

REPORT	
THE NATIONAL ASSEMBLY	
DATE: 05 JUL 2023	DAY: WED
TABLED BY: Hon Owen Bayo, CBSMP Deputy leader, majority	OF
CLERK-AT-THE-TABLE:	Finlay Mwangi
THE AUDITOR-GENERAL	

PARLIAMENT
OF KENYA
LIBRARY

ON

**MAWEGO TECHNICAL TRAINING
INSTITUTE**

**FOR THE YEAR ENDED
30 JUNE, 2022**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

22 MAY 2023



MAWEGO TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2022**

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

Table of Contents

I.	Board of Governors	vi
II.	Management Team	ix
III.	Chairman's Statement	xii
IV.	Report of the Principal	xiv
V.	Statement of Performance against Predetermined Objectives	xvi
VI.	Corporate Governance Statement.....	xviii
VII.	Management Discussion and Analysis	xxi
VIII.	Environmental and Sustainability Reporting Statement	xxiii
IX.	Report of the Board of Governors.....	xxv
X.	Statement of Board of Governors Responsibilities	xxvi
XI.	Report of the Independent Auditor on Mawego TTI.....	xxvii
XII.	Statement of Financial Performance for the year ended 30 June 2022	1
XIII.	Statement of Financial Position as at 30th June 2022	2
XIV.	Statement of Changes in Net Asset for the year ended 30 June 2022.....	3
XV.	Statement of Cash Flows for the year ended 30 June 2022	4
XVI.	Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022	6
XVII.	Notes to the Financial Statements	7
XVIII.	Appendices	40

Key Entity Information and Management

(a) Background information

Mawego T.T.I was established in 1952 as a trade school by the Utretch Brothers from Netherlands. Located in Rachuonyo North Sub-county of Homa-Bay County, the Institute is accessible through Oyugis Town which is 12 km away. It is also accessible through Kendu-Bay town which is about 17 km away. Mawego TTI operates under the TVET Act on 2013

It became a Technical Secondary School in 1967 under the Ministry of Education. In 1986, it was converted into a Technical Training Institute, a status it retains to date.

Having been founded by the Catholic Church, the institute continues to enjoy the sponsorship of the church to date and falls under Diocese of Homa-Bay.

We pride ourselves in placing more than ordinary interest and effort in creating a positive difference in the whole of the individual trainee.

(b) Principal Activities

The principal activity/mission/ mandate of Mawego TTI is to offer Technical and Business Training.

Vision: An Internationally competitive Technical and Business Training Institute.

Mission: To provide training, research and outreach programs that impart skills and utilize applied knowledge to spur economic growth and respond to the changing needs of industry and society.

Core Values

- Integrity
- Professionalism
- Patriotism
- Teamwork and excellence
- Non-discrimination
- Efficiency
- Courtesy
- Continual improvement
- Innovation and creativity

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

For smooth running of the institution, eight academic departments were established. These include;

1. Electrical and electronics
2. Mechanical engineering
3. Building and civil engineering
4. Institutional management
5. Information, communication technology
6. Agriculture
7. Business studies
8. Applied Science

(c) Key Management

Mawego TTI day-to-day management is under the following key organs:

- Board of Governors
- Principal
- Deputy principal - Administration
- Deputy principal – Academics
- Registrar
- Dean of Students

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Dr. John Abuto PhD
2.	Deputy Principal - Administration	Jared Ogot
3.	Deputy Principal - Academics	Leah Ajwang
4.	Registrar - Admissions	James Otieno
		Agripa Onguka
5.	Human Resource Officer	Winnie Kogutu
6.	Dean of Students	Dorothy Otunge
7.	Procurement Officer	Loice Obengo
8.	Finance Officer	CPA Felix Odera
9.	Internal auditor	CPA John Magare

(e) Fiduciary Oversight Arrangements

The institute board has various sub-committees, which provided oversight; such as:

- i) Finance, Infrastructure and Human Resource Committee**
The committee assists the Board in fulfilling its governance responsibilities by way of ensuring internal controls systems are reliable; provision of general oversight in risk and compliance matters and ensuring integrity, effectiveness and reliability of Institute risk management framework.
- ii) Education and Research committee**
The committee is responsible for review of the Institute Performance contracting report in ensuring compliance and adjusting on the slack, they assess learning environment to determine if it's conducive and analyse the general academic performance of the Institute.
- iii) Ad-hoc committee**
The committee is charged with the responsibility of evaluating Income generating activities in bid of creating self-sustenance in the Institute and they also handle dynamic issues affecting learning Institute.
- iv) Audit and Risk management committee**
Provision of general oversight on compliance issues
Assessing the effectiveness of internal controls

Key Entity Information and Management

(f) Entity Headquarters

P.O. Box 289-40222,
Kendu-bay – Kadongo Road
Oyugis, Kenya

(g) Institute Contacts

Tel: +254 0734156640, +254 020353092,
E-mail: mawegotechnical@gmail.com,
Website: www.mawegotechnical.co.ke

(h) Entity Bankers

1. Kenya Commercial Bank,
Oyugis Branch,
P.O Box 170
Oyugis, Kenya.
2. Equity Bank, Oyugis Branch
P.O Box 514
Oyugis, Kenya

(i) Independent Auditors




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



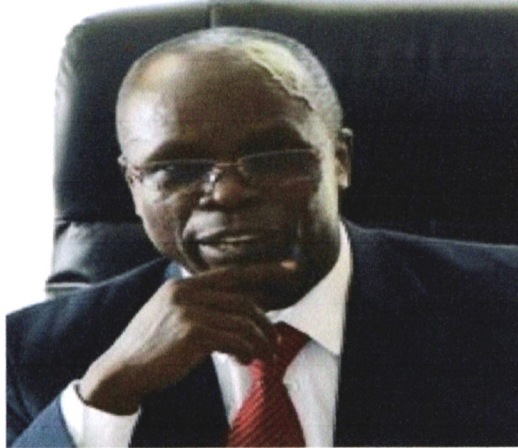
(j) Principal Legal Adviser

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

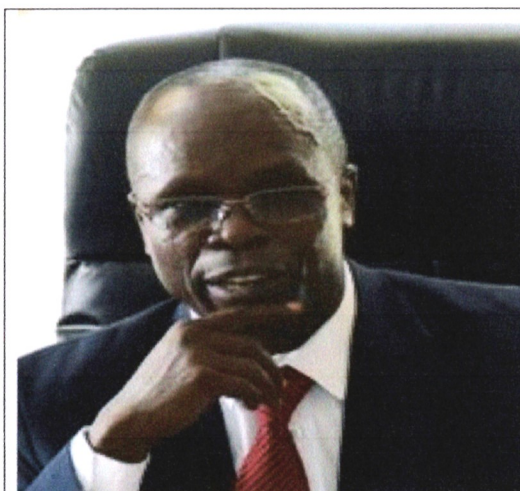
I. BOARD OF GOVERNORS

 <p>ALEX KAZONGO BOG CHAIRMAN</p>	<p>Mr. Alex Kazongo was born in 1965, has a wealth of experience spanning over 20 years in financial management and corporate governance. He was the managing trustee of National Social Security Fund between 2009 and 2012.</p> <p>He is the chairperson of board of governors.</p> <p>Mr. Kazongo holds MBA (USIU), B.Com (UoN), Management Development (Cape Town) and CPA (K) from Strathmore and a member of ICPAK.</p> <p>Board chairman</p>
 <p>GRACE PAULINE NYAGAYA</p>	<p>Ms Grace Nyagaya was born in 1979, is an ICT Team Lead at Kemri/CDC, having served at Computer Helpdesk, support systems and network administration in the same Organization for over 15 years.</p> <p>She is the chairperson; Education, Research and Training committee.</p> <p>Ms Grace, holds BSc. In Computer Science-ITM from University of South Africa, MCSE Microsoft certified systems engineer and Diploma in IT from Technical University of Mombasa</p>
 <p>WILLIAM ODONGO ATHEMBO</p>	<p>Born in 1970, Mr William Odongo is an Architect having worked in Rwanda and Kenya at the Ministry of Public Works and is currently in the private sector.</p> <p>He has over 26 years of work experience.</p> <p>He holds a Bachelor of Architecture from University of Nairobi.</p>

