></b>	<b><u>237,000</u></b>

(Rental revenue if the boarding fees from trainees and hire of training facilities)

**9. Miscellaneous Income**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
T-shirt & apron	77,000	77,000
Drawing board	321,000	492,000
IGA	108,161	216,692
Computer Packages		8,600
<b>Total other income</b>	<b><u>506,161</u></b>	<b><u>794,292</u></b>

Miscellaneous income is sale of internally fabricated goods and sale of tenders for the 2024- 2025 FY

**10. Use of Goods and Services**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Bank Charge	34,848	39,965
Airtime	127,800	150,400
Internet		555,478
Transport	4,045,861	1,951,310
Hospitality	550	258,145
Stationery	3,606,357	
Administration	5,051,585	3,312,941
KATTI	414,120	820,572
LIBRARY	614,318	3,650
Activity	3,818,401	1,642,260
Attachment	758,020	501,500
EWC	1,542,883	897,005
Advert	1,719,090	73,540

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Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Student ID	46,800	179,600
Medical NYS	361,368	576,095
Meals And Accommodation	17,838,041	12,535,882
Capacity Building	3,221,850	1,961,449
Cleaning	214,397	74,200
Printing		303,540
Teaching & Learning Materials	7,049,844	3,501,053
ICT	1,473,864	1,651,439
Training Equipment	181,500	
Consultation	2,288,000	593,000
Drama	1,357,809	726,340
fees refund	19,838	
TVETA	51,000	
TVET Fair	470,442	901,820
Provision for bad debts	631,480	569,653
Asset tagging and valuation	470,200	488,580
Audit services	115,000	20,000
Bursary refund		14,000
CDACC exam expense	10,137,442	2,195,100
Exam materials		50,900
GOK scholarship transfer		40,313
IGA- Expense	32,460	113,190
Insurance cost	641,026	239,930
KNEC Examinations	4,309,037	8,949,432
Marketing		361,280
Stationery		2,705,284
Student Board	1,003,979	38,133
Student welfare(expense	1,028,950	744,830
NITA Examination Expense	1,003,795	116,630
Motor Vehicle (Bus Launching)	413,520	
<b>Total good and services</b>	<b>76,095,476</b>	<b>49,858,439</b>

**11. Employee Costs**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
P Emoluments	8,349,536	6,932,467
Internship	103,574	262,500
Part-time Training Expense	242,457	489,500
NHIF Deduction		256,156
NSSF Deduction	536,419	915,480
PAYE		7,839
HELB Deduction		199,577
NITA Expense	19,300	21,350
Casuals expense	525,173	1,115,410

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Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
House Levy	124,001	164,460
<b>Employee Costs</b>	<b>9,900,460</b>	<b>10,364,739</b>

**12. Board Expenses**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Directors other expenses	249,517	
Directors Emoluments	2,153,749	480,900
<b>Total</b>	<b>2,403,266</b>	<b>480,900</b>

**13. Depreciation and Amortization expense**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Buildings		5,258,280
Motor Vehicles	484,005	
Furniture And Fittings		1,384,913
Computers		945,985
Other Assets		417,036
Plant And Equipment's		71,284
Intangible Assets	48,121	55,311
<b>Total Depreciation and Amortization</b>	<b>532,126</b>	<b>8,132,809</b>

**14. Repairs and Maintenance**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
General Repairs	1,996,981	5,177,797
<b>Total Repairs and Maintenance</b>	<b>1,996,981</b>	<b>5,177,797</b>

**15. Contracted services**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
ERP subscription fees	29,000	208,800
Servicing of printers	34,800	
Internets Services	1,784,360	
Security	446,500	346,000
<b>Total Contracted services</b>	<b>2,294,660</b>	<b>554,800</b>

**16. Cash and Cash Equivalents**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Current Account	4,243,733	16,250,355
Development	10,439,988	9,619,976
Cash		790
<b>Total Cash and Cash Equivalents</b>	<b>14,683,721</b>	<b>25,871,121</b>

