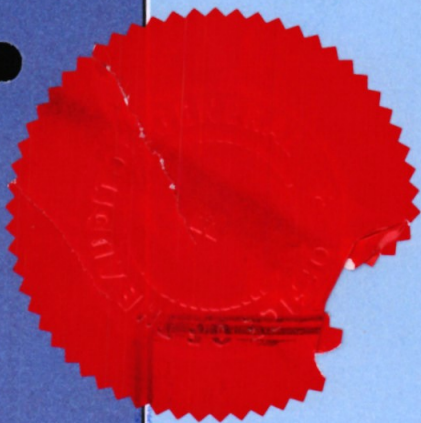


REPUBLIC OF KENYA



REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 08 APR 2026

DAY.
Wed

TABLED BY: Hon. Samuel Chepkonga

CLERK-AT THE-TABLE: Mudo

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

**MATILI TECHNICAL TRAINING
INSTITUTE**

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



MATILI TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. Acronyms & Glossary of Terms

BoG	Board of Governors
CBET	Competency Based Education & Training
GoK	Government of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFDE	Planning, Finance, Development & Enterprise
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
RT & HR	Research, Training & Human Resource
TTI	Technical Training Institute
TTC	Trainers Training College
TVC	Technical and Vocational College
TVET	Technical Vocational Education & Training
MaTTI	Matili Technical Training Institute
Fiduciary Management	Key management personnel who have financial responsibility in the Institute

2. **Key Institute Information and Management**

(a) **Background information**

Matili Technical Training Institute was established in 1959 under the Vocational Youth Centre that was elevated to a Youth Polytechnic in 1971 then called a Village Polytechnic under the sponsorship of the Friends Church (Quakers). The Institute was elevated to its current status in April, 2009 when it was moved from the Ministry of Youth Affairs and Sports to the Ministry of Science and Technology. The Institute is registered by the Technical and Vocational Education and Training Authority under Certificate No. TVETA/PUBLIC/TVC/0020/2016.

(b) **Principal Activities**

Mission

The Institute exists to produce highly qualified personnel with knowledge, skills and competencies to meet societal and industrial needs.

Vision

To be a renowned Centre of Excellence in Technical Training and Research in Science, Technology and Innovation.

Motto

Technology and Innovation

Core values

The Institute is guided by the following core values and competencies which form the corporate culture of the Institute:

- a) Passion for results;
- b) Good governance;
- c) Respect, Equity and Equality;
- d) Customer and community focus; and
- e) Professionalism and Integrity.

(c) **Key Management**

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

- a) Board of Governors
- b) Accounting Officer/ Principal
- c) Management.

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mrs. Judith Sande
2.	Deputy Principal (A & F)	Mrs. Violet Watulo
3.	Deputy Principal (A & A)	Mr. Thomas Abuga
4.	Registrar	Mr. Samwel Otieno
5.	Dean of Students	Mr. Ancrum Amunga
6.	Head of Finance	CPA Samuel Kituyi
7.	Head of Procurement	Ms. Coldilda Wakukha
8	Human Resource Officer	Mr. Benard Omondi

Key Institute Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Finance & General Purposes Committee Activities

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

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

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

Audit Risk and Governance Committee Activities

The Committee shall exercise all the powers of BoG in Audit, Governance and Risk Management matters except in relation to items which are reserved for the BoG, on which the Committee shall advise the BoG. The Committee responsibilities shall include:

- (i) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic;
- (ii) Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top;
- (iii) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud;
- (iv) Reviewing current and pending corporate governance related litigation or regulatory proceedings to which the institution is party;
- (v) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas;

- (vi) Ensuring the internal auditor's access to the audit committee, encouraging communication beyond scheduled committee meetings;
- (vii) Reviewing internal audit plans, reports and significant findings; and
- (viii) Establishing a direct reporting relationship with the external auditors.

Education, Research and Human Resource Committee Activities

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

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

Senior Management Activities

The main purpose of the Senior Management team is to:

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

Specifically, the Senior Management Team:

- (i) Makes recommendations to the BoG on the implementation and achievement of the Board's Strategic Framework;
- (ii) Monitors the Institute's Corporate Plan delivery through appropriate key management and performance information reporting to the Board of Governors appropriately;

- (iii) In light of income projections and forecasts, considers the annual grants and operational expenditures and monitors such expenditures;
- (iv) Determines strategic issues arising from the introduction of new policies or processes, including actively managing risks across the Institute and regularly reviewing the corporate risk register;
- (v) Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Board and/or its relevant Committees; and
- (vi) Leads all managers in motivating and developing the Institute’s staff to deliver the highest standards of performance and customer service.

(f) Institute Headquarters

Matili Technical Training Institute,
P.O. Box 76 – 50204,
Kimilili.
Kimilili –Misikhu Highway
Bungoma, KENYA

(g) Institute Contacts

Matili Technical Training Institute
Telephone: (+254) 707747007
(+254) 101771144
E-mail: matilitechnicalcollege@yahoo.co.uk
info@matilitechnical.ac.ke
Website: www.matilitechnical.ac.ke

(h) Institute Bankers

S/NO.	BANK NAME	BRANCH	ACCOUNT NAME	ACCOUNT NO.
1	Kenya Commercial Bank	Kimilili	Main	1107228476
2	Kenya Commercial Bank	Kimilili	Savings	1198427175
3	Kenya Commercial Bank	Kimilili	Development	1121314678
4	Kenya Commercial Bank	Kimilili	Webuye East TVC	1333352336

(i) Independent Auditors

Auditor-General
Office of Auditor General
3rd floor, Anniversary Towers, University way
P.O. Box 30084-00100
Nairobi, Kenya

(j) Principal Legal Adviser

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

3. The Board of Governors



**PROF. WILPHREDIAN OKUMU-
BIGAMBO
(CHAIRMAN, BOG)**

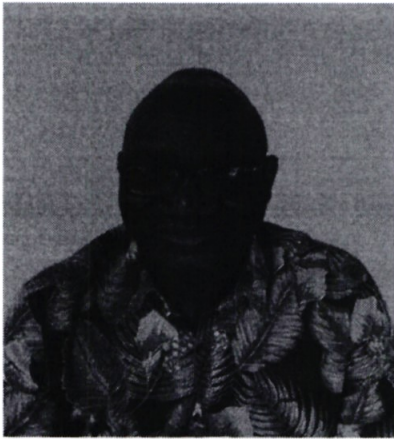
DATE OF BIRTH: 22nd September, 1957

He holds PhD from Moi University, MA (Moray Hse College, Edinburgh (UK), PGDE Kenyatta University, and B.A University of Nairobi), he is a Professor of Communication and Public Relations in Department of Communication Studies, School of Information Sciences - Moi University.

He is a member of the National and International professional associations, Consultant and trainer of trainers in human resource management, consultant with Government institutions, World Bank's small programs, Common Wealth, UNESCO, UNICEF, Chairman of Busia County Education Board, programs Evaluator, Institutional strategy planner, relationships counsellor, External examiner of top African Universities: University of Makerere, Der es laam, Addis Ababa, Ghana, South Africa, Rwanda, Nairobi, JKUAT, Egerton , Maseno and Eldoret.

Career teacher and Lecturer of English, Literature Communication Psychology and Aesthetics, Public Relations and Media Studies, Communication Strategist, Human Resource Management Strategist, Public Relations Strategist, Conflict Resolution Practitioner, Motivational Speaker, Speech Writer, Relationship/Marriage Counsellor, Dramatist and Poet. Among the responsibilities he holds includes being the Director, Directorate of Corporate Communication of Moi University, External Examiner (Universities in Africa), Rapporteur for Eastern Africa Small Arms Secretariat, Peer-Reviewed for University of South Africa National Research Fund, Consultant (for Government of Kenya, Ministries, Institutions, NGO's, Public Service Commission of Kenya, Member of Transition authority Selection Panel, Dean, School of Human Resource Development, Head of Department of Communication Studies.

He Chairs the Full Board and the Ad hoc Committee of the Board.



ENG. ROBERT MALABA KEYA
(MEMBER)

DATE OF BIRTH: 9th September, 1962

He holds Master of Science in Structural Engineering, University of Nairobi, and a Bachelor of Science in Civil Engineering, University of Nairobi

He has engaged in Private Consultancy Projects for both Public and Private Sector. Moi University as Lecturer in the Department of Civil and Structural Engineering in Structural Steelwork, Reinforced and Pre-Stressed Concrete Design, Plastic Analysis and Design of Structures, Bridge and other Drainage Structures Design, and strength of materials. He was engaged in Aviation Projects and Engineering Company Limited as Project Structural Engineer for the Re-Installation of Approach 21 lighting system at Moi International Airport, Mombasa

He worked at Come-Cons Africa Limited as Project Manager for the rehabilitation of Berths 16 and 17 at the Container Terminal for the Kenya Ports Authority. Main duties included site establishment, mix designs, Materials sourcing and method statement for the execution of the works.

He also worked at University of Nairobi as Lecturer in the Department of Civil Engineering on Model Structures and quality control laboratories, theory of structures, structural design, Mechanics of materials, materials science, engineering drawing; supervision of final year projects on research in the use of locally rolled steel in construction Performance of locally manufactured reinforcing bars, use of pozzolanic cements and clay tuffs; and monitoring of soundness of cement from the Athi River Portland Cement and Bamburi Cement factories.

He Chairs the Audit and Risk Management Committee of the Board.



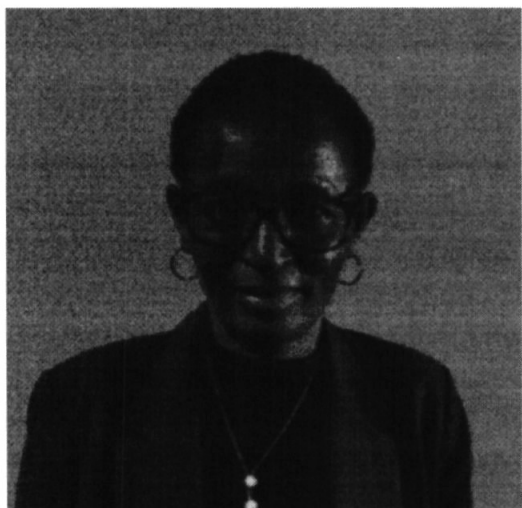
**DR. EMILY JEPYEGON
CHEMOIWA
(MEMBER)**

DATE OF BIRTH: 8th January, 1977

She holds Doctor of Philosophy in Animal Ecology University of Eldoret, Kenya with collaboration with University of KwaZulu-Natal Westville Campus, Master of Philosophy in Zoology (Ecology) Moi University, Chepkoilel Campus. Eldoret, Bachelor of Education Science (Second Class Honors Upper division, Biology Major & Geography Minor) Maseno University, Kenya.

Currently, She works as a Senior Lecturer (Animal Ecology), University of Eldoret, Department of Biological Sciences. She also worked as a Lecturer (Animal Ecology), University of Eldoret, Department of Biological Sciences, Senior Graduate Teacher (Biology), Eldoret GK Magereza Sec. School, Eldoret, Senior Graduate Teacher (Biology), Moi Girls High School, Eldoret, Part time Lecturer (Marine Biology and Oceanography) at Kabarak University, Department of Environmental Science.

She is a member of the Audit and Risk Management Committee of the Board.



MS. JANE WANGECHI KARIUKI
(MEMBER)

DATE OF BIRTH: 9th October, 1966

She holds Masters of Science in Entrepreneurship from Jomo Kenyatta University of Agriculture and Technology, Post Graduate Diploma in Education from Kenyatta University, Bachelor of Science in Mechanical Engineering from the University of Nairobi, Kenya Advanced Certificate of Education at Kaaga Girls High School, Kenya Certificate of Education from Chinga Girls High School, Certificate of Primary Education from Gatuya-ini Primary School. Her other professional trainings includes; Policy Development at Kenya School of Government, Kabete, Strategic Development Programme at Kenya School of Government, Kabete, Senior Management Course at Kenya School of Government, Baringo. On work experience, Ms. Jane Wangechi Kariuki is Director, Ministry of Education – Heading GoK Funded Projects, she has also been a Deputy Director, Vocational Education and Training, Principal Technical Accreditation and Quality Assurance Officer, Chief Technical Accreditation and Quality Assurance Officer, Lecturer Nairobi TTI, Assistant Lecturer, Nairobi TTI.