 <p>JULIUS MONARI ORORI</p>	<p>Born in 1968, Mr Monari is an Electrical Technician. He has served as Senior Factory Electrical Technician for over 15 years.</p> <p>He holds Higher Diploma in Electrical Engineering from Kenya Polytechnic University College.</p>
 <p>LUCY IGOKI MURIRA</p>	<p>Born in 1972, Ms Lucy is an experienced Manager having served in Managerial position for over 10 years.</p> <p>Ms. Lucy holds MA Leading Innovation & change, Higher Diploma in Counselling & Psychology and Certificate in Animal Health.</p>
 <p>TOM OTIENO OLANGO TVET REGIONAL DIRECTOR</p>	<p>A Deputy Director of Technical Education currently serving as a Regional Director of Technical and Vocational Education and Training (TVET) in charge of Kisii, Nyamira, Migori and Homa Bay Counties. He is a long serving public servant with twenty six years of experience. He was initially employed as a Graduate Teacher of Mathematics by the Teachers Service Commission and later joined the Ministry of Education as an Education Officer in 1999 where he has served to date.</p> <p>He was born in 1970 and is a holder of Master of Education in Curriculum Studies from Nairobi University and currently concluding a PhD on the same at Kenyatta University. He has been engaged in several international assignments and is currently</p>

	<p>the Ministry's Focal Point Person for Skills Initiative for Africa Project by AUDA NEPAD</p>
 <p>VINCENT OMONDI ASEWE</p>	<p>Born in 1977. He has served as Absa bank wealth manager for over 3 years.</p> <p>He holds MBA Strategic Management (UoN) and BeD in Economics and Business studies from Egerton University.</p>
 <p>DR. JARED OBUYA</p>	<p>Born in 1974. He is an experienced writer and editor, researcher, communication and media specialist. He is also a lecturer at Moi university, Department of Communication studies.</p> <p>He holds PhD in Communication studies, MPhil in Communication and Journalism from Moi University and BA, English language and Literature from Egerton University</p>
 <p>DR. JOHN ABUTO PhD PRINCIPAL, BOG SECRETARY</p>	<p>Born in 1967. He is the Principal, having over 27 years work experience in the learners technical education training.</p> <p>He holds PhD in Management science (Manufacturing optimization) from JOOUST, MBA IN Productions and Operations management (UoN), Bed Tech (Mechanical) from Moi University and Diploma in Mechanical production.</p> <p>Dr. Abuto is not a member of ICS.</p>

II. MANAGEMENT TEAM



Dr. John Abuto PhD

He is the Principal and secretary to the Board.

Responsibilities: Prudent management of resources; implementation of the Boards resolutions; provision of visionary leadership and formulation of strategic plans.



Mr. Jared Odhiambo Ogot

Mr. Jared is the Deputy Principal in charge of Administration.

Responsibilities: Student discipline, oversee departmental functionalities and procuring of items in the Institute.






Mrs. Leah Ajwang Onyango

She is the Deputy Principal in charge of Academics.

Responsibilities: In-charge of academic and quality Assurance; curriculum implementation and implementation of performance contracting targets.

 <p>Mr. James Otieno</p>	<p>He is the Registrar.</p> <p>Responsibilities: Admission of students; prudent management of student records and marketing of the Institute.</p> <p>Between July 1, 2021 to April 30,2022</p>
 <p>Mr. Agripa Onguka</p>	<p>He is the Registrar.</p> <p>Responsibilities: Admission of students; prudent management of student records and marketing of the Institute.</p> <p>From May 1, 2022 to date</p>
 <p>Dorothy Otunge</p>	<p>She is the Dean of Students.</p> <p>Responsibilities: In-charge of student hostel allocation and sanitation; oversees the operations at the catering department.</p>

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

 <p>CPA Felix Otieno Odera</p>	<p>CPA Felix is the Institute Finance Officer.</p> <p>Responsibilities: Co-ordinating preparation of Annual budgets, preparation of Financial reports, oversee receivables and payables and advice the management on Institute Finances.</p>
 <p>Mrs. Rose Loice Obengo</p>	<p>She is the Institute Procurement Officer.</p> <p>Responsibilities: Purchases for the Institute; Advice on matters related to Procurement; Control of materials and assets procured; oversee the work of storekeeper and spearhead the tendering process.</p>
 <p>CPA John Ouma Magare</p>	<p>John is the internal auditor</p>

III. CHAIRMAN'S STATEMENT



I am delighted to present this annual report and financial statements for the year ended June 30, 2022, in pursuant with requirements of the law (PFM Act) and Constitution of Kenya on accountability and transparency in utilization of public resources.

The Institute is in the progress of scaling to greater academic heights while anticipating elevation to a National polytechnic. We have developed a new five (5) years Strategic plan which gives the blue print of where the Institute should be over the period.

The board has overseen completion of two (2) storey electrical and electronics workshop that will be equipped with modern practical machines.

In ensuring that we excel in our core mandate which is offering technical and business training, the Institute embarked on equipping the Automotive and mechanical department with 4th generation equipment not only to compete with other Institutions that have received Automotive donated equipment from the Ministry but in bid to ensure we channel out competent workforce in the labour market.

We intend to promote innovations which is the future of Technical institutions by encouraging research and development. During the financial year the institute participated in research and science fair where we managed to emerge among the best in Building, ICT and Mechanical Engineering innovations both at the regional and national level.

The projects that were to be undertaken included the proposed three (3) storey tuition block which will create more learning space for learners and purchase of a 14 seater van which will aid movement of staff. This however on progress but delayed due to delay in approval by parent ministry as per the requirement before initiating capital intensive projects.

The board operationalized the internal audit and human resource departments and hired personnel in line with office of auditor general recommendation in promoting efficiency and effectiveness in the Institution management.

Challenges

Delay in disbursement of Government capitation hugely affected budget absorption as well as financial planning of the Institute; currently the ministry haven't sent the fourth quarter capitation which has a big impact on service delivery.

Erratic and continuous power outage still remains one of the major institutional challenge, this disrupts learning since we train using power intensive tools; however the Institute has a generator,

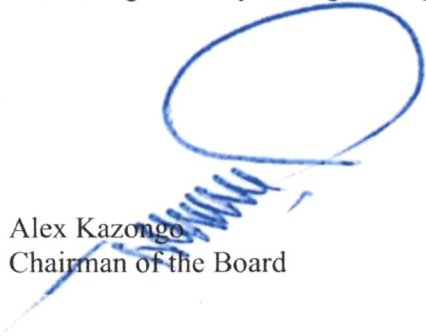
the continuous rise in the cost of fuel with some pumps experiencing stock out remains a risk in learning as well as security since we need light for security purposes too.

Constant increase in commodity prices has led to increase in expenditure since such weren't anticipated as we operate a non-profit making entity.

Future outlook

Being one of the oldest technical institution in Kenya we endeavour to be a role model by establishing ourselves as a centre of excellence in our core mandate as we match our training to the skills required for the economic growth leaning on creativity and innovations.

I would also like to thank the members of the board for their time in offering valuable oversight in steering up the Institute without conflict of interest and also to the management for diligently overseeing the daily management prudently.



Alex Kazongo
Chairman of the Board

IV. REPORT OF THE PRINCIPAL



I wish to present this report giving insights to the various activities that were performed during the financial year 2021-2022.

The Institute accomplished about 90% of the strategic plan for the last five (5) years, with the remaining 10% attributed to delay and insufficient funding, which were dealt with through budget cuts and delay in undertaking capital intensive projects in an act of balance.

We are fully committed to delivering our core mandate which is training in order to bridge the skills gap in the country.

