

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

**THE NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 17 JUN 2025

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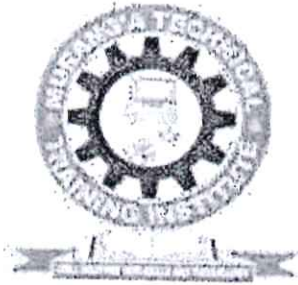
CLERK-AT
THE-TABLE:

THE AUDITOR-GENERAL

ON

**MURANG'A TECHNICAL TRAINING
INSTITUTE**

**FOR THE YEAR
ENDED 30 JUNE, 2023**



MURANG'A TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2023

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

Murang'a Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

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1. Acronyms & Glossary of Terms

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

2. Key Institute Information and Management

(a) Background information

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

The institute is headed by the principal Mr.Robinson Wachira who has wide experience in institution management having served in various institutions in senior positions. MTTI is managed by a committed Board of Governors drawn from various fields who oversees the learning and utilization of the institute resources.

MTTI has made major strides in putting in place the required infrastructure and resources to mount quality TVET programmes.

The institute has currently a population of over 800 students undertaking various academic programmes ranging from Diploma to artisan courses. This steady growth has become possible through a joint effort by the GoK by providing capitation, HELB and NG CDF bursaries which have promoted the growth and enrolment of the institute

(b) Principal Activities

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

Mission

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

Vision

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

Core Values

- Integrity
- Teamwork
- Professionalism
- Innovativeness
- Creativity

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(c) Key Management

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

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

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

Name	Name	Designation
1.	Mr. Robinson Wachira	Principal/BoG secretary
2.	Mr. Ephantus Ngiri Wachira	Deputy Principal
3.	Mr. Eston Gateru	HoD Business
4.	Mrs. Nelius Gatitu	HoD Mechanical
5.	MS. Susan Wanja	HoD Building
6.	Mr. Michael Tirop	Registrar/Exams Officer
7.	Mr. Peter Murigi	Dean of students/ILO
8.	Mr. Francis N Muchai	HoD Electrical
9.	Mr. Peter Kariuki	Finance Officer
10.	Mr. Kevin Wanyama	Procurement Officer

(e) Fiduciary Oversight Arrangements

Audit and risk committee activities

- To evaluate adequacy of management procedure with regard to issues relating to risk management, control and governance;
- To review external audit findings and recommendations and propose corrective and preventive actions where necessary;
- To review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics;
- To initiate special audits and or investigations on any allegations, concerns and complaints regarding corruption, lack of accountability, and transparency in consultation with the Accounting Officer; and
- To exercise such other powers as the Board may from time-to-time delegate to the Committee

Finance and operations committee activities

- To receive, consider and submit the proposed budget estimates from the various institute department for approval by the Board;
- To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board;
- To report to the Board all matters related to finance and development;
- To ensure that accurate records are kept on the establishments in the Institute;
- To consider and recommend to the Board the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the Institute;
- To report to the Board on the progress of physical infrastructure development of the Institute;
- To prepare Institute Development plans for an approved period and submit to the Board; and
To exercise such other powers as the Board may from time-to-time delegate to the Committee.

Academic committee

- To Formulate and Review of the Academic Policy
- Setting academic Quality Assurance & standards evaluations
- Development and Implementation of New academic Programmes
- Determination of Resources:
 - Human Resource
 - Teaching/Learning Materials
 - Curriculum Evaluation
- Establishing Linkage between the College and Industry
- Ensuring Relevance of the Courses to Market Needs
- Committee in Charge of Graduations and Academic Awards

(f) Institute Headquarters

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

(g) Institute Contacts

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

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(h) **Institute Bankers**

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

Other Commercial Banks
Kenya commercial bank, Murang'a Branch





(i) **Independent Auditors**

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





(j) **Principal Legal Adviser**

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

3. The Board of Governors






No.	Member/ Director	Details
1.	 Chairman Pro. Peter Kagwanja	D.O.B: 8/8/1963 PHD in Philosophy Masters of Arts – History, Politics, Economic History and Labour Studies Bachelor of Education CEO of Africa Policy Institute (API) Visiting scholar at the institute of diplomacy and international studies Principal consultant in the development of Kenya Foreign Policy
2.	 Dr. Cornelius Mutangili	D.O.B:22/06/1966 PHD Leadership and governance JKUAT submitted final report MA Demography, population studies BA Sociology and anthropology
3.	 Dr. Ruth W Muriithi	D.O.B:05/09/1958 PHD in Entrepreneurship Masters of Science in Entrepreneurship BSE Entrepreneurship 42 Years working experience Lecturer Murang'a University
4.	 Eng. Watson N Nyamweya	D.O.B:20/10/1967 Advance professional training Germany in automotive Higher national diploma – mechanical engineering Diploma in business management Workshop manager DT Dobie & co 31 years of work experience