She is a member of the Planning, Finance, Development and Enterprise Committee and also a member of the Audit and Risk Management Committee of the Board.



**DR. RUTH ATIDAH MITALO,
CS (K), CHRP (K)
(MEMBER)**

DATE OF BIRTH: 15th August, 1980

She holds Doctor of Philosophy degree in Business Administration (Human Resource Management option), Master of Business Administration (MBA) degree (Human Resource Management Option) from The University of Nairobi, Bachelor of Business Administration (BBA) degree (Human Resource Management Option) - First Class Honours, and Diploma in Personnel Management. She is a Certified Human Resource Professional of Kenya (CHRP-K) and a Certified Secretary of Kenya (CS-K). She is a Practising Member of the Institute of Human Resource Management and the Institute of Certified Secretaries. She is currently working as the Registrar, Administration and Human Resource, Kibabii University. She previously worked with Multimedia University of Kenya as the Human Resource Manager. With her extensive knowledge and vast experience of over 20 years in Human Resource Management, she possesses a deep understanding of organizational dynamics.

She Chairs Planning, Finance, Development and Enterprise Committee and also a member in the Research, Training, and Human Resource Committee of the Board.



**DR. GRACE KWAMBOKA
RASUGU (MEMBER)**

DATE OF BIRTH: 7th October, 1960

She holds Doctor of Philosophy degree in Special Needs Education (2023), M. ed in (Learning Disabilities in 2010), Bed (Special education 2004) all from Kenyatta university and a Diploma in education (1984) from Siriba teachers college Dr. Grace Rasugu has also undertaken professional training courses which include, Training on online tutoring (Elimika) and competency based curriculum at Kenya institute of Education (2016), curriculum development in Israel (2015) Education for sustainable development training (2014) at Kenya Education Institute of Management (KEMI) Training in disaster risk management(2014) Senior Management Course Training at Kenya School of Government (KSG- 2013) ,Education Sector Planning for English speaking Africa by UNESCO-IIEP (2010), trained as a lead auditor in ISO 9001;2008:9001;2015 (2010, 2016) Training in disaster risk management (UNICEF/UNDP 2011), Training course on life skills education 2007 by UNICEF among others which have immensely enriched her professionally.

She worked as a secondary school teacher for over 20 years before joining the Kenya Institute of Curriculum Development (KICD) where she worked from 2005 to 2020. Dr. Rasugu is currently an independent consultant and master trainer with Edukanss ([https:// edukans.org](https://edukans.org)).

She is a member of the Research Training and Human Resource, and Audit and Risk Management Committees of the Board.



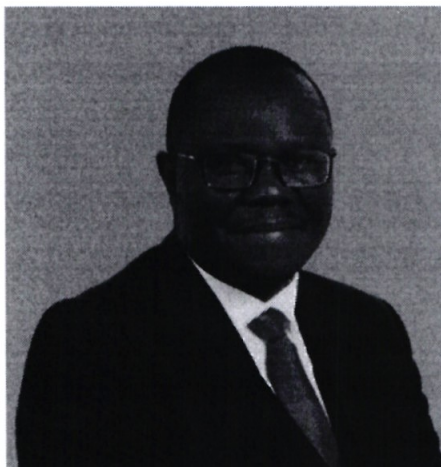
**PROF. WAFULA BENSON
NETONDO
(MEMBER)**

DATE OF BIRTH: 18th August, 1968

He holds an Associate professorship from Catholic University of Mozambique and Maastricht University – Netherlands, he also attended Mysore University Mysore – India. Credit – Mphil. Agricultural Economics *and* Masters in Agricultural Marketing and Management, Gujarat University – Gujarat State – India. Second class upper Honors in Bachelor of Arts, Economics.

Previously, he worked as a Consultant in various stations and countries including Green peace Africa –Regional Training Manager (DRC, Kenya, Senegal Cameroon South Africa, SFCG: Nigeria Training and curriculum Development Manager, Save the Children International as a Training Manager, Kenya and Madagascar, South Sudan Lecturer at Catholic University of Mozambique, Lecturer at Sheikh Technical Veterinary College in Somaliland and EL Fasher in North Darfur in Sudan Specialized in Agricultural economics.

Member of the Research Training & Human Resource and the Planning, Finance, Development and Enterprise Committee of the Board.



MR. ROBLEY NGOJE (MEMBER)

DATE OF BIRTH: 9th June, 1974

He has progressively obtained various degrees from the University of Nairobi including; a Master's Degree in Human Resource Management, Bachelor's Degree in Law - (LLB Upper Second Class), Bachelor's Degree in Commerce (HRM Option) - (Upper Second-Class), Diploma in Banking (KNEC) and currently pursuing his PhD in Business Administration at the University of Nairobi (course work completed).

He is a self-driven and highly accomplished Transformational leader, Banker, Certified HR Professional, Lawyer, Certified Mediator, Certified Professional Trustee, Public Speaker, Facilitator and Governance professional with a dynamic 29-year Banking career in the East & Central Africa Region. He is passionate about solving people's challenges and driving strategic change to enable organizations and communities unlock their full potential for sustainable growth.

He specializes in Human Resource Management (Employee/Industrial Relations, Negotiations, HR Risks, Compliance, Governance and Shared Services), Banking, Training/Facilitation, Strategy formulation and implementation, Mediation and Governance.

He Chairs the Research, Training and Human Resource Committee and also a member of the Planning, Finance, Development and Enterprise Committee of the Board.



MR. ERIC MURIUKI
(MEMBER)

DATE OF BIRTH: 1st January, 1996

He holds LLB degree (Upper Second-Class) Honours Law from the University of Nairobi. He joined the Kenya School of law for the Advocates Training Programme in 2019, which he completed with distinction and was admitted to the bar.

He is an advocate of the High Court of Kenya and founding partner at MKA Law LLP.

His main areas of practice include dispute resolution, legal consultancy and advisory, conveyancing law, legislative drafting, electoral disputes and constitutional & administrative Law.

He is also well versed with corporate governance and policy, having worked at the County Government of Meru and later ODPP before resigning to start his own law firm.

He is a member of the Research, Training and Human Resource Committee and the Audit and Risk Management Committee of the Board.



MRS. JUDITH M. SANDE
(CHIEF PRINCIPAL/SECRETARY
BOG)



DATE OF BIRTH: 6th January, 1967

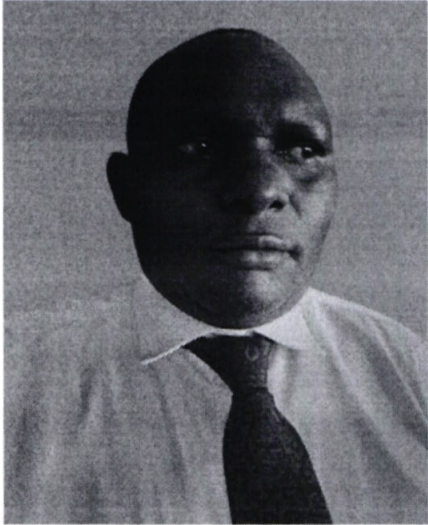
She holds Master of Science Community Nutrition & Development from Maseno University, Bachelor of Education, Home Economics from Kenyatta University. Her other professional Training includes; Senior Management Course from Kenya School of Government Baringo; Senior Leadership Development Program from Kenya School of Government, Embu; Higher National Diploma (Human Resource) at Ramogi Institute of Advanced Technology.

She is a Principal Trainer, Food and Beverage at Matili Technical Training Institute, Job Group 'S' (Chief Principal Vocational & Technical Trainer), Job Group 'R'(Chief Principal, Vocational and Technical Trainer), Job 'Q' (Senior Principal, Vocational & Technical Trainer), she has also been a D/Principal Trainer, Food & Beverages at Ramogi Institute of Advanced Technology, Senior Principal Teacher, Job Group 'P' , D/Principal Trainer, Food & Beverage at Sigalagala TTI, Senior Principal Trainer, Job Group P, D/Principal Trainer, Food& Beverage at Ramogi Institute of Advanced Technology, Principal, Job Group N, Trainer Food & Beverage at Ramogi Institute of Advanced Technology, Graduate Teacher 1, Job Group M, HoD& Teacher, Home Science Technology at Kisumu Girls, Graduate Teacher II, Job Group 'M' Trainer, Food & Beverage at Ramogi Institute of Advanced Technology, Graduate Teacher III, Job Group 'L'; Teacher, Home Science Technology at Kapsengere High School, Teacher, Job Group 'K'.

She is the Secretary to the Board, Planning, Finance, Development and Enterprise Committee, Research, Training and Human Resource Committee and Ad hoc Committee of the Board.

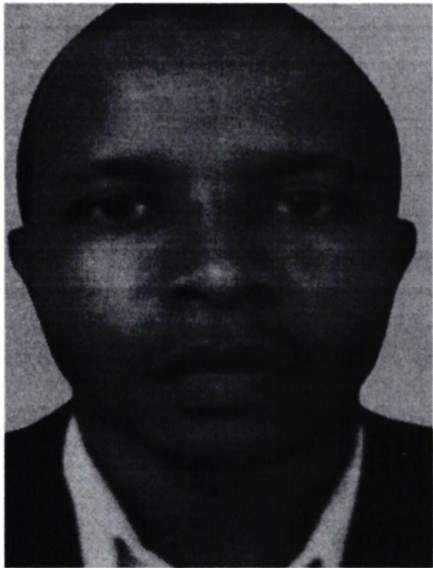
4. Key Management Team

 <p>MRS. JUDITH SANDE (CHIEF PRINCIPAL/SECRETARY, BOG)</p> <p>Master of Science Community Nutrition & Development</p>	<p>She is an overall head of Institution under the direction of the Board of Governors, Serving as the Secretary to the managing authority of the Institution and Promoting linkages between the Institution and the neighbouring communities and organisations.</p>
 <p>MRS VIOLET WATULO (DEPUTY PRINCIPAL (A & F) Bachelor of Education (Arts)</p>	<p>She is responsible for Administering of the Institution's in the absence of the Principal, In-charge of Finance and Administration, Maintenance of cleanliness and general repairs of buildings, Co-ordination of departmental requisitions, receipts and issues of the institutes supplies and stores as well as Supervision and maintenance of proper inventories of equipment and supplies in the departments.</p>



MR. THOMAS ABUGA
DEPUTY PRINCIPAL (ACADEMIC
AFFAIRS)
Master's in Business Administration.

He is responsible for Administering of the Institution's in the absence of the Principal, Coordinating all the departments and ensuring that the approved curriculum is implemented, Maintaining student disciplinary in the Institution, Guiding and counselling of trainers and trainees as well as initiating and supervising of income-generating activities in the departments.

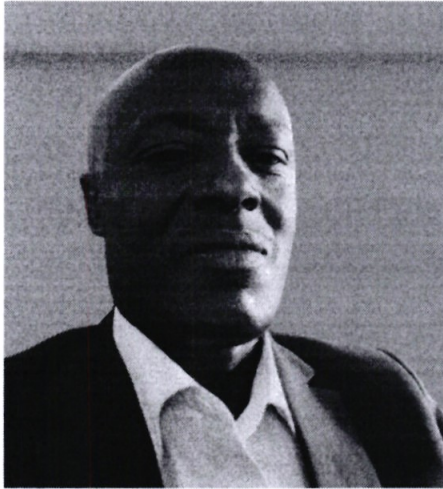


MR. SAMWEL OTIEMO
(REGISTRAR)
Bachelor of Education - Technology
Education, Mechanical Engineering
(Production Option)

He is the Head of Admissions, ensuring Admissions and registration of students.

Coordinating the marketing of college programmes, assessing teaching manpower needs in the Institution.

He also serves as the secretary to the Academic Board and Heads of Departments' meetings.