We were tasked with mentoring of the construction of proposed Mbita and Uriri TVCs. Both the Ministry commitment of Ksh. 46M and

CDF disbursement of Kshs. 10M had been received for Uriri tv, however, slow uptake by contractor has delayed the project which is over 90% complete and should have its first intake in September, 2022. Mbita TVC is about 80% complete however the said project haven't received the full project cost disbursement from the Ministry but is on course for completion and admission of students by January, 2023. We also received Kshs. 40M from Ministry and Kshs. 10M from Suba CDF for proposed Suba South TVC which is yet to be advertised upon approval of drawings by ministry.

In bid to improve our core mandate, the institute is in progress to equip the completed Electrical and Electronics workshop at Kshs. 58M with industry 4.0 related learning equipment of Kshs. 9M in handling current needs and dynamism in electrical field. Automotive and mechanical department will also get fourth generation lathe and CNC machines for training worth Kshs. 19M for creating competitive students with relevant market driven knowledge.

Previously the Institute has had water problems due to proximity to the river and human interference of tapping the water line as well as pipe breakages. This prompted the idea of constructing 100,000cm³ raised water tank to act as a reservoir for the Institute at a cost of Kshs 5.9M, in order to alleviate water problems as well as prevent other communicable diseases spread by lack of sufficient water.

The Institute participated in the regional and national TVET fair, managing to win in five and three categories respectively. This is a strong indicator on ability to churn out innovative students having the capability of handling the dynamic human wants.

The Institute has operationalized the internal audit department and employed the internal auditor and the assistant. Also employed the human resource officer as was recommended by the office of the


auditor general as well as develop finance, human resource and risk management policies that are necessary for governance.

Challenges

The major challenge to the Institute is the delay in funding by Ministry in form of capitation which impede budget absorption as well as affecting cash flows. That implies that key deliverables have to be staggered to ensure we comply in procuring and payments as per the procurement and asset disposal act 2015. The ministry never disbursed fourth quarter capitation thus leading to slow uptake of services and making the Institute seem like we have been making an ambitious budget which is not the case.

We thank the Ministry having entrusted us with mentorship of proposed Uriri and Mbita TVCs, there has been slow uptake of the projects by the contractor in terms of adhering to the project duration and also the ministry when it comes to funding. The longer the projects takes, it becomes costly to the Institute on monitoring since no mobilization fee was given to oversee the constructions.

Intermittent power interruptions by Kenya power and the rise in the prices of fuel hugely affects studies since the training sessions and practicals involves power intensive machines which are used.



Dr. John Abuto PhD
Principal

V. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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

Mawego TTI has 3 strategic pillars and objectives within its Strategic Plan for the FY 2017/2018-2021/2022. These strategic pillars are as follows:

Pillar 1: Economic strategy

Pillar 2: Social strategy

Pillar 3: Political strategy

Mawego TTI develops its annual work plans based on the above 3 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Mawego TTI achieved its performance targets set for the FY 2021/2022 period for its 3 strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicator	Activities	Achievements
Pillar 1: Economic Strategy	Income Generating Activities	Expand internal income generation	Growth in revenue. Cash flow Increased production	Bread baking. Increased crop/farming production	Efficiency in flour and cooking oil usage Rearing of chicken, pigs and fish farming
Pillar 2: Social Strategy	Capacity and capability enhancement	To enhance the technical capacity and capability of the Institute	Knowledge achieved through training	KaTTI and Performance contracting trainings Continuous professional development	Training of PC team and top management induction training Attending ICPAK training by Finance team
		To enhance the technical capacity of the Institute infrastructure	Order fulfilment time	Service delivery record book	Serving clients as stipulated in the Institute service charter
	Educational and Training Opportunities	To improve quality and relevance in	CBET courses New courses	Authorisation by TVETA	Initiation of three (3) CBET courses

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

		the provision of training			Authorization to start pharmacy course
	ICT	To enhance ICT infrastructure and equipment's to breach the digital divide	Increased computer numbers	Purchase more computers	Additional 10 computers bought
	Adaptation to emerging issues	To enhance the ability of the Institute in responding to emerging trends and issues			
Pillar 3: Political Strategy	Institutional corporate governance and management	To enhance institutional Corporate Governance and Management based on principles of best practices	Employee satisfaction Competitive hiring	No employee turnover Merit hiring	CBA adoption on remuneration.
	Students affairs	Enhance student governance	Student constitution Leadership choice	Review of student constitution Transparent elections	Ballot voting

VI. CORPORATE GOVERNANCE STATEMENT

The board consists of the following sub-committees and their mandate;

- Finance, Infrastructure and Risk management committee
The committee is responsible for;
 - Resources management.
 - Review financial operations and reports
 - Review challenges experience by the Institute on implementation of strategic plan.
 - Oversee the implementation of annual budgets.

- Education, Training and Research committee
This consists of Board members undertaking;
 - Review of quarterly Performance contract.
 - Analyse academic performance of the Institute.
 - Recommend adoption of best practices in enhancing academic performance.

- Ad-hoc committee
This committee derives its membership from Board of Governors. They are charged with;
 - Evaluation of Income Generating activities.
 - Handle dynamic issues arising from learning environment.
 - Handling of contingencies

Meetings attendance by the Board

Full Board Meeting

Name	14.07.2021	12.10.2021	13.01.2022	20.01.2022	11.04.2022
1. Grace Nyagaya	✓	✓		✓	✓
2. William Odongo	✓	✓	✓	✓	✓
3. Lucy Murira	✓	✓	✓	✓	✓
4. Julius Monari	✓	✓	✓	✓	✓
5. Tom Olango	✓	✓	✓	✓	✓
6. Alex Kazongo	✓	✓	✓	✓	✓
7. Jared Obuya	✓	✓	✓	✓	✓
8. Vincent Asewe	✓	✓	✓	✓	✓
9. Dr. John Abuto, PhD	✓	✓	✓		✓

Education, Research and Training committee meetings

Name	<u>24.09.2021</u>	<u>10.01.2022</u>	<u>31.03.2022</u>
1. Grace Nyagaya	✓	✓	✓
2. Lucy Murira	✓	✓	✓
3. Vincent Asewe	✓	✓	✓
4. Dr. John Abuto	✓	✓	✓
5. Tom Olango	✓	✓	✓
6. Jared Obuya	✓	✓	✓

Finance, Administration and Infrastructure

Name	09.07.2021	27.09.2021	11.01.2022	13.01.2022	08.04.2022
1. Vincent Asewe	✓	✓	✓	✓	✓
2. William Odongo	✓	✓	✓	✓	✓
4. Tom Olango	✓	✓	✓	✓	✓
5. Dr. John Abuto	✓	✓	✓	✓	✓
7. Jared Obuya	✓	✓	✓	✓	✓
8. Julius Orori	✓	✓	✓	✓	✓

Ad-hoc committee meeting

Name	<u>29.09.2021</u>	<u>14.02.2022</u>	<u>10.02.2022</u>	<u>31.05.2022</u>	<u>09.06.2022</u>
1. Grace Nyagaya	✓		✓		
2. William Odongo	✓	✓	✓		
3. Lucy Murira	✓		✓	✓	✓
4. Julius Monari	✓	✓	✓		
5. Tom Olango	✓	✓	✓	✓	✓
6. Alex Kazongo	✓		✓		
7. Jared Obuya	✓	✓	✓	✓	✓
8. Vincent Asewe	✓	✓	✓		
9. Dr. John Abuto, PhD	✓	✓	✓	✓	✓

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

Audit and Risk management committee

Name	<u>15.09.2021</u>	<u>04.02.2022</u>	<u>14.02.2020</u>	<u>30.03.2022</u>	<u>27.06.2022</u>
1.Lucy Murira	✓	✓	✓	✓	✓
2.Alex Kazongo	✓				
3.Grace Nyagaya	✓	✓	✓	✓	✓
4.Julius Monari	✓	✓	✓	✓	✓
5.William Odongo	✓	✓	✓	✓	✓
6.John Magare		✓	✓	✓	✓
7.Tilly Odira Agar	✓				
8.Josephine Gundo		✓	✓		

The Institute uses Mwongozo- code of governance for state corporations for board member appointments as well as its composition and size. Board members serve for three (3) years which can be renewed once.