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5.	 <p style="text-align: center;">Secretary to the Board Eng. Robin Wachira</p>	<p>Principal/BoG secretary Qualifications: Bachelor of science in Mechanical Engineering, Diploma in technical Education</p>
6.	 <p style="text-align: center;">Eng. Lawrence Mwangi</p>	<p>D.O.B: 1963 B.Sc. Civil Engineering M.Sc. Environmental Health Engineering Certificate: Project Appraisal and Risk Management Certificate: Leadership development 35 Years Working Experience in water engineering, management and director of environment .</p>
7.	 <p style="text-align: center;">Dr. Linus Isaac Francis Ochieng'</p>	<p>D.O.B: 1988 PHD – Finance MSC – Finance & accounting Bachelors of commerce degree – Finance CPA(K) Academic/Lecturing and administration at JKUAT, Kenya School of monetary studies & KCA Tax consultant</p>
8.	 <p style="text-align: center;">Prof. Paul Nyaga Mbatia</p>	<p>D.O.B: 1960 PHD in sociology MA in sociology BA economic & sociology Deputy Vice chancellor Academic Multimedia University of Kenya Over 42 years working experience in University lecturing and management</p>

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4. Key Management Team

No.	Member	Details
1.	 Mr. Robinson Wachira	Principal/BoG secretary Qualifications: Bachelor of science in Mechanical Engineering, Diploma in technical Education
2.	 Mr. Ephantus Ngiri Wachira	Deputy Principal Qualifications: Master of business Administration (Finance), Bachelor of education (science) and CPA FINAL
3.	 Mr. Eston Gateru	HoD Business Qualification: Senior management course
4.	 Mrs. Nelius Gatitu	HoD Mechanical Qualification : Bachelor in leather technology and diploma in technical training.
5.	 MS. Susan Wanja	HoD Mechanical Qualifications: Bachelor of Education in technology education and computing.(Automotive Technology)

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6.		<p>Registrar/Exams Officer Qualifications: Bachelor of Education in electrical & electronics</p>
7.		<p>Dean of students/ILO Qualifications: Certificate in Electrical engineering Technician and diploma in Technical education in electrical Engineering</p>
8.		<p>HoD Electrical Qualification: Diploma in electrical and electronics engineering and Diploma in technical education in electrical and electronics engineering</p>
9.		<p>Finance Officer Qualification: CPA FINALIST</p>
10.		<p>Procurement Officer Qualifications: Bachelor of Business management (purchasing and supplies chain management option)</p>

5. Chairman's Statement



It is my pleasure to present Murang'a Technical Training Institute (MTTI) Annual Financial Statements for the financial year ended 30th June, 2023. The Institute Board notes with appreciation the continued support of the Government and other stakeholders in running the institution. The Institute has continued to offer quality programmes that are market-driven and meet the demands of the market. The Board endeavours to work with the industries, strategic partners and other stakeholders in order to provide facilities that meet the challenges the institute is facing.

There has been a steady increase in student population and expansion of the academic programmes, which has exerted a lot of pressure on the existing facilities, thereby necessitating the need for putting up more training facilities. The Board in collaboration with the relevant stakeholders is committed towards delivering the same.

During the financial year 2022/2023, the Institute embarked on various activities among them;

- a) Pursuing the ownership of the land where the institute is built.
- b) Construction of kitchen, dining hall and ablution blocks
- c) Mounting of various academic programmes which the institute has been licensed to offer.
- d) Acquiring modern office furniture for the institute administrators
- e) Recruitment of staffs both trainers and non-trainers

The Institute introduced the competence-based programmes, which are geared to support the government's four agenda.

Institute has faced numerous challenges attributed to:

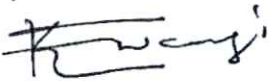
- a) The late release of the GoK operations grants which were already factored in the 2022/2023 financial year budget resulted to underfunding of the institute budget and downsizing the funding of the departmental budgets
- b) The capitation received didn't match with the number of the trainees in the institute and the list submitted to KUCCPS.

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We continued with the measures of setting up of management and governance structures that reflect Institute status. During the year, the Institute first BoG was inducted and Board committees were constituted during the inauguration meeting

I thank the government and Maragua MG CDF for its financial support so far that has made it possible to implement the MTTI functions and programmes.

I finally, wish to thank all stake holders for their continued support and dedication, even as we together strive to achieve greater heights of excellence.



Prof. Peter Kagwanja

Chairman: Board of Governors.