MR. ANCRUM AMUNGA
(DEAN OF STUDENTS)
Masters in Civil Engineering

He is the Head of Students affairs in the Institution, responsible for Organizing of orientation programmes, Organizing and supervising students' elections, installation and training of student leaders, Ensuring utilization of student's recreational facilities and Coordinating the organization of students' government public lectures, clubs and societies.



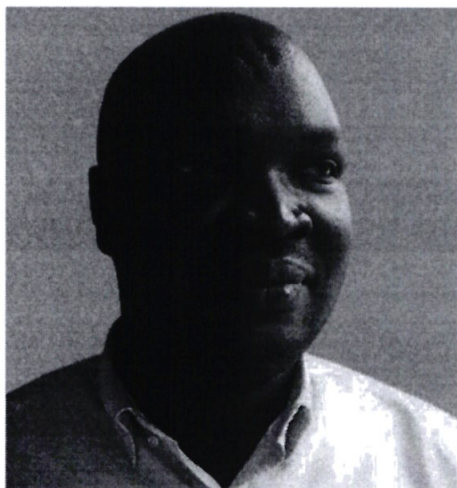
CPA SAMUEL KITUYI
(FINANCE OFFICER)
MBA, CPA-K

He is in charge of Finance and Accounts department. He is responsible for Preparation of Reports and Financial statements both quarterly and annually, Preparation of annual financial budgets, Financial Advisor to the college. As well as Ensuring sound financial controls are in place.



Mrs. COLDILDA WAKUKHA
(PROCUREMENT OFFICER)
Bachelor of Commerce
(Purchasing and Supplies Management
option)

She is in charge of Procurement Department, responsible for Preparing and analysing of tender documents, Preparing procurement plan, Ensuring inspection of goods delivered by suppliers, Advising on matters relating to procurement, Ensuring all departmental inventories are maintained and updated as well as Conducting periodic market survey for cost and price analyses.



MR. BENARD OMONDI
(HUMAN RESOURCE OFFICER)
BCOM (Human Resource Management)

He oversees recruitment and appointment of staff to ensure the Institution has the right staffing, Oversee the human resource training and development through liaison with other departments to establish human resource needs, Advise the BoG on matters relating to human resource policies so as to make informed decisions and Develop the human resource planning policy and procedures in line with the Institution overall policy.

5. Chairman's Statement

In the Financial Year 2024/2025, I committed to support Matili Technical Training Institute in meeting the National Values by promoting good governance, inclusive of decision making, respect of rule of law and moral uprightness, transparency and accountability, equity and fairness in performance of all activities of the Institute. Tolerance of cultural diversity, gender belief system, tribe and respect for self and others are national values that I upheld during my service as the Chair of the Board.

In the Financial Year 2024/2025, the Board endeavoured to complete old pending projects, process ownership of the institute land procured in the previous financial year, employ competent staff, improve training facilities, install the ODeL centre and install ODeL booths increase the level of Open, Distance, and eLearning (ODeL) delivery in the Institution and reduce pressure on physical rooms, to fence the Institute's compound, enhance the Management Information System in the Institute and enhance cohesion among the stakeholders.

This financial statement reports how the Institute attained the strategic objectives set out in the Strategic Plan 2023/2024-2027-2028 through meeting the targets, the budget and the Performance Contract for the Financial Year 2024/2025.

Among the outstanding achievements reported in this financial statement include funding of the installation of the ABN Unisol Cloud ERP, funding of the sports and recreation in the Institution both at regional and National level competitions, funding development projects in the Institution and overseeing training programs in the Institution.

I would like to express my gratitude and appreciation to the Government of Kenya which has relentlessly funded the Institution's projects, training and employed trainers and administrators in the Institution. On behalf of the Board, I would like to thank the parents, guardians and other funders, investors and all the Matili Technical Training Institute partners for their support. I also extend my appreciation to Matili Technical Training Institute Management and staff for their continued dedication to the institute and its Vision and Mission.



CHAIRMAN - BOARD OF GOVERNOR

6. Report of the Chief Principal

Matili Technical Training Institute is well placed to provide adequate and relevant training to the graduates that will enable them to contribute to the attainment of the country's Vision 2030 strategic objectives. In furtherance to the Institution's mandate, we have therefore committed ourselves to consistently and regularly review, improve and consolidate the institution's academic programs in several ways that will ensure their competitiveness in terms of quality and relevance.

With the guidance of the Governing Board, we worked hard in setting up structures and policies aimed at guiding the institution in the right strategic direction in the FY 2024/2025.

Highlights of FY 2024/2025 Performance

In the Financial Year **2024/2025**, The Government introduced the New student-centered funding model for Technical and Vocational Education and Training (TVET) Institutions in Kenya was implemented, shifting from block funding to a needs-based approach. The model aimed to provide scholarships, loans, and household contributions to directly support students based on their financial needs, rather than allocating funds to Institutions.

Families were expected to contribute a portion of the cost, with the amount varying based on the student's assigned need band. The institution no longer received block funding. Instead, funding was provided through the scholarship, loan, and household contribution system.

The model categorized students into five bands based on financial need, with varying levels of government support.

Band 1 (Extremely Needy): Received a 70% government scholarship.

Band 2 (Low Income): Received a 60% government scholarship.

Band 3 (Modest Income): Received a 50% government scholarship.

Band 4 (Middle Income): Received a 40% government scholarship.

Band 5 (High Income): Received a 20% government scholarship.

The total student's fees is capped at Kshs. 67,189/= per annum.

In the year under review, a deficit of Kshs. 20,525,251 was reported whereas the total revenue receivable stood at Kshs. 236,057,855 from both Non-exchange and Exchange transactions.

Students Enrolment

During the year FY 2024/2025, the trainee enrolment increased from 7,266 in the FY2023/2024 to 10,244. This increase was attributed to the marketing and promotion activities carried out by the Institute. I have confidence that the trainees were well equipped with the necessary skills that strategically align them with opportunities within our Counties, Country, and regionally and globally as well as contributing to the Kenya Kwanza Economic Transformation Agenda.

On behalf of the Institute Board, staff and trainees, I take this opportunity to thank the Government for its unequivocal support during the year under review.

I also appreciate the financial, material and moral support of our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as the cooperation of the entire staff and our trainees that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

I look forward to their continued support in the new financial year and the years ahead.



JUDITH SANDE
CHIEF PRINCIPAL/SECRETARY TO THE BOG

Date.....30/06/2025.....

7. Statement of Performance against Predetermined Objectives

Matili Technical Training Institute has seven (7) strategic pillars/issues/themes and objectives within her current Strategic Plan for the FY 2023/2024 – 2027/2028. These strategic pillars are as follows:

Pillar/Theme/Issue 1: Quality Service Delivery.

Pillar/Theme/Issue 2: Enhancing the Infrastructural Capacity.

Pillar/Theme/Issue 3: Integrating ICT in all MaTTI operations.

Pillar/Theme/Issue 4: Enhancing Networks and Collaborations with Industry and other TVET Institutions.

Pillar/Theme/Issue 5: Improving corporate image of MaTTI.

Pillar/Theme/Issue 6: Preparing for and embracing emerging trends in education.

Pillar/Theme/Issue 7: Implementing relevant Government policy documents.

Matili Technical Training Institute develops its annual work plans based on the above seven (7) pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. *Matili Technical Training Institute* achieved its performance targets set for the FY 2024/2025 period for its (Seven) strategic pillars, as indicated in the diagram below:

Pillar / Theme / Issue 1: Quality Service Delivery.	To enhance academic excellence.	Improved examination pass rate.	<ul style="list-style-type: none"> i) Training ii) Syllabus completion iii) Exchange visits iv) Internal assessment v) Industrial attachment 	All achieved.
	To establish a workable customer service charter.	Good customer service	<ul style="list-style-type: none"> i) Establish a Customer Care Office and officially appoint a member of staff to occupy it. ii) Capture customer feedback through a Customer Care Management System. iii) Analyse and report on customer feedback. iv) Review and display the Citizens’ Service 	All achieved

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			<p>Delivery Charter in the prescribed format.</p> <p>v) Upload the Citizens' Service Delivery Charter on the Institute's website.</p> <p>vi) Translate the charter into braille, audio and Kenyan Sign Language to take care of the PWDs.</p>	
	To improve on the corporate governance skills.	Good leadership and service delivery.	<p>i) Training/sensitization of staff.</p> <p>ii) Staff Promotions.</p> <p>iii) Participative leadership.</p> <p>iv) Construct a 'boda boda' shed as a way of giving back to the community</p> <p>v) Increase internet speed to 500 mbps, with a backup of 250 mbps via Star link.</p> <p>vi) Create a National Values and Principles of Governance Park in a serene environment with benches and internet.</p> <p>vii) Provision of uniform and dust coats to members of staff free of charge.</p>	All achieved
	To enhance unique co-curriculum implementation	Enhanced co-curricular activities	<p>i) Organizing internal competitions.</p> <p>ii) Participation in KATTI Co-curricular competitions</p>	All achieved

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			<ul style="list-style-type: none"> iii) Training/sensitization of coaches. iv) Participation in sports' tournaments. 	
	To improve the communication channels and decision-making.	Good communication Processes	<ul style="list-style-type: none"> i) Effective Information sharing. ii) Staff training. iii) Create a National Values and Principles of Governance Park in a serene environment with benches and internet. 	All achieved
	To improve on the human capitalization of MaTTI.	Productive, self-driven and motivated human resources.	<ul style="list-style-type: none"> i) Training and development. ii) Staff promotions. 	All achieved
	To promote and encourage moral and spiritual guidance.	Good moral values	<ul style="list-style-type: none"> i) Display core values binding all human resources in the Institute. ii) Create a National Values and Principles of Governance Park in a serene environment with benches and internet. iii) Establish Spiritual development programs in MaTTI. iv) Enhance Counseling and guidance programs within MaTTI. 	All achieved

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	To promote sustainable financial management practices.	<ul style="list-style-type: none"> i) Updated Assets' Management Register ii) Automated financial processes. iii) Adequate staffing in the Finance Office. iv) Vibrant income generating activities. v) Availability of annual budgets. vi) Audited books of accounts. vii) Submitted quarterly and annual reports to relevant agencies. 	<ul style="list-style-type: none"> i) Update Assets Management register. ii) Train/sensitize members of staff on prudent financial management. iii) Competitively employ qualified staff in the Finance Office. iv) Enhance Income Generating activities. v) Embrace budgeting. vi) Audit books of accounts. vii) Submission of quarterly and annual financial reports to relevant agencies. 	All achieved
Pillar / Theme / Issue 2: Enhancing the Infrastructural Capacity.	Expansion of learning infrastructure.	<ul style="list-style-type: none"> i) Purchased Driving School car. ii) Increased internet speed to 500 mbps. iii) Increased internet speed backup of 250mbps via star link. 	<ul style="list-style-type: none"> i) Donation of a Driving School car. ii) Increase internet speed to 500mbps. iii) Increase internet speed backup to 250 mbps via star link. 	All achieved

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	Enhancing of proper sanitation, health and hygiene standards within MaTTI.	<ul style="list-style-type: none"> i) Adequate toilets for members of staff and trainees ii) Adequate detergents, soap, cleaning equipment and protective gear for cleaners. 	<ul style="list-style-type: none"> i) Construction of more toilets for members of staff and trainees. ii) Continue purchasing detergents, soap, cleaning equipment and protective gears for cleaners. 	All achieved
	Enhancing of ICT Compliance.	<ul style="list-style-type: none"> i) Increased internet speed to 500 mbps. ii) Increased internet speed backup to 250 mbps via Star link. iii) Implemented Open and Distance E-Learning (ODEL) through construction of 15 booths. iv) Trained members of staff and trainees on ODEL. v) Vibrant institute website. 	<ul style="list-style-type: none"> i) Increase internet speed to 500 mbps. ii) Increase internet speed backup to 250 mbps via Star link. iii) Implement Open and Distance E-Learning (ODEL) through creation of 15 booths and purchase of a Learning Management System (LMS). iv) Train members of staff and trainees on ODEL for effective implementation. v) Redesign the Institute website to make it more vibrant. 	All achieved
<p>Pillar / Theme / Issue 3:</p> <p>Integrating ICT in all MaTTI operations</p>	To computerize MaTTI's operations in financial management, library services, security services, among others.	Automated financial, library and procurement services.	Automate financial, library and procurement services.	Financial and procurement services automated; yet to automate library services.