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**19. Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets	Plant and equipment	Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1st July 2023		<u>270,779,420</u>	-	<u>9,845,670</u>	<u>1,388,300</u>	<u>3,521,080</u>	<u>219,740</u>		<u>285,754,210</u>
Additions		2,835,892		3,307,820	2,191,133	578,000	378,000	682,999	9,973,844
<b>At 30th June, 2024</b>		<b><u>273,615,312</u></b>	<b>0</b>	<b><u>13,153,490</u></b>	<b><u>3,579,433</u></b>	<b><u>4,099,080</u></b>	<b><u>597,740</u></b>	<b><u>682,999</u></b>	<b><u>295,728,054</u></b>
At 1 <sup>st</sup> July, 2024		<u>273,615,312</u>	0	<u>13,153,490</u>	<u>3,579,433</u>	<u>4,099,080</u>	<u>597,740</u>	<u>682,999</u>	<u>295,728,054</u>
Additions			19,181,500	82,000	3,977,700	2,223,292	415,000	7,795,850	33,675,342
<b>At June, 2025 revaluation</b>									
Total Cost		273,615,312	19,181,500	13,235,490	7,557,133	6,322,372	1,012,740	8,478,849	329,403,396
Accumulated depreciation		15,959,585	0	3,459,102	1,372,135	1,179,827	98,752	0	22,069,401
<b>NBV</b>		<b><u>257,655,727</u></b>	<b><u>19,181,500</u></b>	<b><u>9,776,388</u></b>	<b><u>6,184,998</u></b>	<b><u>5,142,545</u></b>	<b><u>913,988</u></b>	<b><u>8,478,849</u></b>	<b><u>307,333,995</u></b>
Revaluation	40,000,000	334,936,285		12,736,960	2,125,824	2,502,144	79,125,160		471,426,373
Revaluation gain /loss	40,000,000	77,280,558	-	2,960,572	(4,059,174)	(2,640,401)	78,211,172		191,752,727
<b>At 30th June, 2025</b>	<b><u>40,000,000</u></b>	<b><u>334,936,285</u></b>	<b><u>19,181,500</u></b>	<b><u>12,736,960</u></b>	<b><u>2,125,824</u></b>	<b><u>2,502,144</u></b>	<b><u>79,125,160</u></b>	<b><u>8,478,849</u></b>	<b><u>499,086,722</u></b>
<b>Depreciation and impairment</b>									
At 1st July 2023		<u>10,701,305</u>		<u>2,074,189</u>	<u>426,150</u>	<u>762,791</u>	<u>27,468</u>		<u>13,991,902</u>
depreciation rate		0.02	0.25	0.125	0.3	0.125	0.125		
Depreciation		5,258,280	0	1,384,913	945,985	417,036	71,284	0	8,077,498
<b>At 30th June, 2024</b>		<b><u>15,959,585</u></b>	<b>0</b>	<b><u>3,459,102</u></b>	<b><u>1,372,135</u></b>	<b><u>1,179,827</u></b>	<b><u>98,752</u></b>	<b>0</b>	<b><u>22,069,401</u></b>
At 1 <sup>st</sup> July, 2024		<u>15,959,585</u>	0	<u>3,459,102</u>	<u>1,372,135</u>	<u>1,179,827</u>	<u>98,752</u>	0	<u>22,069,401</u>
Adjustments		-15,959,585		-3,459,102	-1,372,135	-1,179,827	-98,752	0	-22,069,401
Depreciation		0	484,005	0	0	0	0	0	484,005
<b>At 30th June, 2025</b>		<b><u>0</u></b>	<b><u>484,005</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>484,005</u></b>
<b>Net book values</b>									
At 30th June, 2024		257,655,727	0	9,694,388	2,207,298	2,919,253	498,989	682,999	273,658,654
<b>At 30th June, 2025</b>	<b><u>40,000,000</u></b>	<b><u>334,936,285</u></b>	<b><u>18,697,495</u></b>	<b><u>12,736,960</u></b>	<b><u>2,125,824</u></b>	<b><u>2,502,144</u></b>	<b><u>79,125,160</u></b>	<b><u>8,478,849</u></b>	<b><u>498,602,717</u></b>

- a) Work in progress – this is the on-going construction of the automotive and building department workshop shed
- b) Assets were revalued in June 2025, no depreciation was provided for the revalued assets
- c) Depreciation provided is for the college bus acquired in February 2025 at a cost of kshs. 15,488,150. Depreciation is provided at a rate of 12.5% for the last quarter of the year.
- d) College utility van was acquired in June 2025 at cost of kshs. 3,693,350 and no provision for depreciation was made

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**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines. The assets were revalued by Domicile Consultant Ltd on June, 2025. These amounts were adopted in the financial statements on 26<sup>th</sup> August, 2025

**19 (b) Property, Plant and Equipment at Cost**

The freehold land, buildings and other assets are stated on the historical cost basis as follows:

Description	Cost	Accumulated Depreciation	NBV	Valuation	Valuation Gain /Loss	Total Valuation/Cost	Depreciation	NBV
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	A	B	C=(A-B)	D	E=D-C	F	G	H=F-C
Land			0	40,000,000	40,000,000	40,000,000		40,000,000
Buildings	273,615,312	15,959,585	257,655,727	334,936,285	77,280,558	334,936,285		334,936,285
Motor vehicles	19,181,500		19,181,500			19,181,500	-484,005	18,697,495
Furniture and fittings	13,235,490	3,459,102	9,776,388	12,736,960	2,960,572	12,736,960		12,736,960
Computers	7,557,133	1,372,135	6,184,998	2,125,824	(4,059,174 )	2,125,824		2,125,824
Other Assets	6,322,372	1,179,827	5,142,545	2,502,144	(2,640,401 )	2,502,144		2,502,144
Plant and equipment	1,012,740	98,752	913,988	79,125,160	78,211,172	79,125,160		79,125,160
Work in progress	8,478,849		8,478,849			8,478,849		8,478,849
<b>Total</b>	<b>329,403,396</b>	<b>22,069,401</b>	<b>307,333,995</b>	<b>471,426,373</b>	<b>191,752,727</b>	<b>499,086,722</b>	<b>484,004,6875</b>	<b>498,602,717</b>

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**20. Intangible Assets**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
At beginning of the year	486,250	486,250
Additions		
At end of the year	486,250	486,250
Additions–internal development		
At end of the year	<b>486,250</b>	<b>486,250</b>
Amortization and impairment		
amortization rate straight line	0	0
At beginning of the year	116,092	60,781
Amortization	48,121	55,311
At end of the year	<b>164,213</b>	<b>116,092</b>
Impairment loss		
NBV At end of the year	<b>322,037</b>	<b>370,158</b>

**21. Trade and Other Payables**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Trade payables	6,710,857	2,811,665
<b>Total Trade and Other Payables</b>	<b>6,710,857</b>	<b>2,811,665</b>

Ageing analysis:	2024 - 2025 FY	% of the Total	2023 - 2024 FY	% of the Total
Under one year	6,710,857	100%	2,811,665	100%
<b>Total</b>	<b>6,710,857</b>	<b>100%</b>	<b>2,811,665</b>	<b>100%</b>

**22. Refundable Deposits from Customers/Students**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Caution money	1,984,010	1,569,010
<b>Total Deposits</b>	<b>1,984,010</b>	<b>1,569,010</b>

Ageing analysis:	2024 - 2025 FY	% of the Total	2023 - 2024 FY	% of the Total
Under one year	415,000	21	910,000	58
1-2 years	910,000	46	431,210	28
2-3 years	431,210	22	147,200	9
3-4 years	147,200	7	80,600	5
4-5 years	80,600	4		
<b>Total</b>	<b>1,984,010</b>		<b>1,569,010</b>	<b>100</b>

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**23. Payments received in advance.**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Fees received in advance	13,352,770	8,185,991
<b>Total</b>	<b><u>13,352,770</u></b>	<b><u>8,185,991</u></b>

Ageing analysis:	2024 - 2025 FY	% of the Total	2023 - 2024 FY	% of the Total
Under one year	13,352,770	100%	8,185,991	100%
<b>Total</b>	<b><u>13,352,770</u></b>	<b><u>100%</u></b>	<b><u>8,185,991</u></b>	<b><u>100%</u></b>

**24. Reconciliation of statement of financial statement and cash flow statement**

**24 (a) Rendering of services – fees from students**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Rendering of service in statement of financial performance	98,292,779	81,083,848
<b>(Add)</b>		
caution money received in the year	415,000	910,040
Fees received in advance – 2024 - 2025	13,352,770	8,185,991
Prior years Fees debtors recovered	22,216,478	16,058,020
<b>(less)</b>		
Prior years paid fees	8,185,991	1,872,525
2024- 2025 fees arrears	24,627,725	22,786,132
<b>Students fees in the statement of cash flow</b>	<b><u>101,463,311</u></b>	<b><u>81,579,242</u></b>

**24 (b) use of goods & services**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Use of goods in statement of financial performance	76,095,476	49,858,439
<b>(Add)</b>		
2023 – 2024 trade creditors paid in the year	2,811,665	1,151,710
2024 - 2025 Inventory	1,299,805	
Refundable caution money paid		2,000
<b>(less)</b>		
2024 - 2025 Trade creditor	6,710,857	2,811,665
2023 - 2024 Inventory		424,260
Provision of doubtful debt		569,653
<b>Use of goods in the cash flow</b>	<b><u>73,496,089</u></b>	<b><u>47,206,571</u></b>