The previous Board of Governors term ended on 30 September, 2020 and due process of appointing new BOG members was followed and duly appointed by 29 January, 2021.

Board induction and training was done by the Institute in the month of March, 2021 by the Ministry of education officials in guiding them on their role as oversight authority, finances, reporting and resource mobilization.

VII. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A: The Institute's Operational and Financial Performance

- i. There is increase in gross enrolment of students due to the information that Technical Education is free. This has led to high transition of students form Secondary Education to Technical Institutes.
- ii. The Institute has been able to meet its operations smoothly except for key projects that lag behind due to delay in tender process necessitated by pandemic.

SECTION B: The Institute's Compliance with Statutory Requirements

Institute has met all its statutory requirements (NHIF, NSSF, and P.A.Y.E & HELB REMITTANCES) in compliance with the laws governing them. The institute is therefore not exposed to any potential contingent liability.

SECTION C: The Institute's Key Projects

Key projects and Investment decisions the institute is planning / implementing

SN	PROJECT	NATIONAL GOVT. OBJECTIVES	DELIVERY OF MANDATE	FINANCIER	SUSTAINABILITY/ VIABILITY
1.	Institutional Management block	Increase access to training	Increase tuition infrastructural capacity and capability	Grant from Government	The project is 100% complete.
2.	Mentoring Siruti TTI	Increase access to training	Increase access to training	Grant from Government	The institute is 100% complete.
3.	Construction Tuition Block (16 classrooms)	Increase access to training	Increase tuition infrastructural capacity and capability	Internally generated revenue	The project is 100% complete
4.	Construction of Library	Increase access to training	Increase tuition infrastructural capacity and capability	Internally generated revenue	Phase I of expansion completed
5.	Mentoring Mbita TTI	Increase access to training	Increase access to training	Grant from Government	The institute is 50% complete.
6.	Mentoring Uiri TTI	Increase access to training	Increase access to training	Grant from Government	The institute is 70% complete.

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

SN	PROJECT	NATIONAL GOVT. OBJECTIVES	DELIVERY OF MANDATE	FINANCIER	SUSTAINABILITY/ VIABILITY
7.	Develop Institutional Farm	Food Security	Increase access to practicals	Internally generated revenue	This will reduce the boarding expenditure on cereals (Maize). The Institute hired farms at Homa hills, Maize have been harvested.

SECTION D

Major risk(s) facing the Institute

- i. Liquidity risk: Inability to collect full fees, which can impact negatively on budget implementation as result of covid-19 which led to early closure of learning Institutions.
- ii. Market risk: The Institute is facing competition for students with other institutes which were mentored by Mawego TTI.

SECTION E: Material arrears in statutory/ financial obligations

The institute has no material arrears in financial obligations.

- i. Pending bills

SECTION F: The Institute's financial probity and governance issues

In the financial year the Institute did not experience any governance issues in the Board and top management.

VIII. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT

Mawego TTI exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy: putting the customer first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile

The Institute has good relations with the local authority for continuity purposes through; engaging the Constituency through the Member of Parliament that has enabled admission of students partly sponsored by the CDF and KUCCPS. We have engaged the community through the area chief and Assistant chief in ensuring the student behaviour is kept on check while outside the institute as a means of peaceful co-existence mechanism. Local traders and business people have also been encouraged to put up hostels to accommodate increased student numbers who requires external accommodation at affordable rates as a way of ensuring benefit to the community and a measure of checking that students are not exploited.

Macroeconomic factors affecting sustainability are; late money remittance, which is usually occasioned by late remittance of capitation outside the required quarter resulting to late or delay in procurement and budget implementation. Another one is on, Government debt; non-remittance of all funds committed through KUCCPS results to a debt which cannot be accrued. However, the Institute has remain committed in discharge of core mandate through focus and teamwork.

2. Environmental performance

The Institute does not have environmental policy, however we engage in environmental conservation through planting trees in co-ordination with the local authority. We have always conducted environmental impact assessment (EIA) as we replace asbestos roofs in ensuring proper waste management is adhered to.

Institute sewer system is normally treated and regularly checked to ensure no spillage is discharged to the community as a measure of reducing environmental impact.

3. Employee welfare

The Institute has adopted human resource policy that guides hiring process on merit and ensuring gender balance and people living with disability are considered. These policies are revised after every two (2) years to improve on them.

Skills improvement are encouraged through budgetary allocations and attendance of various management training with different professional bodies like ICPAK, KISM and Kenya School of Government.

4. Market place practices-

We are developing anti-corruption policies however we have adopted the Ethics and Anti-corruption Act 2003 in ensuring checks and balances exists in operation. Politically, the Institute engages the local authority in mobilisation of students and bursary funding to eligible beneficiaries.

We are a member of KATTI which encourages team work amongst Technical Institutions hence encouraging healthy competition.

Suppliers are paid within 30 days upon bringing all the required documents (i.e delivery note, invoice, credit note) in line with our service delivery charter. We also give opportunity to eligible suppliers through continual enlisting of AGPO registered suppliers.

Marketing the Institute is done through print media and even outreaches without bias, as it never discredit other institutions but service oriented through courses that are offered competently with us.

5. Community Engagements-

The Institute engaged the local youths in construction and maintenance works.

Corporate Social Responsibility / Community Engagements

The Institute is committed to giving back to the society for mutual benefit and enhancing goodwill to the society with key social responsibility given to curbing the spread of covid 19. This was achieved through:

- Giving of sanitizers and liquid soap for curbing the communal spread of covid and improving the hygiene.
- We also promoted health talks on Ministry of health covid protocol compliance requirements.

We initiated the process of erecting water tanks along the Institute water line which carries a tank of 2000litres for creation of water points for the community.

IX. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of Mawego TTI's affairs.

Principal activities

The principal activities of the entity is to offer technical and business training

Results

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

Board of Governors

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

Auditors

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

By Order of the Board



.....
Dr. John Abuto, PhD
Secretary of the Board

X. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

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

The board members are responsible for the preparation and presentation of Mawego TTI's financial statements, which give a true and fair view of the state of affairs of Mawego TTI for and as at the end of the financial year (period) ended on June 30, 2022. 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 Mawego TTI; (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 Mawego TTI; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for Mawego TTI's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The board members are of the opinion that Mawego TTI's financial statements give a true and fair view of the state of Mawego TTI transactions during the financial year ended June 30, 2022, and of Mawego TTI's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for Mawego TTI, which have been relied upon in the preparation of Mawego TTI'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 Mawego TTI will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Mawego TTI's financial statements were approved by the Board on 23/09/2022 and signed on its behalf by:



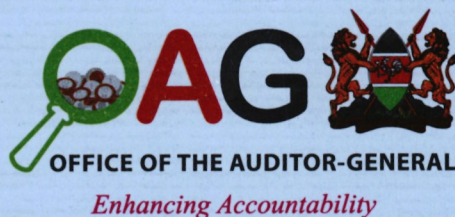
.....
Mr. Alex Kazongo
Chairperson of the Board



.....
Dr. John Abuto, PhD
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MAWEGO TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

Opinion

I have audited the accompanying financial statements of Mawego Technical Training Institute set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2022, 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, the financial statements present fairly, in all material respects, the financial position of the Mawego Technical Training Institute as at 30 June, 2022, 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 Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mawego Technical Training Institute Management in accordance with ISSAI 130 on 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total budgeted revenue of Kshs.290,349,750 and actual revenue on comparable basis of Kshs.210,080,461 respectively, resulting in a revenue shortfall of Kshs.80,269,289 or 28% of the budget. Similarly, the statement reflects total budgeted expenditure of Kshs.290,349,750 and actual expenditure of Kshs.258,186,661 respectively, resulting in an under expenditure of Kshs.32,163,089 or 11% of the budget.

Further, the statement reflects repair and maintenance actual expenditure of Kshs.16,080,095 against an approved budget of Kshs.14,305,063, resulting in an over expenditure of Kshs.1,775,032 or 12% of the budget, whose authorization was not provided for audit.