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	To increase internet speed in the institute	<ul style="list-style-type: none"> i) Increased internet speed to 500 Mbps. ii) Increased internet speed back up to 250mbps via Star link iii) An interactive Institute website. 	<ul style="list-style-type: none"> i) Increase internet speed. ii) Increase internet speed back up to 250mbps via Star link. iii) Redesign the institute website to make it more vibrant. 	All achieved.
<p>Pillar / Theme / Issue 4:</p> <p>Enhancing Networks and Collaborations with Industry and other TVET Institutions.</p>	To Encourage Positive Networking and Collaborations	<ul style="list-style-type: none"> i) A Strong alumni association. ii) MoUs and interactions with the industry and other sister Institutions. iii) Improved MaTTI brand. iv) Increased trainee enrolment. 	<ul style="list-style-type: none"> i) Form a strong alumni association. ii) Enter into MoUs and interact with the industry and other sister institutions. iii) Improve MaTTI brand. iv) Increase trainee enrolment. 	All achieved.
<p>Pillar / Theme / Issue 5:</p> <p>Improving corporate image of MaTTI</p>	Display the corporate identity of MaTTI through colours, magazines and other publications.	<ul style="list-style-type: none"> i) MaTTI corporate colours (navy blue, lemon green and gold) on all MaTTI property like buildings, vehicles, signages, among others. ii) MaTTI advertised on various platforms 	<ul style="list-style-type: none"> i) Have MaTTI corporate colours (navy blue, lemon green and gold) on all MaTTI property like buildings, vehicles, signages, among others. ii) Advertise MaTTI on various platforms. 	All achieved.
<p>Pillar / Theme / Issue 6:</p>	To prepare for the education changing trends	<ul style="list-style-type: none"> i) Prepared staff on the change(s) before it/ they occur(s). 	<ul style="list-style-type: none"> i) Training/sensitizing staff on the CBET modularized, Recognition of Prior 	All achieved.

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<p>Preparing for and embracing emerging trends in education.</p>		<p>ii) Sound monitoring and evaluation tools.</p> <p>iii) Reviewed training curricula.</p> <p>iv) Mounted part-time courses that are market-driven.</p>	<p>Learning (RPL) and ODEL before they were implemented.</p> <p>ii) Putting up of sound monitoring and evaluation tools.</p> <p>iii) Reviewing training curriculum to be in line with Modularized CBET, RPL and ODEL.</p> <p>iv) Mounting part-time training in already identified market-driven courses.</p>	
<p>Pillar / Theme / Issue 7: Implementing relevant Government policy documents</p>	<p>To track the progress on the implementation of the relevant policy documents</p>	<p>i) Developed and implemented internal policies that are in line with the government's requirements</p> <p>ii) Reports on monitoring and evaluation of the various policies.</p>	<p>i) Develop and implement internal consultative sound policies that are in line with the government's requirements.</p> <p>ii) Put up sound monitoring and evaluation tools for various policies.</p>	<p>All achieved</p>

NB: The objectives and their accompanying activities in the table above were also targeted in the Institute's FY 2024/2025 Performance Contract. Consequently, their achievement is as indicated in the table above.

8 Corporate Governance Statement

a) Introduction

Matili Technical Training Institute (MaTTI) is committed to upholding high standards of corporate governance, ensuring transparency, accountability, and integrity in all its operations. This statement outlines the governance framework, processes, and practices that guide the Board of Governors (the Board) in discharging its duties.

b) Board Meetings and Attendance

The Board held 6 meetings during the financial year. Attendance by each member was as follows:

S/NO.	NAME	POSITION	FULL BOARD	SPECIAL	PFDE	RTH R	AUDIT
1.	Prof. W. Okumu-Bigambo	Board Chair	4	2	-	-	-
2.	Eng. Malaba Keya	Member	4	2	-	-	4
3.	Dr. Mitalo Ruth	Member	4	2	4	3	-
4.	Mr. Robley Ngoje	Member	4	2	3	4	
5.	Dr. Grace Rasugu	Member	4	2	-	3	4
6.	Dr. Emily Chemoiwa	Member	4	2	-	-	4
7.	Prof. Benson Netondo	Member	3	2	4	-	-
8.	Mrs. Jane Kariuki	Member	4	2	3	1	4
9.	Mr. Eric Muriuki	Member	4	2	-	3	4
10.	Mrs. Judith Sande	Secretary	4	2	4	4	-

The high level of attendance reflects the commitment of the Board members to their governance responsibilities.

c) Succession Planning

MaTTI has a robust succession plan in place to ensure the continuity of leadership and governance. The succession plan identifies potential internal and external candidates for key roles, focusing on skills, experience, and leadership capabilities. The plan is reviewed annually by the Board to ensure it aligns with the strategic objectives of the Institute.

d) Board Charter

The Board operates under a formal Board Charter that outlines its roles, responsibilities, and procedures. The Charter serves as a guide for effective governance, ensuring that the Board acts in the best interest of MaTTI and its stakeholders. The Charter is reviewed periodically and updated as necessary to reflect best practices and regulatory requirements.

e) Appointment and Removal of Board Members

The process for appointing and removing Board members is governed by article 15 of the TVET Act 2013. Board members are appointed based on their expertise, experience, and commitment to the values and objectives of MaTTI. Removal of a member may occur due to non-performance, conflict of interest, or any other valid reason as stipulated in the governing documents. The Board has established a transparent and fair process for these actions, ensuring decisions are made in the best interest of the Institute.

f) Roles and Functions of the Board

The primary roles of the Board include:

- i. Strategic Oversight: Setting the strategic direction of the Institute and ensuring alignment with its mission and vision.
- ii. Financial Stewardship: Overseeing the financial performance and ensuring the Institute's resources are used efficiently.
- iii. Policy Development: Formulating and approving key policies that govern the operations of MaTTI.
- iv. Risk Management: Identifying and mitigating risks that could affect the institute's ability to achieve its objectives.
- v. Compliance: Ensuring adherence to all relevant laws, regulations, and standards.

g) Induction and Training

All new Board members undergo a comprehensive induction program that familiarizes them with MATTI's operations, governance framework, and their roles and responsibilities. Continuous professional development is encouraged, with members attending relevant training sessions and workshops throughout the year to enhance their skills and knowledge.

h) Board and Member Performance

The Board conducts an annual evaluation of its performance, as well as the performance of individual members. This process is designed to assess the effectiveness of the Board in fulfilling its governance responsibilities and to identify areas for improvement. Feedback from the evaluation informs the Board's development plans for the following year.

i) Conflict of Interest

Board members are required to disclose any potential or actual conflicts of interest. A conflict of interest register is maintained and reviewed regularly to ensure that any conflicts are appropriately managed. Members are expected to recuse themselves from discussions or decisions where a conflict of interest may arise.

j) Board Remuneration

Board members receive remuneration in accordance with the guidelines set by the inauguration meeting. The remuneration is designed to reflect the responsibilities of the role while ensuring that it does not compromise the independence and objectivity of the members.

k) Ethics and Conduct

MaTTI is committed to maintaining high ethical standards in all its activities. The Board has adopted a Code of Conduct that sets out the ethical principles and standards of behavior expected of all members. Compliance with the Code is mandatory, and any breaches are dealt with in accordance with the institute's disciplinary procedures.

l) Governance Audit

Regular governance reviews conducted during the year to assess the effectiveness of the Board's governance practices. The reviews confirmed that MaTTI adheres to best practices in corporate governance, with recommendations for further improvement being actively considered by the Board.

In conclusion, MaTTI remains committed to continuous improvement in its governance practices, ensuring that the Board continues to provide effective leadership and oversight in achieving the institute's strategic objectives.

(i) The Board Charter

The Board is guided by the Board Charter which defines the governance procedures within which the Board exists and operates. The Charter was enacted by the Board in February 2021 and it clearly states the respective roles, responsibilities and the authorities of the Board and its Committees

(ii) Board Appointment and Composition

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

The membership of the Board of Governors comprises of:

- (a) The Chairperson;
- (b) The Principal who is the Secretary to the Board of Governors.
- (c) Representative of the Principal Secretary in the Ministry of Education State Department of TVET
- (d) Representative of the Governor of the County Government of Bungoma.
- (e) Five other members appointed on the basis of their knowledge and experience in Leadership and Management, Financial Management, Technology, Industry, Engineering and Information Communication Technology.

Some of the roles of the Board of Governors include:

- (a) Approve the policies of the Institute
- (b) Employ staff

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

(iii) Board Diversity

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

(iv) Separation of Powers

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

(v) Board's Effectiveness

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

(vi) Board Evaluation

The Board has put in place an evaluation system to ensure that the Board achieves its objective. The Board evaluation took place in the year 2024/2025.

(vii) Sitting Allowances of the Board

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

(viii) Conflict of Interest

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

(ix) Committees of the Board

The Institute has a total of three committees which are:

1. The Audit and Risk Management Committee
2. Planning, Finance, Development and Enterprise Committee
3. Research, Training and Human Resource Committee.

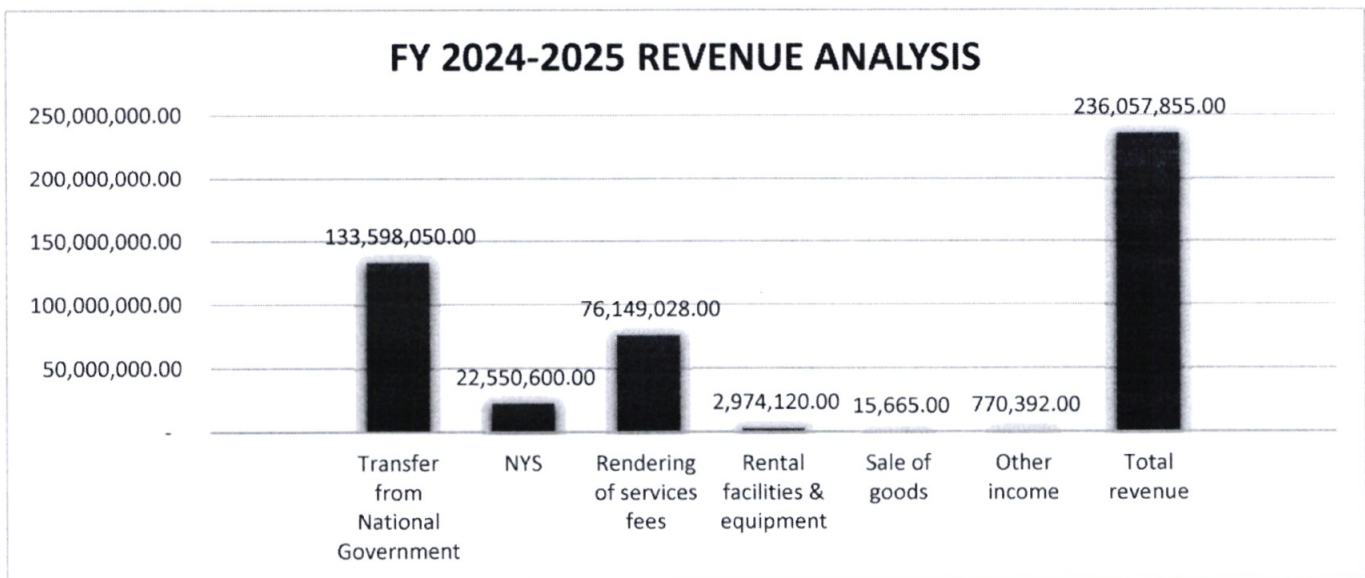
9. Management Discussions and Analysis

a) The Institute’s Performance Revenue

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

- (i) Government Grants – Capitation
- (ii) Internally generated funds – Tuition and other related charges