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**25. Cash generated from operations.**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Surplus for the year before tax	6,718,597	26,248,865
Add- Development Grants	9,999,425	
<b>Adjusted for:</b>		
Increase in Inventory	-1,299,805	424,260
<b>Working Capital adjustments</b>		
Increase in receivables	-2,411,246	-2,890,894
Increase in payables	9,480,971	8,776,621
Adjustment for – KNEC receivable		-3,267,565
Trade creditors		104,840
<b>Net cash flow from operating activities</b>	<b>22,487,942</b>	<b>29,396,127</b>

**26. Changes in working capital**

Description	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Net Cash Flow from Operating Activities	22,487,942	29,396,127
<b>(less)</b>		
Net cash flow before working capital changes		
<b>Changes in working capital</b>	<b>22,487,942</b>	<b>29,396,127</b>

**27. Financial Risk Management**

The institute's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The institute'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 institute 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 institute's financial risk management objectives and policies are detailed below:

**(i) Credit risk**

The institute 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.

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The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by

the institute'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 institute'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
<b>At 30 June 2024</b>				
Receivables from exchange transactions	22,216,479	22,216,479		
Receivables from non-exchange transactions				
Bank balances	25,871,121	25,871,121		
<b>Total</b>	<b><u>48,087,600</u></b>	<b><u>48,087,600</u></b>		
<b>At 30 June 2025</b>				
Receivables from exchange transactions	24,627,725	24,627,725		
Receivables from non-exchange transactions				
Bank balances	14,683,721	14,683,721		
<b>Total</b>	<b><u>39,311,446</u></b>	<b><u>39,311,446</u></b>		

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 institute has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of directors sets the institute'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 institute's directors, who have built an appropriate liquidity risk management framework for the management of the institute's short, medium and long-term funding and liquidity

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management requirements. The institute manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the institute 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
<b>At 30 June 2024</b>				
Trade and other payables from exchange transactions	0.00	2,811,665		2,811,665
Refundable deposits from customers	0.00		1,569,010	1,569,010
Payments received in advance	0.00	8,185,991		8,185,991
<b>Total</b>	<b>0.00</b>	<b><u>10,997,656</u></b>	<b><u>1,569,010</u></b>	<b><u>12,566,666</u></b>
<b>At 30 June 2025</b>				
Trade and other payables from exchange transactions	0.00	6,710,857		6,710,857
Refundable deposits from customers	0.00		1,984,010	1,984,010
Payments received in advance	0.00	13,352,770		13,352,770
<b>Total</b>	<b>20,063,627</b>	<b>1,984,010</b>	<b>22,047,637</b>	<b>20,063,627</b>

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**(iii) Market risk**

The institute has put in place an internal audit function to assist it in assessing the risk faced by the institute on an on-going 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 institute'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 institute'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 institute's exposure to market risks or the manner in which it manages and measures the risk.

**iv) Capital Risk Management**

The objective of the institute'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	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
Reserves	191,752,727	
Retained Earnings	47,295,195	31,109,299
Capital Reserve	278,440,446	278,440,446
<b>Total Funds</b>	<b><u>517,488,368.00</u></b>	<b><u>309,549,745</u></b>
Less: Cash and Bank Balances	14,683,721	25,871,121
	2.8	11.96

**28. Related Party Balances**

**Nature of related party relationships**

**Nature of related party relationships**

Entities and other parties related to the institute 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.

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**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 institute, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry; ministry of education
- iii) Mentor Institute
- iv) Maragua CDF
- v) Local community
- vi) Murang'a County Government
- vii) Institute Top management and trainers;
- viii) Board of Governors;
- ix) Institute trainees, sponsors and guardians.

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

	2024 - 2025 FY	2023 - 2024 FY
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Grants from the Government</b>		
Grants from National Govt	9,999,425	10,570,400
Mentor Institute		
support from Maragua NG CDF		
<b>Total</b>	<b>9,999,425</b>	<b>10,570,400</b>
<b>b) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for BoG employees	9,900,460	10,364,739
<b>Total</b>	<b>9,900,460</b>	<b>10,364,739</b>
<b>c) Key management compensation</b>		
Directors' emoluments	2,403,266	480,900
<b>Total</b>	<b>2,403,266</b>	<b>480,900</b>
<b>Total</b>	<b>22,303,151</b>	<b>21,416,039</b>

**29. Events After the Reporting Period**

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

**30. Ultimate and Holding Entity**

The institute is a under the Ministry of education. Its ultimate parent is the Government of Kenya