The underfunding and under absorption of funds affected the planned activities and may have impacted negatively on service delivery to the students and employees of the Institute. Further, the over expenditure of Kshs.1,775,032 may not have been authorized.

2. Unresolved Prior Year Matters

The audit report for the previous year included various audit issues which remained unresolved as at 30 June, 2022. Management did not provide reasons for the delay in

resolving the prior year audit issues. Further, the prior year issues were not disclosed under the Implementation Status of Auditor-General Recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections 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. Collapse of Pressed Steel Elevated Water Tank Tower

Note 26 on property plant and equipment reflects additions for the year under review of Kshs.115,225,614 which includes capital work in progress amount of Kshs.48,876,438 out of which, Kshs.2,334,449 was paid to a contractor. The Institute entered into a contract with the contractor for the proposed supply, delivery and installation of pressed steel elevated water tank tower and base and booster pumps at a contract sum of Kshs.5,940,375 on 06 December, 2021. The contract period was eight (8) months from January, 2022 to August, 2022. However, review of records and physical verification of the project on 03 April, 2023 revealed that the elevated water tank tower collapsed on 03 January, 2023 due to a structural failure. This happened despite the project receiving a certificate of practical completion on 31 August, 2022. The water tank tower collapsed within the project's defect liability period. It was not clear who was going to meet the costs of redoing the project since a letter of undertaking from the contractor on the same was not provided for audit review.

In the circumstances, the benefits of the project may not be realized and value for money on the expenditure of Kshs.2,334,449 could not be confirmed.

2. Non-Compliance with the Law on Ethnic Diversity in Staffing

Analysis of the personnel records for the month of June, 2022 revealed that the Institute had a workforce of one hundred and thirty-five (135), out of which ninety-seven (97) employees were from the same ethnic community. This represented 72% of the total workforce which was contrary to Section 7(1) and 7(2) of the National Cohesion and Integration Act, 2008, which requires all public establishments to represent the diversity of the people of Kenya in the employment of staff, and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

3. Membership of Board of Governors Committees

The Institute had a Board of Governors comprising of nine members. The Board had established three committees namely; Finance, Administration and Infrastructure

Committee, Education, Research and Training Committee, and Audit and Risk Management Committee. The following observations were however made:

Review of the membership of the Board committees revealed that the Finance, Administration and Infrastructure Committee and the Education, Research and Training Committee had five members each while the Audit and Risk Management Committee had four members. This was contrary to Head of Public Service Circular Ref. No OP/CAB.9/1A dated 11 March, 2020 which provides that the number of members to any committee should not be more than one third of the full board and members can only sit in a maximum of two committees.

Further, two (2) members were serving in both the Finance, Administration and Infrastructure Committee and Audit and Risk Management Committee, contrary to the Head of Public Service Circular which provides that except the members representing The National Treasury and parent ministry a member serving in the Board Audit Committee shall not be appointed member of Finance Committee and vice versa.

In the circumstances, Management was in breach of the Head of Public Service circular.

4. Improper Constitution of the Board of Governors

Review of the composition of the Board of Governors revealed that out of the nine (9) members, seven (7) were male making up 78% of the Board. In addition, there was no member representing persons with disabilities. This was contrary to Section 2 of the Second Schedule of the Technical and Vocational Educational and Training Act, 2013 which requires appointments of Board members to take into account ethnic and gender balance, and promote inclusion of persons with disabilities, minorities and the marginalized, and ensure balanced competencies among the members.

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

5. Incomplete Construction of Uriri Technical and Vocational College

The Institute entered into a contract with a contractor for the erection and completion of twin workshop, classrooms and office block (2-storey) for the proposed Uriri Technical and Vocational College on 23 May, 2019 at a contract sum of Kshs.56,192,540. As at 30 June, 2022 a total of Kshs.33,597,572 had been spent on the project which included Kshs.7,883,447 paid during the year under review. The contract period was 52 weeks commencing on 05 March, 2020 and ending on 04 March, 2021. The project completion date was extended to 03 July, 2021. However, audit inspection of the project on 29 March, 2023 revealed that firefighting equipment, two water tanks, hand support frames for persons with disabilities, washrooms and security lights had not been completed as per the contract, despite the college being operational. The percentage of completion was about 90%.

In the circumstances, value for money of the expenditure of Kshs.33,597,672 on the project could not be confirmed.

6. Delayed Completion of Mbita Technical and Vocational College

The Institute entered into a contract with a contractor for the erection and completion of twin workshop, classrooms and office block (2-storey) for the proposed Mbita Technical

and Vocational College on 28 May, 2019 at a contract sum of Kshs.56,792,540. As at 30 June, 2022 a total of Kshs.32,736,670 had been spent on the project which included Kshs.6,789,418 paid during the year under review. The contract period was 52 weeks commencing on 27 September, 2019 and ending on 26 September, 2020. The project completion date was extended to 11 January, 2022 on 28 September, 2021. However, audit inspection of the project on 29 March, 2023 revealed that the project was incomplete with major works including painting, plumbing and electrical fittings among others still outstanding. The percentage of completion was about 70%.

In the circumstances, the timely realization of the expected benefits from the project could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Inadequate Staffing

Review of the Internal Audit and Human Resource functions revealed that each department was manned by only one (1) officer, contrary to the Institute's staff establishment, which requires each department to be manned by two (2) officers. In addition, the Procurement Department had only two (2) officers carrying out procurements, receiving and issuing of goods and maintenance of procurement and stores records, contrary to the staff establishment requirement of three (3) officers.

In the circumstances, the effectiveness of internal controls, risk management and overall governance in the Institute could not be confirmed.

2. Inventory Management

The statement of financial position reflects inventories balance of Kshs.5,810,392. However, audit review of the stores records revealed that the Institute did not maintain store ledger cards (S3), bin cards, counter requisition and issue vouchers (S11) for controlling the receiving and issuance of agriculture, farm goods, laboratory and electrical equipment procured.

In the circumstances, the effectiveness of internal controls on stores could not be confirmed.

3. Weaknesses in Debts Recovery

The statement of financial position and as disclosed in Note 22(a) to the financial statements reflects current receivables from exchange transactions balance of Kshs.82,118,982 which includes Kshs.81,832,482 in respect of student debtors. The student debtors balance represents an increase of Kshs.45,542,941 or 125% from the balance of Kshs.36,289,541 as at 30 June, 2021. However, the Institute did not have an approved fees policy to facilitate effective collection of fees. In addition, Note 22(a) reflects rent debtors balance of Kshs.286,500. However, it was noted that some of the tenants did not pay rent for over one year, despite being employed and receiving salary from the respective employers.

In the circumstances, it was not possible to confirm whether effective policies and measures were in place to facilitate recovery of amounts due from students and tenants.

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

Responsibilities of Management and the Board of Governors

The 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, the Management is responsible for assessing the Institute's ability to sustain its 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 terminate the Institute or to cease operations.