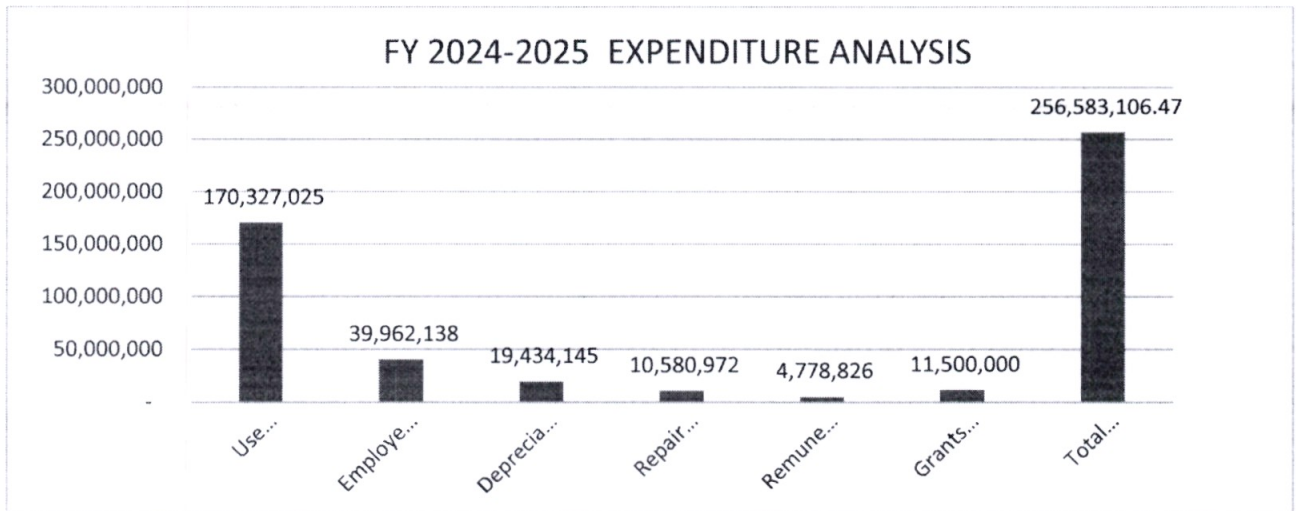
During the year, revenue of Kshs. 133,598,050 was received from the National Government as capitation, Kshs. 76,149,028 from Tuition and other fees for rendering of services and Kshs. 3,760,177 from other incomes. The Institute’s revenue decreased by 15% (Kshs. 29,029,072) from Kshs. 207,028,783.00 to Kshs. 236,057,855 .



Expenditure

The Institute’s expenditure comprises of the use of goods and services, employee costs, repairs and maintenance, the Board of Governors’ costs, and general expenses.

The overall expenditure for the period increased by 28% Kshs. 213,692,596 to Kshs. 256,583,106.42. The expenditure increased on use of goods and services due to CBET curriculum that involved a lot of training activities.



(a) The Institute’s Compliance with Statutory Requirements

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

(b) Material Arrears in Statutory/Financial Obligations

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

(c) Key Projects and Investment Decisions the Institute undertook

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

1	Completion of Building and Civil Engineering workshop	4,481,544	4,481,544	100%	4,481,544	4,481,544	Internally Generated funds
2	Construction of Electrical and electronic workshop	25,861,156.02	13,861,594	54%	25,861,156.02	13,861,594	Internally Generated funds
3	Flooring of E-Tractor and welding workshop	2,000,000	700,000	35%	2,000,000	700,000	Internally Generated funds

(d) Major Challenges and Risks Facing the Institute

The following are the major challenges facing the Institute.

No.	Challenge	Mitigation
1	Delayed disbursement of capitation funds from the Government	Making formal follow-ups including, writing letters and visiting the Ministry of Education Offices
2	Inadequate infrastructure	Constructed temporary lecture halls, writing and submitting proposals to the Ministry of Education for Development Grants and encouraging the locals to construct accommodation facilities for the trainees.
3	Inadequate staff	Contracting more Board employees.

(e) The Institute's Financial Probity and serious Governance Issues

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

10. Environmental and Sustainability Reporting Statement

Matili Technical Training Institute exists to transform lives. This is our purpose and the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence.

Below is a highlight of strategies and activities that promote the organization's strategic objectives.

Sustainability strategy and profile

The triple Bottom Line concepts analyze the sustainability of an organization based on three concepts which are Profit, People (Social) and Planet (Environment).

Profit: The Institute has adopted a transformation strategy aimed at ensuring that she remains financially sound in the face of dwindling funding from the central government. The Institute has expanded her capacity for internally generated income from production units.

Social: The Institute has developed a Succession Management Policy to address the welfare of employees now and in the future.

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

Environmental Performance

Use of softcopy material has been encouraged and thereby reduced on the use of paper. Training sessions are conducted with the use of white boards instead of chalk Board thereby reducing dust and related effects.

Employee Welfare

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

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

Activity	Description
Better training	<ul style="list-style-type: none"> • Optimizing training operations to meet ongoing social

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	<p>and sustainability objectives.</p> <ul style="list-style-type: none"> • Providing opportunities for growth at the Institute by becoming involved in our local community.
Enhanced community	Focusing on empowering members of the community.
Supported Staff	<ul style="list-style-type: none"> • Promoting initiatives that support staff and their families, beyond the provision of employment. • Promoting initiatives that recognize the contribution of the staff to the community.

Policies Guiding the Institute’s Hiring Process

S/No.	Title	Review Period	Remarks
1.	Human Resource Policy and Manual	Regularly	Terms and conditions of service governing employees are applied across the board without discrimination
2.	Internship Policy and Guidelines	Regularly	Intern positions are filled competitively without discrimination
3.	Gender Mainstreaming	Regularly	The Institute observes equal employment opportunities during staff recruitment across all genders.
4.	Disability Mainstreaming	Regularly	<p>The Institute offers equal employment opportunities to officers living with disability.</p> <p>The Institute also offers rights and privileges as provided in the PWDs Act and Board employment policies.</p>

Market Place Practices

Responsible Supply Chain and Supplier Relations

The Institute has maintained good business practice by complying with the Government Policy on Public Procurement and Section 227 of The Constitution of Kenya, 2010.

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

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

Matili Technical Training Institute has at all-time ensured responsible treatment of suppliers in various ways as featured below:

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

Corporate Social Responsibility / Community Engagements

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

11. Report of the Board of Governors

The Board members submitted their report together with the audited financial statements for the year ended June 30, 2025, which showed the state of the Institute's affairs.

Principal activities

The Principal activities of Matili Technical Training Institute are to provide high quality Technical and vocational Education and Training and Research that promote creativity and innovations to meet global challenges.

Results

The results of Matili Technical Training Institute for the year ended 30th June, 2025 are set out on pages 1 to 8.

Board of Governors

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

Auditors

The Auditor General is responsible for the statutory audit of Matili Technical Training Institute in accordance with Article 229 of the Constitution of Kenya.

By Order of the Board


.....
Secretary of the Board

Nairobi

Date: 30/06/2025

12. Statement of the 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 Matili Technical Training Institute, which give a true and fair view of the state of affairs of Matili Technical Training Institute at the end of the financial year/period and the operating results of Matili Technical Training Institute for that year/period. The Board members are also required to ensure that Matili Technical Training Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of Matili Technical Training Institute. The Board members are also responsible for safeguarding the assets of Matili Technical Training Institute.

The Board members are responsible for the preparation and presentation of Matili Technical Training Institute financial statements, which give a true and fair view of the state of affairs of Matili Technical Training Institute for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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.

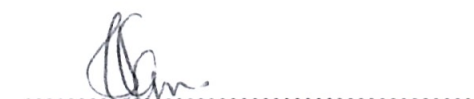
The Board members accept responsibility for the institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act 2013). 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 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.

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

Approval of the financial statements

Matili Technical Training Institute financial statements were approved by the Board on 30/06/2025 and signed on its behalf by:


.....
Name **Chairperson of the Board**


.....
Name **Accounting Officer/Principal**

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON MATILI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Matili Technical Training Institute set out on pages 1 to 51, which comprise of the statement of statement of financial

position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Matili 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 Public Finance Management Act, 2012, and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Incorrect Classification and Commingling of Revenue

The statement of financial performance reflects revenue from exchange transactions amount of Kshs.79,909,205 which includes rendering of services-fees from students amounting to Kshs.76,149,028 as disclosed in Note 7 to the financial statements. However, the disclosure Note 7 to the financial statements reflects total revenue amounting to Kshs.212,297,678, and an additional disclosure stating that the amount includes transfers from non-exchange transactions. This was contrary to accounting standards which requires the Institute to disclose and account for the revenues from non-exchange transactions separately from the revenues from exchange transactions.

This was also contrary to section 81(3) of the Public Finance Management Act, 2012, which stipulates that the financial statements should be prepared in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (PSASB) from time to time.

In the circumstances, Management was in breach of the law and the presentation of revenue from exchange transactions amount of Kshs.79,909,205 was incorrect.

2. Failure to Allocate Refundable Deposits to Students

The statement of financial position and as disclosed in Note 24 to the financial statements reflects refundable deposits from customers balance of Kshs.24,792,074, which includes unallocated funds amounting to Kshs.16,645,621 in respect to revenue by sponsors that remained unallocated to the intended beneficiaries.

In the circumstances, the accuracy, validity and completeness of refundable deposits from customers balance of Kshs.24,792,074 could not be confirmed.

3. Unconfirmed Motor Vehicle Balance

The statement of financial position reflects property, plant and equipment balance amount of Kshs.384,001,481 which, as disclosed in Note 20 to the financial statements includes motor vehicles balance of Kshs.12,230,155, which in turn includes a motor vehicle at a cost of an amount of Kshs.3,149,291. However, the physical verification could not confirm the existence of the motor vehicle.

In the circumstances, the accuracy, existence and completeness of motor vehicle balance of Kshs.3,149,291 could not be confirmed.

4. Unconfirmed Biological Assets Balance

The statement of financial position and Note 22 to the financial statements indicate biological assets balance amounting to Kshs.2,330,351 which includes trees and cattle balances amount of Kshs.1,713,851 and amount Kshs.616,500, respectively. However, the Institute does not maintain ledgers and biological assets register to account for the increase in assets balance of Kshs.2,330,351 from the previous year's balance of Kshs.407,400. In addition, the Institute's six (6) cattle were not tagged for ease of identification.

In the circumstances, the accuracy and completeness of biological assets balance of Kshs.2,330,351 could not be confirmed.

5. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and Note 18 (a) to the financial statements reflect receivables from exchange transactions balance of Kshs.247,259,909, which include student debtors balance of Kshs.235,126,858. The debtors' ageing analysis shows debts amounting to Kshs.201,396,682 which were over one year old and Management did not demonstrate effort made to recover the long outstanding debts.

In the circumstances, the accuracy, completeness and full recoverability of receivables from exchange transactions balance of Kshs.201,396,682 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of amounts of Kshs.369,561,500 and Kshs.220,930,419

respectively, resulting to under-collection amounting to Kshs.148,631,081 or 40% of the budget. Similarly, the Institute spent an amount of Kshs.232,642,743 on recurrent expenditure against an approved budget of Kshs.369,561,500 resulting to an under-expenditure of Kshs.136,918,757 or 37% of the budget.

Additionally, the statement indicates that the Institute spent Kshs.26,815,372 on capital expenditure against a budget of Kshs.11,309,772 resulting to over-expenditure of Kshs.15,505,600 or 58% of the budget. However, Management did not provide for audit review documentary evidence on approval of the over-expenditure.

In the circumstances, Management did not observe fiscal discipline.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit of the previous year, several issues were reported under Report on the Financial Statements, Emphasis of Matter, the Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance as detailed in **Appendix I**. However, Management has not resolved the issues or given reasons for the delay in resolving the issues.