**31. Currency**

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

## 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.	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
1	Undisclosed value of Land and Lack of Ownership Documents	The land in which the institute sits on is a donation as its was originally a private land. The land was surveyed in the 2022 2023 as the parent ministry sourced certified surveyor to survey the land. The institute management have written to the ministry of lands and planning requesting for the release of the title deed as they are the custodian of the public land ownership documents	<i>Not Resolved</i>	30 <sup>th</sup> June, 2026
	Budgetary Control and Performance	Adhere to the approved budget	<i>Resolved</i>	30 <sup>th</sup> June 2025
	Non-Compliance with Law on Ethnic Composition	The recruitment of the PSC trainers including advertisement of the vacancies is done by the selected panel guided by the PSC. The advertisement of the both PSC and board hired		

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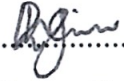
Reference No.	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
		staff is done through public noticeboards and our institute website however the institute is only able to attract the local dominant community		
	Failure to carry out Training Needs Assessments	The training done to both institute PSC and Board hired staff is done by TVET at the regional & national levels and also other regulatory and licensing bodies like the TVET CDACC, ICPAK and PPOA	<i>Resolved</i>	30 <sup>th</sup> June 2025
	Employment of Unlicensed Trainers	The institute trainers are licensed by the TVETA upon completion of pedagogy from KS – TVET and application for Licensing from TVETA, and Unlicensed ones are undergoing training at KS-TVET. Attached are TVETA License Certificates for some of our trainers		
	Lack of Internal Audit Function and audit committee	The institute has MOU with Michuki National Polytechnic in which their internal auditor audits Murang'a TTI on quarterly bases ad submits the report to the institute audit and risk board committee.	<i>Not Resolved</i>	30 <sup>th</sup> June, 2026

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Reference No.	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
		The institute has audit and risk board committee with clear terms of reference as spelt out in the approved board charter		
	Lack of Business Continuity and Disaster Recovery Plan	Develop business continuity and disaster recovery policy and disaster recovery plan	<i>Resolved</i>	30 <sup>th</sup> June 2025

**Guidance Notes:**

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

  
 .....  
**Name** *RACHEL N. KIMANI*  
**Accounting Officer**  
 (Enter title of Head of entity)  
**Date**

**PRINCIPAL**  
 MURANG'A TECHNICAL TRAINING INSTITUTE  
 P. O. Box 27 - 10205, MARAGUA  
 Cell: 0748 108 000  
 Email: murangatti@gmail.com

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**Appendix II: Projects Implemented by (Murang'a 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)
1						
2						

**Status of Projects completion**

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

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**Appendix III- Inter-Entity Confirmation Letter**

Name of transferring entity: Ministry of Education

Name of beneficiary entity: Murang'a Technical Training Institute

Confirmation of amounts received by Murang'a Technical Training Institute as at 30 <sup>th</sup> June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2025				Amount Received as at 30 <sup>th</sup> June 2025 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	15/7/2024		9,999,425		9,999,425	9,999,425	
	2/18/2025	886,722.30			886,722.30	886,722.30	
	2/18/2025	3,992,825			3,992,825	3,992,825	
	2/18/2025	1,679,425			1,679,425	1,679,425	
	2/18/2025	893,441.20			893,441.20	893,441.20	
	2/18/2025	7,422,425			7,422,425	7,422,425	
	2/18/2025	1,041,429.50			1,041,429.50	1,041,429.50	
	2/18/2025	33,422			33,422	33,422	
	1/31/2025	85,276			85,276	85,276	
	1/31/2025	25,679			25,679	25,679	
	1/20/2025	15,000			15,000	15,000	
	9/25/2024	26,703.10			26,703.10	26,703.10	
	9/24/2024	483,588.30			483,588.30	483,588.30	
	28 /11/ 2024	5,115,000			5,115,000	5,115,000	
	18 /7/ 2024	21,151,900			21,151,900	21,151,900	
<b>Total</b>		<b>42,852,836</b>	<b>9,999,425</b>		<b>52,852,261</b>	<b>52,852,261</b>	

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

Head of the institute:

Name ..... RACHEL N. KIMANI ..... Sign ..... [Signature] ..... Date 2<sup>nd</sup> December 2025

**PRINCIPAL**  
MURANG'A TECHNICAL TRAINING INSTITUTE  
P. O. Box 27 - 10205, MURANG'A  
Cell: 0748 108 000  
Email: murangati@gmail.com

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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		

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**Appendix V: Reporting on Disaster Management Expenditure**

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