The 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 are in compliance 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

06 June, 2023

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

XII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6(a)	91,345,500	107,017,500
		91,345,500	107,017,500
Revenue from Exchange transactions			
Rendering of services- fees from students	7	247,393,125	197,113,834
Sale of goods	8	600,950	503,267
Rental revenue from facilities and equipment	9	396,400	336,495
Finance income	10	1,248,881	1,367,893
Other income	11	13,956,110	1,398,431
		263,595,466	200,719,920
Total Revenue		354,940,966	307,737,420
Expenses			
Use of goods and services	12	147,960,327	73,225,220
Employee costs	13	49,266,665	43,583,669
Board Expenses	14	7,343,669	6,381,673
Depreciation and amortization expense	15	17,360,452	12,073,533
Repairs and maintenance	16	16,080,095	18,769,814
General expenses	17	6,861,877	6,937,490
Grants and subsidies	18	1,637,500	5,921,600
Development		0	2,364,170
Finance costs	19	262,453	173,194
		246,773,038	169,430,363
Total Expenses		246,773,038	169,430,363
Other Gains/(Losses)			
Impairment loss	27		
Net surplus for the year		108,167,928	138,307,057
Surplus attributable to owners of the controlling entity		108,167,928	138,307,057

The Financial Statements set out on pages 7 to 44 were signed by:

.....
Chairman of Board

.....
Finance Officer
ICPAK No. 14313

.....
Principal

Date: 23/09/2022

Date: 23/09/2022

Date: 23/09/2022

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

XIII. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	21	279,600,937	256,537,578
Current portion of receivables from exchange transactions	22(a)	82,118,982	36,556,386
Inventories	24	5,810,392	1,085,746
		367,530,311	294,179,710
Non-Current Assets			
Long term receivables from exchange transactions	22(b)	2,359,255	1,138,255
Property, plant, and equipment	26	634,147,312	593,790,426
Intangible assets	27	6,900,000	533,845
		643,406,567	595,462,526
Total Assets		1,010,936,878	889,642,236
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	28	6,664,176	6,224,674
Conditional grants	21(b)	84,050,683	10,219,405
Refundable deposits from customers	35	0	2,668,767
Current provisions	36	0	433,178
		90,714,859	19,546,024
Non-Current Liabilities		-	-
Total Liabilities		90,714,859	19,546,024
Net Assets			
Reserves		399,502,649	399,502,649
Accumulated Surplus		490,317,948	382,150,020
Capital Fund		30,401,422	88,443,543
Total Net Assets and Liabilities		1,010,936,878	889,642,236

The Financial Statements set out on pages 7 to 44 were signed by:

.....
Chairman of Board

Date: 23/09/2022

.....
Finance Officer

ICPAK No. 14313

Date: 23/09/2022

.....
Principal

Date: 23/09/2022

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

XIV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	-	409,835,623	243,842,963	48,443,543	702,122,129
Surplus for the year	-	-	138,307,057	-	138,307,057
Prior year Adjustment on borrowings	-	(956,021)	-	-	(956,021)
Capital/Development grants received during the year	-	-	-	40,000,000	40,000,000
Adjustment in depreciation and property, plant and equipment	-	(9,376,953)	-	-	(9,376,953)
At June 30, 2021	-	399,502,649	382,150,020	88,443,543	870,096,212
At July 1, 2021	-	399,502,649	382,150,020	88,443,543	870,096,212
Surplus for the year	-	-	108,167,928	-	108,167,928
Prior year adjustments	-	-	-	-	0
Adjustment in depreciation and property, plant and equipment	-	0	0	-	0
Transfer work in progress in Property, plant and Equipment	-	-	0	(58,042,121)	(58,042,121)
At June 30, 2022	0	399,502,649	490,317,948	30,401,422	920,222,019

Note:

1. Transfer of Kshs. 58,042,121 relates to capital work in progress under the Property, plant and Equipment schedule.

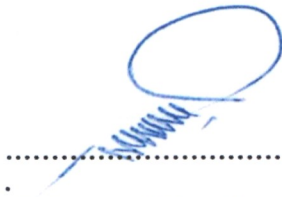
Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

XV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

Description		2021-2022	2020-2021
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	183,549,451	151,630,000
Public contributions and donations		0	2,787,580
Rendering of services- fees from students	7(b)	103,529,970	160,824,293
Sale of goods	8	600,950	503,267
Rental revenue from facilities and equipment	9	109,900	69,650
Finance income	10	1,248,881	1,367,893
Other income	11	13,956,110	1,398,431
Total Receipts		302,995,262	318,581,114
Payments			
Compensation of employees	13	49,266,665	43,583,669
Use of goods and services	12	141,296,151	67,000,546
Finance cost	19(a)	262,453	173,194
Board remuneration	14	7,343,669	6,381,673
Repair and maintenance	16	16,080,095	18,769,814
Development expense	30	0	2,364,170
Grants and subsidies paid	18	1,637,500	5,921,600
General expenses	17	6,861,877	6,937,490
Total Payments		222,748,410	151,132,156
Net Cash Flows from operating activities		80,246,852	167,448,958
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	26	(57,183,493)	(85,501,997)
Increase in non-current receivables		-	(1,138,255)
Net cash flows used in investing activities		(57,183,493)	(86,640,252)
Cash flows from financing activities			
Repayment of borrowings		(0)	(1,463,558)
Capital fund		-	(2,144,754)
Increase in deposits		-	(33,468,237)
Net cash flows used in financing activities		(0)	(37,076,549)
Net Increase/(Decrease) in Cash and Cash equivalents		23,063,359	43,732,157
Cash and Cash equivalents at 1 JULY, 2021	21	256,537,578	212,805,421
Cash and Cash equivalents at 30 JUNE, 2022	21	279,600,937	256,537,578

The Financial Statements set out on pages 7 to 44 were signed by:

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022



Chairman of Board


Date: 23/09/2022



Finance Officer

ICPAK No. 14313

Date: 23/09/2022



Principal

Date: 23/09/2022

XVI. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2021-2022 Kshs	2021-2022 Kshs	2021-2022 Kshs	2021-2022 Kshs	2021-2022 Kshs	2021-2022 %
Revenue						
Transfers from other Govt entities grants	133,350,000	-	133,350,000	91,345,500	(42,004,500)	-31%
Rendering of services- Fees from	112,152,900	-	112,152,900	103,529,970	(8,622,930)	-8%
Finance Income	-	-	-	1,248,881	1,248,881	
Other Income	44,846,850	-	44,846,850	13,956,110	(30,890,740)	-69%
Total income	290,349,750	-	290,349,750	210,080,461	(80,269,289)	-28%
Expenses						
Compensation of employees	49,554,064	-	49,554,064	49,266,665	(287,399)	-1%
Use of Goods and services	111,075,049	-	111,075,049	141,296,151	30,221,102	27%
Finance costs	-	-	-	262,453	262,453	
Repairs and maintenance	14,305,063	-	14,305,063	16,080,095	1,775,032	12%
Development	101,622,413	-	101,622,413	37,075,751	(64,546,662)	-64%
Remuneration of board	7,200,000	-	7,200,000	7,343,669	143,669	2%
General expenses	6,593,161	-	6,593,161	6,861,877	268,716	4%
Total Expenditure	290,349,750	-	290,349,750	258,186,661	(32,163,089)	-11%
Surplus For the Period	-	-	-	(48,106,200)	(48,106,200)	

(Budget notes)

1. Non-disbursement of fourth quarter capitation and underfunding which is not commensurate to number of students.
2. Other Income, is majorly contributed to by NYS foodstuffs which had not been paid in the financial year.
3. Use of goods and services, arose due to inflation with foodstuffs, fuel doubling in prices.
4. Repair and maintenance shot up due to increase in prices of hardware materials used in repairs.
5. Development was under-absorbed due to delay in capital projects approval by the Ministry.

XVII. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Mawego TTI is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer technical training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Mawego TTI accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Mawego TTI.

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

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</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 Entity's future cash flows. 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 Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

Standard	Effective date and impact:
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: <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 guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. 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	Applicable 1st January 2023 <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). <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i>

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

Standard	Effective date and impact:
	<p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

Mawego TTI did not early-adopt any new or amended standards in year 2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Board on **29/01/2021**.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

c) Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

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

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

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. Depreciation is not charged on the year of acquisition.

4 Summary of Significant Accounting Policies

e) Leases

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

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

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

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

f) 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

g) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

4 Summary of Significant Accounting Policies (Continued)

h) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) 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

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

j) Provisions

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

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

4 Summary of Significant Accounting Policies (Continued)

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

n) 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.

o) 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.

4 Summary of Significant Accounting Policies (Continued)

p) Related parties

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

q) Service concession arrangements

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

r) Cash and cash equivalents

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

s) Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

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.