Other Information

The Management is responsible for the Other Information set out on page iii to xlv which comprise of Key Entity Information and Management, the Board of Governors, Key Management Team, Chairman's Statement, Report of the Senior Principal, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Board of Governors and 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. Failure to Prepare Quarterly Returns on Implementation of Annual procurement Plan

Review of the procurement systems in place at the Institute revealed that the accounting officer did not prepare quarterly returns on the implementation of the approved annual procurement plan. This was contrary to Regulation 40(6) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that an accounting officer of a procurement entity shall prepare a quarterly report on the implementation of the annual procurement plan and submit it to the Cabinet Secretary or county executive committee member for finance responsible for the procuring entity or the governing body, as the case may be.

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

2. Non-Compliance with Law on Staff Ethnic Composition

Review of personnel records during the year under review, revealed that the Institute had one hundred and forty (140) employees out of which one hundred and ten (110) or 78% of the total staff were members of the dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.

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

3.Failure to Maintain a Complete Non-Current Assets Register

During the year under review, the non-current assets register for the Institute did not include date of acquisition, supplier or contractor, name and number of land parcels, depreciation, serial numbers of computers and ICT equipment as required by Section 84(1) and (8) of the General Guidelines on Asset and Liability Management in the Public Sector, 2020 which requires that the format of the asset register shall include the data needed to comply with the applicable accounting standards and data needed for the technical management of the assets.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and the Board of Governors

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

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

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

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

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

2 December, 2025

Appendices

Appendix 1: Unresolved Prior Year Issues

Reference No. of the Auditor-General's Audit Report	Title of Audit Issue
	REPORT ON THE FINANCIAL STATEMENTS
1	Inaccuracies in the Statement of Cash Flows
2	Misstatement in the Receivables from Exchange Transactions Balance
3	Unsupported Expenditure on Maintenance of Motor Vehicles
	EMPHASIS OF MATTER
	Budgetary Performance and Control
	REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES
1	Non-Compliance with Ethnic Diversity Requirements
2	Non-Compliance with Requirements for Low Value Procurement
3	Failure to update Fixed Asset Register
	REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE
1	Weak Controls in Invoicing and Payment by Students
2	Weakness in Management of Information Technology

MATILI TECHNICAL TRAINING INSTITUTE

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

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


Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	133,598,050	55,432,000
Transfers from other Government entities	6 a)	22,550,600	0
Total Revenue from non exchange transactions		156,148,650	55,432,000
Revenue from Exchange transactions			
Rendering of services- fees from students	7	76,149,028	145,974,050
Sale of goods	8	15,665	300,233
Rental revenue from facilities and equipment	9	2,974,120	779,500
Miscellaneous income	10	770,392	4,543,000
Revenue from Exchange transactions		79,909,205	151,596,783
Total Revenue		236,057,855	207,028,783
Expenses			
Use of goods and services	11	170,404,325	142,918,982
Employee costs	12	39,962,138	39,261,607
Board Expenses	13	4,778,826	3,319,950
Depreciation and amortization expense	14	19,586,395	19,745,478
Repairs and maintenance	15	10,580,972	8,446,579
Grants and subsidies	16	11,522,450	0
Total Expenses		256,835,106	213,692,596
Net surplus/(deficit) for the year		(20,777,251)	(6,663,813)

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




 Chairman of Council/Board

Date 30/6/25



 Principal JUBITH SANDE

Date 30/06/2025



 Finance Officer CPA SAMUEL K. OCHI

ICPAK No 24394
 Date 30/06/2025

MATILI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements
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9. Statement of Financial Position As At 30th June 2025

Assets			
Current Assets			
Cash and cash equivalents	17	28,029,705	15,746,610
Receivables from exchange transactions	18 (a)	247,259,909	232,132,477
Inventories	19	16,747,476	19,556,043
Total Current Assets		292,037,090	267,435,130
Non-Current Assets			
Property, plant, and equipment	20	384,001,481	375,586,373
Intangible assets	21	4,744,526	5,169,408
Biological Assets	22	2,330,351	407,400
Total Non-Current Assets		391,076,358	381,163,181
Total Assets		683,113,448	648,598,311
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	23	12,961,212	11,165,815
Refundable deposits from customers	24	24,792,074	22,697,392
Deferred income	25	8,477,550	0
Payments received in advance	26	14,186,437	0
Total Current Liabilities		60,417,273	33,863,207
Capital and Assets			
Reserves		168,842,086	186,505,530
Accumulated Surplus		357,881,244	359,072,101
Capital Fund		95,972,845	69,157,473
Total non- current liabilities		622,696,175	614,735,104
Total		683,113,448	648,598,311

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

[Signature]
 Chairman of Council/Board

Date *30/6/25*

[Signature]
 Principal

Date *30/06/2025*

[Signature]
 Finance Officer CPA SAMUEL KIRUMI
 ICPAK No 24394
 Date *30/06/2025*

MATILI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2025

10. Statement of Changes in Net Asset For The Year Ended 30 June 2025

At July 1, 2023	206,251,008	345,990,436	69,157,473	621,398,917
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(6,663,813)	-	(6,663,813)
Transfer of depreciation/amortisation from capital fund to Retained earnings	(19,745,478)	19,745,478	-	-
At June 30, 2024	186,505,530	359,072,101	69,157,473	614,735,104
At July 1, 2024	186,505,530	359,072,101	69,157,473	614,735,104
Revaluation gain (biological assets)	1,922,951.05	-	-	1,922,951.05
Surplus/(deficit) for the year	-	(20,777,251)	-	(20,777,251)
Capital Projects	-	-	26,815,372	26,815,372
Transfer of depreciation/amortisation from capital fund to Retained earnings	(19,586,395)	19,586,395	-	-
At June 30, 2025	168,842,086	357,881,244	95,972,845	622,696,176

MATILI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements
For the Year Ended 30th June, 2025

11. Statement of Cash Flows For The Year Ended 30 June 2025

Statement of Cash Flows			
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	133,598,050	55,432,000
Transfers from other levels of government(NYS)	6 a)	22,550,600	0
Rendering of services- fees from students	7	61,021,592	119,025,044
Sale of goods	8	15,665	0
Rental revenue from facilities and equipment	9	2,974,120	779,500
Miscellaneous income	10	770,392	4,843,233
Total Receipts		220,930,419	180,079,777
Payments			
Use of goods and services	11	168,135,531	135,147,755
Employee costs	12	39,227,261	39,261,607
Board Expenses	13	4,778,826	3,319,950
Repairs and maintenance	15	10,580,972	8,446,579
Grants and subsidies	16	9,922,152	0
Total Payments		232,644,742	186,175,891
Net Cash Flows from operating activities	27	(11,714,323.00)	(6,096,114)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		26,815,372	(3,925,433)
Revaluation gain		1,786,012	(2,241,176)
Decrease /Increase in Inventories	19	(2,808,567)	0
Decrease /Increase payables	23	(1,795,397)	0
Net cashflows used in investing activities		23,997,420	(6,166,609)
Net cash flows from financing activities		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		12,283,095	(12,262,723)
Cash and Cash equivalents at 1 JULY	17	15,746,610	28,009,333
Cash and Cash equivalents at 30 JUNE	17	28,029,705	15,746,610

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

	a	b	c=(a+b)	d	e=(c-d)	$\frac{f-d}{c} \times 100$
Receipts						
Transfers from other National Government entities	183,878,778	-	183,878,778	133,598,050	78,699,629	63%
Transfers from other levels of government	28,418,900	-	28,418,900	22,550,600	5,868,300	79%
Rendering of services- fees from students	128,147,322	-	128,147,322	61,021,592	51,998,294	59%
Sale of goods	204,000	-	204,000	15,665	188,335	8%
Rental revenue from facilities and equipment	2,512,500	-	2,512,500	2,974,120	(461,620)	118%
Miscellaneous Income	26,400,000	-	26,400,000	770,292	25,629,708	3%
Total Receipts	369,561,500		369,561,500	220,930,419	161,922,646	59%
Payments						
Use of goods and services	292,061,500	-	292,061,500	168,135,532	121,657,175	58%
Employee costs	52,500,000	-	52,500,000	39,227,261	12,537,862	76%
Board Expenses	5,000,000	-	5,000,000	4,778,826	221,174	96%
Repairs and maintenance	20,000,000		20,000,000	10,580,972	9,419,028	53%
Grants and subsidies	0.00	-	0.00	9,922,152	(11,522,450)	0%
Total Expenditure Payments	369,561,500	-	369,561,500	232,642,743	132,312,788.53	65%
Capital Expenditure Payments	11,309,772	-	11,309,772	26,815,372	(15,505,600)	237%

Budget notes for variations over/under 10%

- a. Inadequate disbursement of funds by the government**
- b. Decrease in fee payments by trainees**
- c. Low enrollment in party time courses leading to low revenue**
- d. Inadequate funds hence some activities were not under taken**
- e. No recruitment of staff was done due inadequate funds**
- f. Board retreat was postponed due to inadequate funds**

13. Notes to the Financial Statements

1. General Information

Matili Technical Training Institute is established by and derives its authority and accountability from TVET Act 2013. Matili Technical Training Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The institute's principal activity is to: offer competence Based Technical Training, prepare and guide trainees, for evaluation and certification by appropriate examining bodies and promote Science, Technology and Innovation in all training programs.

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 Matili Technical Training 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 this financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Matili Technical Training Institute.

The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act 2012, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2024.

Standard	Effective date and impact:
<p>IPSAS 41:</p> <p>Financial Instruments</p>	<p>Applicable: 1st January, 2024:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Institute’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Institute’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42:</p> <p>Social Benefits</p>	<p>Applicable: 1st January, 2024</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Institute provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Institute. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Institute’s financial performance, financial position and cash flows.

MATILI TECHNICAL TRAINING INSTITUTE

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

Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January, 2024:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	<p>Applicable 1st January, 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30th June, 2023

IPSAS 43	<p>Applicable 1st January, 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Institute.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and	<p>Applicable 1st January, 2025</p>

MATILI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2025

Discontinued Operations	<p>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:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
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iii. Early adoption of standards

Matili Technical did not early-adopt any new or amended standards in year 2023-2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2024/2025 was approved by the Board or Board on 26th January 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Matili Technical Training Institute upon receiving the respective approvals to conclude the final budget. Accordingly, Matili Technical Training Institute recorded no additional appropriations on the FY 2024/2025 budget following the Board/ Board's approval. The institute's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 1 under section **14** of these financial statements.

c) Taxes

Current income tax

Matili Technical Training Institute is exempt from paying taxes as per schedule 5 of the ***income Tax*** Act for the FY 2024-2025.

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 27.5 years.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

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

present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of

the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that Matili Technical Training Institute will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Institute. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

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

Summary of Significant Accounting Policies (Continued)

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one institute and a financial liability or equity instrument of another institute. At initial recognition, Matili Technical Training Institute measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

Matili Technical Training 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. Matili Technical Training Institute recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

Financial liabilities

Classification

Matili Technical Training Institute classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

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

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

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

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

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

k) Provisions

Provisions are recognized when Matili Technical Training 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 Matili Technical Training Institute expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

Matili Technical Training 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

Matili Technical Training 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 Matili Technical Training Institute in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. Matili Technical Training 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 measured at the best estimate of the cost (the social benefit payments) that Matili Technical Training Institute will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

Matili Technical Training Institute creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

p) Foreign currency transactions

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

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

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

s) Service concession arrangements

Matili Technical Training 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, Matili Technical Training 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, Matili Technical Training Institute also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Summary of Significant Accounting Policies (Continued)

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Matili Technical 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. Matili Technical Training Institute based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Institute. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

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Annual Report and Financial Statements for the year ended 30th June 2025
Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	FY2024-2025	FY 2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	113,598,050.00	55,432,000
TOTAL UNCONDITIONAL GRANTS	113,598,050.00	55,432,000
WEBUYE EAST TVC	20,000,000.00	
Total Government Grants and Subsidies	133,598,050.00	55,432,000

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	FY 2024-2025	Total grant income during the year	Comparative FY 2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of youth & affairs	22,550,600	-	22,550,600.00	22,550,600	-
Total	22,550,600	-	22,550,600.00	22,550,600	-

7. Rendering of Services

Description	FY 2024-2025	FY2023-2024
	Kshs	Kshs
Tuition Fees	94,114,919.00	91,841,824.00
Activity Fees	9,392,562.00	7,454,109.00
Industrial Attachment Fees	5,264,000.00	4,702,764.00
Examination Fees	27,526,607.00	15,981,206.00
Library Fees	1,217,300.00	2,164,200.00
Personal emoluments	28,452,750.00	30,277,835.00
Admission fees	-	825,900.00
Medical fees	458,100.00	815,000.00
RMI	8,817,950.00	7,964,650.00
EWC	8,058,560.00	6,669,820.00
LT&T	8,327,200.00	6,712,300.00

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COMPUTER	276,900.00	700,700.00
ADMINISTRATION	3,765,750.00	6,641,456.00
STUDENTS UNION	2,415,300.00	2,744,400.00
INSURANCE	766,500.00	1,724,500.00
SUPPLEMENTARY EXAMS	400.00	-
ID REPLACEMENT	6,550.00	-
STUDENT ID	1,056,500.00	977,800.00
NITA	-	643,136.00
KUCCPS Registration	2,760,000.00	-
Knec exam passport	141,430.00	-
CBET TRAINING	2,304,000.00	-
TVETA FEES	918,500.00	785,050.00
Accommodation and meals	6,255,900.00	11,779,400.00
Total Revenue from The Rendering of Services	212,297,678.00	201,406,050.00

NB The total amount of ksh. 212,297,678.00 includes transfers from non - reexchange transactions of sh. 113,598,050.00 and exchange transactions(NYS) 22,550,600.00. Therefore the total amount of rendering of services is the difference of 212297678-113,598,050-22,550,600=76,149,028.

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8. Sale of Goods

Sale of farm produce	15,665	300,233
Cafeteria sales	0	0
Total Revenue from Sale of Goods	15,665	300,233

9. Rental revenue from facilities and equipment

Hire of Facilities and Equipment	2,386,420	0
Bus hire	346,200	572,500
Rental income	241,500	207,000
Total	2,974,120	779,500

10. Miscellaneous income

Income from sale of tender	1,800	44,000
Production unit	42,640	261,600
Computer packages	0	92,000
Disposal of obsolete items	169,952	
KASNEB courses	0	195,000
Driving courses	0	1,989,900
RPL Training	530,000	
Lost items	25,000	
CAUTION MONEY	1,000	
REGIONAL BALL GAMES	0	1,960,500
Total income	770,392.00	4,543,000

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11. Use of Goods and Services

Administration	26,747	69,920,367
Industrial attachment costs	1,877,815	1,589,750
Electricity	3,524,080	2,816,672
Water	1,989,038	0
Security	4,494,144	3,660,000
Professional and consultancy services	45,000	82,689
Subscriptions	1,857,498	480,797
Advertising	162,580	58,174
Examination fees	30,902,767	14,962,693
Activity	9,263,375	2,483,389
Catering, conferences, and delegations	19,736,275	184,600
Local travelling and transport	1,963,079	292,721
Fuel and oil	8,896,030	6,241,805
Insurance	1,430,981	1,912,053
Medical expenses	914,070	515,185
Pc expense	381,800	556,600
Library	0	742,330
Student id	741,750	0
Student union	671,400	1,419,073
Postage	7,725	7,725
Printing and postage	3,340,315	2,078,050
Bank charges	110,080	0
Hire charges	0	291,000
Internet expenses	3,197,468	1,330,298
Training expenses	74,751,259	31,023,011
Helb refund	67,049	0
Caution money	52,000	0
Graduation	0	270,000
Total goods and services	170,404,325	142,918,982

12.Employee Costs

Salaries and wages	31,441,358	32,280,858
NSSF Contribution	4,332,958	3,827,162
HELB contribution	1,139,336	1,074,380
PAYE	859,040	843,691
SHA contribution	1,072,776	1,185,950
KUDHEIHA	93,378	49,566
Housing levy	1,023,292	0
Employee Costs	39,962,138	39,261,607

13.Board Expenses

Chairman's Honoraria	618,575	425,500
Board Emoluments	4,160,251	2,894,450
Total	4,778,826	3,319,950

14.Depreciation and Amortization expense

Property, plant and equipment	18,400,263	18,453,126
Intangible assets	1,186,131	1,292,352
Total depreciation and amortization	19,586,394	19,745,478

15.Repairs and Maintenance

Property	6,224,302	4,935,884
Equipment and machinery	1,061,485	170,233
Vehicles	2,504,401	1,695,142
Furniture and fittings	405,479	0
Computers and accessories	385,305	1,645,320
Total Repairs and Maintenance	10,580,972	8,446,579

16.Grants and Subsidies

Webuye East tvc	11,522,450	0
Total Grants and Subsidies	11,522,450	0

17.Cash and Cash Equivalentents

Current Account	28,029,705	15,715,961
Cash at hand	0.00	30,649
Total Cash and Cash Equivalentents	28,029,705	15,746,610

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

a) Current Account			
Kenya Commercial Bank-Main	1107228476	2,064,922	12,109,061
Kenya Commercial Bank-Saving	1198427175	2,532,035	2,870,572
Kenya Commercial Bank-Development	1121314678	13,418,284	736,328
Kenya Commercial Bank-Webuye East	1333352336	10,014,464	0
Sub- Total		28,029,705	15,715,961
Cash in Hand		0.00	30,649
Sub- Total		0.00	30,649
Grand Total		28,029,705	15,746,610

18.Receivables from Exchange transactions

18 (a) Current Receivables from Exchange transactions

Description		
Current Receivables		
Student Debtors	235,126,858	232,132,477
Other Exchange Debtors	12,133,051	0
Total Current Receivables	247,259.909	232,132,477

18 (b) Ageing Analysis of Receivables from Exchange transactions

Description				
	Current FY	% of total	Comparat FY	% of the total
Less than 1 year	45,863,225.0	19%	63,863,225	28%
Between 1- 2 years	125,068,865.	51%	105,068,86	45%
Between 2-3 years	29,441,919.6	12%	16,314,490	7%
Over 3 years	46,885.897.0	19%	46,885,897	20%
Total	247,259.906.	100%	232,132,4700	100%

19. Inventories

Consumable stores	6,054,775	3,694,132
Maintenance stores	1,805,418	4,153,307
Health Unit stores	338,613	397,332
Electrical stores	5,384,675	6,747,901
Cleaning Materials stores	783,708	2,292,552
Catering stores	2,380,287	2,270,819
Less: Impairment allowance	0	0
Total Inventories at lower of Cost and Net Realizable Value	16,747,476	19,556,043

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20. Property, Plant and Equipment

Depreciation Rate		2.5%	25%	12.5%	30%	12.5%		
At 1 July 2024	59,350,000	266,353,426	15,946,873	7,753,149	5,109,694	21,073,240	0.00	375,586,372
Additions	0.00	4,481,544	360,000	2,215,130	6,679,618	1,085,500	11,993,580	26,815,372
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers/Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revaluation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 30th June 2025	59,350,000	270,834,960	16,306,873	9,968,274	11,789,312	22,158,740	11,993,580	402,401,744
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer/Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revaluation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 30th June 2025	59,350,000	270,834,960	16,306,873	9,968,274	11,789,312	22,158,740	11,993,580	402,401,744
Depreciation And Impairment								
At 1 Jun 2024								
Depreciation	0.00	(6,829,575)	(5,315,625)	(1,107,593)	(2,189,870)	(3,010,463)		(18,453,126)
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
At 30 Jun 2024 (current year)	0.00	(6,829,575)	(5,315,625)	(1,107,593)	(2,189,870)	(3,010,463)		(18,453,126)
Depreciation	-	-	-	-	-	-	-	-

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

Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
At 30th Jun 2025	-	6,770,874	4,076,718	1,246,035	3,536,794	2,769,743		18,400,263
Net Book Values								
At 30th Jun 2024	59,350,000	266,353,416	15,946,873	7,753,149	5,109,694	21,073,240	-	375,586,372
At 30th Jun 2025	59,350,000	264,064,086	12,230,155	8,722,244	8,252,518	19,388,898	11,993,580	384,001,481

[WIP relate to ongoing construction works of electrical and electronic workshop]

MATILI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by professional valuers . These amounts were adopted in the financial statements .

32 (b) Property, Plant and Equipment at Cost

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

Land	59,350,000	0.00	59,350,000
Buildings	270,834,960	(6,770,874)	264,064,086
Plant And Machinery	22,158,740	(2,769,842.50)	19,388,898
Motor Vehicles including Motorcycles	16,306,873	(4,076,718.25)	12,230,155
Computers and Related Equipment	11,789,312	(3,536,793.60)	8,252,518
Office Equipment, Furniture, And Fittings	9,968,279	(1,246,034.88)	8,722,244
Total	390,408,163.00	18,400,264	372,007,901

MATILI TECHNICAL TRAINING INSTITUTE**Annual Report and Financial Statements for the year ended 30th June 2025****21.Intangible Assets**

Cost		
At beginning of the year	5,169,408	6,461,760
Additions	761,250	0
At end of the year	5,930,658	6,461,760
At end of the year	5,930,658	6,461,760
Amortization and impairment		
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	6,461,760
Impairment loss	1,186,132	1,292,352
At end of the year		
NBV	4,744,526	5,169,408

22. Biological Assets

	2024-2025	2023-2024
	Kshs	Kshs
Trees	1,713,851.05	117,400.00
Cattle,	616,500.00	290,000.00
Total	2,330,351.05	407,400.00

23. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	12,226,335.11		8,091,577.00	
KUCCP Registration	0		2,346,000	
Salary deductions	734,877.00		728,238.00	
Total Trade and Other Payables	12,961,212.11		11,165,815.00	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	12,961,212.11	100%	11,165,185	100%
1-2 years	0.00	0%	0.00	0%
2-3 years	0.00	0%	0.00	0%
Over 3 years	0.00	0%	0.00	0%
Total (to tie to totals above)	12,961,212.11	100%	11,165,185	100%

NB: is contingent liability of Ksh 17,321,249.97 relating to Ramagon Construction Company Ltd ,pending hearing and determination at the court of appeal.

MATILI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2025

24. Refundable Deposits from Customers/Students

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Retention money	2,951,452.60		365,337.00	
Caution money	5,195,000.00		5,236,500.00	
Unallocated funds	16,645,621.00		17,095,555.00	
Total Deposits	24,792,073.60		22,697,392.00	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	24,792,073.60	100%	22,697,392.00	100%
1-2 years	0.00	%	0.00	%
2-3 years	0.00	%	0.00	%
Over 3 years	0.00	%	0.00	%
Total (to tie to totals deposits above)	24,796,074.60	%	22,697,392.00	%

25. Deferred Income

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Webuye East	8,477,550.00		0.00	
Total Deferred Income	8,477,550.00		0.00	

26. Payments received in advance.

Fees received in advance	14,186,437		0	
Others (Specify)	0		0	
Total	14,186,437		0	
	Current FY	% of the Total	Compar ative FY	% of the Total
Ageing analysis:				
Under one year	14,186,437 0	100%	0	100%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	14,186,437	100%	0	100%

27. Cash generated from operations.

Adjusted for:		
Depreciation	18,400,263	18,453,126
Non-Cash grants received	(00)	(00)
Contributed assets	(00)	(00)
Impairment	1,186,131	1,292,352
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase in Inventory	2,808,567	3,353,025
Increase in Receivables	(15,127,432)	(26,182,864)
Increase in Payables	1,795,397	3,652,060
Net Cash Flow from Operating Activities	(11,714,324)	(6,096,114)

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10. 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 company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

(i) Credit risk

Matili Technical Training 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. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the institute's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

At 30th June, 2024				
Receivables from exchange transactions	232,132,477	232,132,477	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	15,746,610	15,746,610	-	-
Total	247,879,087	247,879,087	-	-
At 30th June, 2025				
Receivables from exchange transactions	247,259,909	247,259,909	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	28,029,705	28,029,705	-	-
Total	275,289,614	275,289,614	-	-

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

Notes to the Financial Statements (Continued)

Financial risk management (continued)

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

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the 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 management requirements. Matili Technical Training Institute manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

At 30 June 2024				
Trade Payables	0	11,165,815	-	11,165,815
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	0	11,165,815		11,165,815
At 30 June 2025				
Trade Payables			12,961,212	12,961,212
Total			12,961,212	12,961,212

Notes to the Financial Statements (Continued)

Financial risk management (continued)

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the 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.