6. Transfers from other National Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Unconditional Grants		
Capitation Grants	91,345,500	107,017,500
	91,345,500	107,017,500
b) Conditional Grants		
Kakrao TVC grant	0	1,000,000
Mbita TVC grant	15,511,411	20,000,000
Rangwe TVC grant	0	1,175,000
Siruti TVC grant	500,000	2,437,500
Uriri TVC grant	26,192,540	20,000,000
Suba TVC grant	50,000,000	0
Total Conditional grants	92,203,951	44,612,500
Total Government Grants and Subsidies	183,549,451	151,630,000

(a) Transfers from other Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund. Kshs	Total grant income during the year Kshs	2020-2021 Kshs
State Department of Technical and Vocational Training	91,345,500	0	92,203,951	183,549,451	151,630,000
Total	91,345,500	0	92,203,951	183,549,451	151,630,000

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

7. Rendering of Services – Fees from Students

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition fees	37,399,820	119,590,783
Activity fees	13,357,600	2,440,583
Industrial attachment fees	7,648,000	1,808,659
Examination fees	40,091,620	3,973,596
Bus fund	7,192,000	2,878,693
Fines and damages	53,320	1,892,750
PU,PU-Catering, accommodation &helb applic.	2,464,115	782,180
Registration and application fees	279,000	587,200
Development fees	8,414,000	7,887,895
Local transport and travelling	28,141,050	4,353,821
Electricity, water and conservancy	18,229,300	3,786,410
Personal emolument	66,922,100	6,863,490
Practical	16,373,450	2,730,775
Medical	4,414,200	677,514
Repairs maintenance and improvement	13,609,200	1,615,501
Contingency	12,339,930	1,432,768
Internet	1,333,950	525,220
Student council	2,143,700	695,698
MOHEST	0	675,000
Arrears	30,870	2,173,637
Bursary	503,000	29,688,861
Helb loan	0	52,800
Driving	202,900	0
Less: capitation not received	(33,750,000)	
Total revenue from the rendering of services	247,393,125	197,113,834

Parental obligations receivable in the financial year under review

7(a) Rendering of services – Fees from students

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition fees	2000	103,617,064
Activity fees	0	1,256,373
Industrial attachment fees	0	351,939
Examination fees	881,985	1,973,596
Bus fund	0	1,421,783
Fines and damages	12,320	1,892,750
PU,PU-Catering, accommodation &helb applic.	2,357,315	782,180
Registration and application fees	0	587,200
Development fees	0	5,287,895
Local transport and travelling	0	1,674,921
Electricity, water and conservancy	10,000	1,061,847
Personal emolument	100	4,627,820

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

Practical	0	1,471,815
Medical	0	442,954
Repairs maintenance and improvement	0	761,692
Contingency	14,500	673,668
Internet	0	66,300
Student council	0	282,198
MOHEST	0	675,000
Arrears	30,870	2,173,637
Bursary	8,469,369	29,688,861
Helb loan	46,953,600	52,800
Boarding	5,400	-
Contingency	330	-
Rent	109,900	-
KCB	44,632,281	-
Siruti tvc	50,000	-
Total	103,529,970	160,824,293

(Actual fees received from students)

8. Sale of Goods

Description	2021-2022	2020-2021
	Kshs	Kshs
IM Practical sales	25,000	5,330
Bus hire	565,950	169,350
Tender	10,000	0
Disposal	0	328,587
Total Revenue from Sale of Goods	600,950	503,267

Funds received on production units

9. Rental revenue from facilities and equipment

Description	2021-2022	2020-2021
	Kshs	Kshs
Hire of Facilities and Equipment		
Contingent Rental	109,900	69,650
Rent receivable	286,500	266,845
Total	396,400	336,495

Rent receivable from the Institute houses in the financial year

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

10. Finance Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Cash investments and fixed deposits	0	0
Interest income from treasury bills	0	0
Interest income	1,248,881	1,367,893
Interest from outstanding debtors	0	0
Total finance income	1,248,881	1,367,893

Interest earned on savings a/c

11. Other Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Advance recoveries	100,300	10,000
Return on imprest	33,330	48,190
Income from sale of tender	0	51,000
Accommodation and boarding	9,042,900	361,751
Application fee	386,500	0
Kuceps application	58,000	0
Caution money	1,083,500	509,200
Institute id	433,400	203,500
Passport fee	269,055	171,840
Oyugis town campus	0	38,150
Accommodation (IM)	21,000	0
PU Catering	2,528,125	0
Cidac application fee	0	4,800
Total other income	13,956,110	1,398,431

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

12. Use Of Goods And Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition	8,072,292	1,980,214
Industrial attachment costs	2,189,240	612,930
Electricity, Water and conservancy	3,842,596	5,272,930
Activity	3,396,370	94,450
Contracted Security	3,164,850	2,670,933
Admin/contingency	17,292,981	13,313,629
Research and Deveopment	3,321,636	0
School equipment and stores	17,076,688	10,093,449
Advance	290,500	219,000
Examination fees	44,754,123	9,455,735
Application fees	120,600	0
Boarding expenses	2,189,204	3,570,113
Local transport and travelling	9,056,869	5,388,534
Practical	9,693,843	6,496,294
PU, PU-Catering	23,215,755	13,165,406
Bus hire	39,300	0
Bus fund	243,480	891,603
Total good and services	147,960,327	73,225,220

Included in tuition is kshs. 6,664,176 which is payables

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

13. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	43,442,231	39,972,262
NHIF	1,444,850	571,300
NSSF	3,473,988	3,012,607
Higher education loans board	26,400	0
Kudheihwa workers union	186,900	0
Gratuity	502,196	0
Social contributions/welfare	190,100	27,500
Employee Costs	49,266,665	43,583,669

14. Board Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Chairman's Honoraria	360,000	30,000
Other Board/Council Expenses	6,983,669	6,351,673
Total	7,343,669	6,381,673

15. Depreciation and Amortization expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	16,826,607	12,073,533
Amortization ((Intangible asset)	533,845	-
Total depreciation and amortization	17,360,452	12,073,533

16. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Property	16,080,095	18,769,814
Total Repairs and Maintenance	16,080,095	18,769,814

17. General expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Fines and damages	349,040	1,000
Graduation expense	0	21,800
Passport fee expenses	159,200	0
Medical expenses	963,997	343,704
MISU	1,846,185	641,500
PC/ISO	2,428,835	1,694,450
PU OTC	568,358	551,232
Refund	356,262	3,369,934
Tender expenses	190,000	179,250
Helb application	0	81,900
Bursary	0	52,720
Total contracted services	6,861,877	6,937,490

18. Grants and Subsidies

Description	2021-2022	2020-2021
	Kshs	Kshs
Mawego - Siruti	500,000	512,900
Mawego - Rangwe	1,137,500	3,408,700
Kakrao	0	2,000,000
Mawego - Uriri	0	0
Mawego - Mbita	0	0
Total Grants and Subsidies	1,637,500	5,921,600

19. Finance Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Borrowings (Amortized Cost)*	0	173,194
Finance Leases (Amortized Cost)	0	0
Total Finance Costs	0	173,194

(*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

19 a). Finance cost- Bank charges

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank charges	262,453	0
Finance Leases (Amortized Cost)	0	0
Total Finance Costs	262,453	0

20. Impairment Loss

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	0	0

21. Cash and Cash Equivalent

Description	2021-2022	2020-2021
	Kshs	Kshs
Current account	278,838,460	255,524,022
Cheques	0	0
Money Order	642,077	883,136
Cash in hand	120,400	130,420
Total Cash and Cash Equivalent	279,600,937	256,537,578

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

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

		2021-2022	2020-2021
Financial Institution	Account number	Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1106779630	226,462,988	208,206,260
	1106780612	7,642,485	7,163,761
	1104936054	27,488,600	24,568,491
	1104936399	431,457	415,907
	1104093936	505,263	487,743
	1124881085	2,454,799	2,785,450
	1202156649	84,715	87,995
	1202157165	6,394,536	3,990,463
	1202156975	15,309	18,504
	1274670497	431,874	3,934,124
	1274670276	3,497,701	3,499,831
Equity Bank	1500272717716	3,428,733	365,493
Sub- Total		278,838,460	255,524,022
b) Others			
Money order		642,077	883,136
cash in hand		120,400	130,420
Mobile money account		0	0
Sub- Total		762,477	1,013,556
Grand Total		279,600,937	256,537,578