(iii) Capital Risk Management

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

Revaluation Reserve	357,881,244	359,072,101
Retained Earnings	168,842,086	186,505,530
Capital Reserve	95,972,845	69,157,473
Total Funds	622,696,176	614,735,104
Total Borrowings		-
Less: Cash and Bank Balances		-
Net Debt/(Excess Cash and Cash Equivalents)		-
Gearing		-

11. Related Party Balances

Nature of related party relationships

Entities and other parties related to Matili Technical Training 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.

Government of Kenya

The Government of Kenya is the principal shareholder of the *Institute*, holding 100% of the *Matili Technical Training Institute* 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;
- iii) Key management;
- iv) Board of directors;

12. Events After The Reporting Period

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

13. Ultimate And Holding Institute

Matili Technical Training Institute is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

14. Currency

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

13. 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.

	Issue	Management Comments		
1	<p>Inaccuracies in the Statement of cash flows</p> <p>The statement of cash flows reflects a cash outflow of Kshs. 135,147,755 in respect of use of goods and services which differs with the expenditure of Kshs. 142,918,982 reflected in the statement of financial performance by an unexplained and unreconciled variance of Kshs. 7,771,227. Further, the statement reflects a cash flow of Kshs. 2,241,276 in respect of proceeds from the sale of property, plant and equipment which differs with the nil proceeds in Note 21 to the financial statements by an unexplained and unreconciled variance of Kshs. 2,241,176. In addition, Note 30 to the financial statements in respect of cash generated from operations discloses impairment costs of Kshs. 1,292,352, decrease in inventory of Kshs. 3,353,025, decrease in receivables of Kshs. 26,182,864 and increase in payables of</p>	<p>The Management noted and it has since done the reconciliation of cash and ach equivalent balances between the actual amounts and the reported amounts in the financial statements</p>	Resolved	Continuous

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	Kshs. 3,652,060 which have not been supported.			
2.	<p>Misstatement in the receivables from exchange Transactions balance.</p> <p>The statement of financial and, as disclosed in note 18 to the financial statements, reflects current receivables from exchange transactions balance of Kshs. 232,132,477 in respect to students debtors. However, the Institute failed to issue demand notices or memorandum to the students to settle outstanding fees and to implement additional mechanisms to recover the outstanding debts. Further, the ageing analysis revealed that student debtors amounting to Kshs. 46,885,897 had been outstanding for than 3 years. In addition, Management had not developed a Debt Management Policy to provide guidelines and controls in debt management.</p>	<p>The Management noted and has put in place mechanism to recover students debts and commits to:</p> <ol style="list-style-type: none"> Issuing demand notices and memorandum to students to settle outstanding fees Issue of lecture cards upon completion of fees Issue of certificates upon completion of fee arrears Developing a debt management policy to provide guidance and controls in debt management 	Not Resolved	Continuous
3.	<p>Unsupported Expenditure on Maintenance of Motor Vehicles</p> <p>The statement of financial performance and Note 16 to the financial statements reflect repairs and maintenance expenses amounting</p>	<p>The Management noted and commits to:</p> <ol style="list-style-type: none"> Supporting motor vehicles repairs with pre-inspection reports, approximate costs and post inspection reports 	Not Resolved	Continuous

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	<p>to Kshs.8, 446,579.The expenses include motor vehicle repairs amounting to Kshs.1, 695, 142.However, the repairs were not supported by pre-inspection reports, approximate cost for repairs and post-inspection reports. Further, the framework contract for services providers were not provided for audit review.</p>	<p>b. Supporting framework contracts for services provided</p>		
4	<p>Budget Performance and Control</p> <p>The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs. 390,276,500 and Kshs. 207,028,783 respectively resulting to an under –collection of Kshs. 183,247,717 or 47% of the budget. Similarly, the college spent Kshs. 193,947,118 against actual receipts of Kshs. 207,028,783 resulting to an under-expenditure of Kshs.13, 081,665 or 6% of the actual receipts.</p> <p>The under-funding and under –expenditure affected implementation of the planned activities and programs and may impacted negatively on service delivery to the public.</p>	<p>The Management and commits to align the procurement plan with the approved budget</p>	<p>Not resolved</p>	<p>Continuous</p>

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	Management comments	Resolved	Not resolved
5	<p>Unresolved Prior Year Matters</p> <p>In the previous year audit, several issues were raised under Reported on the Financial statements and Reports on lawfulness and effectiveness in Use of Public Resources. However, Appendix 1 to the financial statements in respect to implementation of Auditor-General’s recommendations does not indicate issues identified in the previous financial year’s audit report and the current implementation status.</p>	<p>The unresolved prior year matters are awaiting determination by the Parliamentary Investment Committee</p>	<p>Not resolved</p> <p>Continuous</p>
6	<p>Noncompliance with Ethnic Diversity Requirements</p> <p>Review of the Institute’s payroll for the month of June, 2024 revealed a total of one hundred and forty-five (145) staff members out of which one hundred and thirty –one (131) or 90% were members of the local dominant community. Further, during the year under</p>	<p>Management is committed to section 7(2) of the national cohesion and integration act of 2008 and affirms commitment whenever employment opportunities arise in the Institution. Further, the board has developed an ethnic balance policy and commits to the compliance to the policy.</p>	<p>Not resolved</p>

MATILI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2025

Reference No. in the Annual Audit Report	Description of the Discontinuity from Audit	Management's Comments	Status	Duration
	<p>review, the institute employed twenty-four (24) members of staff out of which twenty-one (21) or 88% were from the local dominant community. This is contrary to section 7(2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one-third of its staff from the same ethnic community.</p>			Continuous
7	<p>Non-compliance with Requirements for Low Value Procurements</p> <p>Review of the procurement and contract management at the Institute revealed cash payments totalling to Kshs. 474,574 in respect to low value procurements. However, it was established that the cash sales were not supported by Kenya Revenue Authority Electronic Tax (KRA ETR) Receipts duly signed by the person undertaking the activity</p>	<p>Management noted and is committed to adherence to Regulation 93(1) and (2) of Public procurement and Assets Disposal use low value procurement method</p>	Not resolved	Continuous

	<p>as stipulated in Regulation 93(1) and (2) of Public procurement and Assets Disposal use low value procurement method, that accounting officer may only delegate that function to the head of procurement function to procure the goods, works or services from a reputable outlet or provider through direct shopping or using credit cards or direct funds transfer to that outlet. Any procurement under paragraph (1) shall be supported by the original Kenya Revenue Authority Electronic Tax (KRA ETR) Receipts duly signed by the person undertaking the low value procurement of goods, works or services.</p>			
8	<p>Failure to Maintain a Complete Fixed assets Register</p> <p>During the year under review, the fixed assets register for the Institute did not include date of acquisition, supplier or contractor, name and number of land parcels, depreciation, serial numbers of computers and IT equipment as required by Section 84 (1) and (8) of the General Guidelines on Asset and Liability Management in the Public Sector, 2020 which requires that the format of the asset register shall include the data needed</p>	<p>The Management noted and commits to adherence to section 84(1) of the general guidelines on assets and liability management in the public sector, 2020.</p>	Resolved	Continuous

MATILI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2025


Reference with the external audit report	Issue / Disclosures from Auditor	Management Response		
	<p>to comply with the applicable accounting standards and data needed for the technical management of the assets. The proposed formats to be used for reporting the different asset categories to National Treasury are included under Appendix 6.</p>			
9	<p>Weak Controls in invoicing and Payment by Students</p> <p>During the year under review, the Institute invoiced approximately seven thousand and two hundred (7,200) students following self-registration by the students in the student portal. However, there was students who failed to register in the student portal and attended classes since the Institute had not developed a deadline for registration of students, use of class attendance sheets, and unique students identity cards per term or semester, and controls to ensure that</p>	<p>The management noted commits to strengthening internal controls on invoicing by:</p> <ul style="list-style-type: none"> a. Use of automated verification procedures b. Use of class list that is system generated c. Introduction of class attendance register per lesson taught d. Training of staff on invoicing 	Not resolved	Continuous

MATILI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2025

	Findings	Management Comments	Status (Solved / Not Solved)	Time taken to resolve the issue (if solved)
	unregistered students could not attend classes without payment of school fees.			
10	<p>Weakness in the Management of Information Technology</p> <p>During the year under review, the Institute did not have a Disaster Management and Recovery Policy, a Business and IT Continuity Plan. An IT Strategy and IT Steering committee. Further, only 23 out of 72 CCTV Cameras in the Institute were working at the time of audit in April 2025 and the fire extinguishers in place had not been duly serviced.</p>	<p>The management noted and commits to enhance effectiveness of information technology management by:</p> <ol style="list-style-type: none"> Developing a disaster management and recovery policy, business and continuity plan and forming an IT strategy and steering committee. Replacing the electrical cables that had been affected by power outage in the [arts of the institution affecting CCTV cameras Preparing and implementing a schedule /plan for servicing of fire extinguishers. 	Solved	14 days

MATILI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2025

Reference No. in the external audit Report	Findings/ Observations from Auditor	Management comments	Resolved	


.....
Name JOBITH SANDE
Accounting Officer
Chief Principal
Date 30/06/2025

MATILI TECHNICAL TRAINING INSTITUTE
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Appendix II: Projects Implemented by Matili Technical Training Institute

Projects

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

[Redacted Table Header]						
1						
2						

Status of Projects completion

[Redacted]		Total project cost	Total expended to date	Completion % to date	Budget	Actual for the quarter	Sources of funds
1	Completion of Building and Civil Engineering workshop	4,481,544	4,481,544	100%	4,481,544	4,481,544	Internally Generated funds
2	Construction of Electrical and electronic workshop	25,861,156.02	13,861,594	54%	25,861,156.02	13,861,594	Internally Generated funds
3	Flooring of E-Tractor and welding workshop	2,000,000	700,000	35%	2,000,000	700,000	Internally Generated funds

MATILI TECHNICAL TRAINING INSTITUTE
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Appendix III- Inter-Institute Confirmation Letter

MINISTRY OF EDUCATION
 STATE DEPARTMENT FOR TECHNICAL, VOCATIONAL EDUCATION AND TRAINING

MATILI TECHNICAL TRAINING INSTITUTE



P.O. BOX 76—50204, KIMILILI
 TEL: 0707 747 007, 0101 771 144

E-mail: matilitechnicalcollege@yahoo.co.uk info@matilitechnical.ac.ke

Website: www.matilitechnical.ac.ke



Name of transferring entity...STATE DEPARTMENT OF TVET.....

Name of beneficiary entity...MATILI TECHNICAL TRAINING INSTITUTE.....

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	30.09.2024	72,683,253	-	72,683,253	
	14.02.2025	75,389,000	-	75,389,000	
Total		148,072,253		148,072,253	

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

Head of Accounts Department - Beneficiary Entity:

Name JUBITH SAMOSE Sign [Signature] Date 30/06/2025

Appendix IV: Reporting of Climate Relevant Expenditures

TVET GREENING	The greening of TVET refers to a new socio-economic strategy employed intended to achieve economic development, while at the same time protect the environment and achieve sustainable economic and social development.	Greening TVET entails transitioning to green jobs and green skills, and to create new jobs in relation to the greening of workforces.	<ul style="list-style-type: none"> • Curriculum and Training. • Rain water conservation. • Greening the campus. • Community and Workplace Engagement. • Research for Sustainability. 	28,550	28,550	28,550	28,550	Internally Generated Funds.	GoK.

MATILI TECHNICAL TRAINING INSTITUTE**Annual Report and Financial Statements for the year ended 30th June 2025**

Appendix V: Reporting on Disaster Management Expenditure

Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
Servicing of fire safety equipment					96,500.00	Servicing of fire safety equipment was done successfully