21. b) Conditional Grants

source	Purpose	2021-2022	2020-2021
Ministry of Education	Uriri TVC construction	19,043,409	3,934,124
Ministry of Education	Mbita TVC construction	12,221,824	3,499,831
Cican	Bamboo project	2,785,450	2,785,450
Ministry of Education	Suba South TVC	50,000,000	
Total		84,050,683	10,219,405

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

22. Receivables from Exchange transactions

22(a) Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Student Debtors	81,832,482	36,289,541
Rent Debtors	286,500	266,845
Total Current Receivables	82,118,982	36,556,386

22(b) Long- term Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Non-Current Receivables		
Mabera TVC	1,138,255	1,138,255
Rangwe TVC	1,221,000	
Total	2,359,255	1,138,255
Current Portion Transferred To Current Receivables	(0)	(0)
Total Non-Current Receivables	0	0
Total Receivables	2,359,255	1,138,255

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

23. Receivables from Non-Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Capitation Grants*	0	0
Total Current Receivables	0	0

24. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores	5,810,392	0
Maintenance stores/Hardware	-	342,470
Stationery	-	330,986
Cleaning materials stores	-	155,590
Catering stores	-	256,700
Total Inventories at lower of Cost and Net Realizable Value	5,810,392	1,085,746

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

25. Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	0	0
CBK	0	0
Sub- Total	0	0
b) Investment with Financial Institutions/ Banks		
Bank X	0	0
Bank Y	0	0
Sub- Total	0	0
c) Equity Investments (<i>Specify</i>)		
Equity/ Shares in Company Xxx	0	0
Sub- Total	0	0
Grand Total	0	0

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

26. Property, Plant and Equipment

	Land		Buildings		Roads		Motor vehicles		Furniture and fittings		Computers		Other assets		Plant and equipment		Capital work in progress		Total		
	Kshs	%	Kshs	%	Kshs	%	Kshs	%	Kshs	%	Kshs	%	Kshs	%	Kshs	%	Kshs	%	Kshs	%	
Cost																					
Depreciation rate	0%		2%		15%		25%		10%		30%		10%		10%						
At 1 July 2020	50,000,000		367,674,397		-		11,459,000		1,606,312		1,116,509		966,664		2,351,609		56,870,853		492,045,344		
Additions			20,424,413		12,291,414		19,770,400		321,465		472,500		478,257		4,795,000		85,501,997		144,004,069		
Transfer																	(20,424,413)		(20,424,413)		
Adjustments																	0		0		
At 30 th June 2021	50,000,000		388,098,810		12,291,414		31,229,400		1,927,777		1,589,009		1,444,921		7,146,609		121,897,060		615,625,000		
At 1 July 2021	50,000,000		388,098,810		12,291,414		31,229,400		1,927,777		1,589,009		1,444,921		7,146,609		121,897,060		615,625,000		
Additions			58,042,121		2,895,500		1,589,867		0		1,923,000		1,898,688		0		48,876,438		115,225,614		
Transfer			0		0		0		0		0		0		0		(58,042,121)		(58,042,121)		
Adjustments			0		0		0		0		0		0		0		0		0		
At 30 th June 2022	50,000,000		446,140,931		15,186,914		32,819,267		1,927,777		3,512,009		3,343,609		7,146,609		112,731,377		672,808,493		
Depreciation and impairment																					
At 1 July 2020	-		6,541,878		-		2,340,375		160,631		334,953		-		331,827		-		9,709,664		
Depreciation			7,222,650		-		3,704,031		144,568		269,905		158,715		625,041		-		12,124,910		
At 30 th June 2021	-		13,764,528		-		6,044,406		305,199		604,858		158,715		956,868		-		21,834,574		
At 1 July 2021	-		13,764,528		-		6,044,406		305,199		604,858		158,715		956,868		-		21,834,574		
Depreciation			7,486,686		1,843,712		6,296,249		162,258		295,245		123,483		618,974		-		16,826,607		
At 30 th June 2022	-		21,251,214		1,843,712		12,340,655		467,457		900,103		282,198		1,575,842		0		38,661,181		
Net book values																					
At 30 th June 2022	50,000,000		424,889,717		13,343,202		20,478,612		1,460,320		2,611,906		3,061,411		5,570,767		112,731,377		634,147,312		
At 30 th June 2021	50,000,000		374,334,282		12,291,414		25,184,994		1,622,578		984,151		1,286,206		6,189,741		121,897,060		593,790,426		

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

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). These amounts were adopted in the financial statements on June 30, 2018.

26 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	50,000,000	-	50,000,000
Buildings	446,140,931	21,251,214	424,889,717
Plant and machinery	7,146,609	1,575,842	5,570,767
Roads	15,186,914	1,843,712	13,343,202
Motor vehicles, including motorcycles	32,819,267	12,340,655	20,478,612
Computers and related equipment	3,512,009	900,103	2,611,906
Office equipment, furniture, and fittings	1,927,777	467,457	1,460,320
Other assets	3,343,609	282,198	3,061,411
WIP	112,731,377	0	112,731,377
Total	672,808,493	38,661,181	634,147,312

27. Intangible Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At beginning of the year	533,845	711,775
Additions	6,900,000	0
At end of the year	7,433,845	711,775
Additions—internal development	-	0
At end of the year	7,433,845	711,775
Amortization and impairment		
At beginning of the year	-	0
Amortization	533,845	177,930
At end of the year	-	177,930
Impairment loss		-
At end of the year	533,845	-
NBV	6,900,000	533,845

Notes to the Financial Statements (Continued)

28. Trade and Other Payables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	6,664,176	6,224,674
Total Trade and Other Payables	6,664,176	6,224,674

29. Refundable Deposits from Customers/Students

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumer deposits	-	2,159,567
Caution money	-	509,200
Total Deposits	0	2,668,767

30. Development

Description	2021-2022	2020-2021
	Kshs	Kshs
Development	18,071,950	2,364,170
Total Deposits	18,071,950	2,364,170

31. Financial Risk Management

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

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

(i) Credit risk

The entity has no 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.

(iii) Market risk

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

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

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

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

iv) Capital Risk Management

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

Nature of related party relationships

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

32. Capital Commitments

Capital Commitments	2021-2022	2020-2021
	Kshs	Kshs
Authorised for: Institute Van	6,000,000	-
Authorised and Contracted for Tuition block	75,000,000	-
Total	81,000,000	0

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)

33. Events After The Reporting Period

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

34. Ultimate And Holding Entity

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

35. Currency

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

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

XVIII. APPENDICES
Appendix I: Projects Implemented by Mawego TTI

Projects

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Mbita tvc	56,192,540		70%			Government/cdf
2	Uriri tvc	56,192,540		90%			Government/cdf

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Mbita tvc	56,192,540	32,736,670	70%			Government/cdf
2	Uriri tvc	56,192,540	33,597,572	90%			Government/cdf
3	Electrical workshop	58,034,890	58,034,890	100%			Development fees

Appendix II- Inter-Entity Confirmation Letter



MAWEGO TECHNICAL TRAINING INSTITUTE

P.O BOX 289 - 40222 OYUGIS - KENYA.

Cell: Tel: 0734 - 156 640 Tel: 020 - 353092

email: mawegotechnical@gmail.com, mawegoinsitute@yahoo.com

Mawego TTI wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Mawego TTI as at 30th June 2022						
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022	Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received by [beneficiary Entity] (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
	07/10/2021			5,487,660		
		500,000		10,023,751		
				500,000		
				7,316,880		
				18,875,660		
				40,000,000		
			10,000,000	10,000,000		
		32,422,500		32,422,500		

Mawego Technical Training Institute
Annual Report And Financial Statements For The Year Ended June 30, 2022

02/03/2022	32,422,500		32,422,500
10/06/2022	26,497,500		26,497,500
Total			183,546,451

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

Head of Accountants department of Mawego TTI:

Name Felix Odere Sign *[Signature]* Date 30/06/2022