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Annual Report and Financial Statements for the year ended 30th June 2023

6. Report of the Principal



I am pleased to present the Annual report and Financial Statements of Murang'a Technical Training Institute for the financial year ended 30th June, 2023. Murang'a Technical Training Institute is academic institution committed in generating and transmitting knowledge, skills and right attitudes through Technical, Innovation and Vocational Education and Training for self-reliance of our trainees and bridges the skill gap in the market.

Academic and Student affairs

During the financial year under review, the Institute remained on course. The main focus of the institute remained provision of access, quality, relevant training and education and intended to consolidate and shape the Institute with a view to living up to institute of choice in the country.

The Institute also embarked on rationalization of structures aligning Academic Programmes in order to focus on our niche.

At the start of 2022/2023 academic year, the Institute introduced the competence-based programmes, which was geared to support the government's Big 4 agenda. When fully implemented, this will result to increase of revenue for the Institute.

Special appreciation goes to all the students who chose Murang'a Technical Training Institute as their place of study. Further the institute is committed to offering market-driven academic programmes for industrial and socio-economic growth.

Students Welfare

Murang'a Technical Training Institute continued to support the welfare of her main stakeholders (students) to enhance their academic environment in the spirit of producing holistic graduates.

One of the greatest challenges in the management of students' welfare was the large number of brilliant students from very humble backgrounds. In order to reduce incidences of dropping out of institute due to lack of fees, the Institute facilitated registration of the trainees with KUCCPS, HELB for Loans/ bursaries application and also sensitised the trainees on the alternative sources of funding like NG CDF.

Collaborations and linkages

During the period the Institute developed memoranda of understanding (MoUs) manual which will be used as a guiding document as it enters into collaborations with different organizations in future.

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Murang'a Technical Training Institute also engaged in linkages with several public and private organizations to enable linking industry with academics for the benefit of the trainees and the industries.

Administration, Planning and Finance Institute Infrastructure

Murang'a Technical Training Institute initiated various projects geared towards achieving its objectives. These include but not limited to;

- a) Pursuing the ownership of the land where the institute is built.
- b) Construction of 150 mtrs perimeter fence financed by Maragua CDF
- c) Marketing vigorously of various academic programmes which the institute has been licensed to offer.
- d) Acquiring furniture, equipment and computers for the institute administrators and training purposes
- e) Recruitment of staffs both trainers and non-trainers

Administration and Staffing

I am humbled to convey my appreciation and gratitude to the Institute Board and all the members of staff for their support, commitment and dedication to their work and their efforts that have seen MTTI move towards attaining its vision.

During the financial year, MTTI received staffs from Public Service Commission based on the skilled gap and need. The remaining deficit has been filled by recruiting additional trainers under the BoG terms.

In order to remain on course and continue executing the core mandate of the Institute, more thematic leaders were appointed from the pool of its competent staffs.

Financial Sustainability

During the financial year, the Institute put in place the necessary financial, procurement and internal control measures on resource utilization to ensure that it meets the targets of revenue collection and cost control measures.

I express my sincere gratitude to the Government of Kenya and in particularly the State Department of Technical & Vocational Training for funding the Institute through the capitation fees subsidy of kshs. kshs. 7,117,000

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Despite the many challenges the Institute had faced, I am glad to report that the Institute managed to stay afloat financially.

Service Delivery and Vision 2030

In order to continue providing quality education and services, the Quality Assurance Committee was introduced and officers appointed had developed various evaluation tools. MTTI has cascaded service charter to the departmental levels and placed it in strategic points for its implementation. This has enhanced quality and efficient service delivery.

The Governments Big 4 agenda, which is key to bolster strong inclusive economic growth and contribution to the Vision 2030 have also guided the institute.

Finally, I thank the Government of Kenya, the local community, donors, our bank, suppliers and service providers for their continued support and cooperation.



Eng. Robinson Wachira

Principal/Secretary of the Board

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7. Statement of Performance against Predetermined Objectives

MTTI has eight strategic pillars and objectives within its Strategic Plan for the FY 2020-2025. These strategic pillars are as follows:

Strategic Objectives

SO1: Enhance access and equity

SO2: To diversify training programmes

SO3: Promote effective application of ICT;

SO4: To improve Institutional corporate governance / management;

SO5: To improve corporate image

SO6: To improve the financial base of the Institute;

SO7: To ensure the staff are adequate, competent and highly motivated;

SO8: Enhance collaborations and linkages;

SO9: Upgrade and increase the infrastructure;

MTTI developed its annual work plans based on the above nine pillars. Assessment of the Board's performance against its annual work plan is done on annual basis. The institute achieved its performance targets set for the FY 2022/2023 period for its eight strategic pillars, as indicated in the diagram below:

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Pillar no	Strategic issues	Strategic Objective	Key Performance Indicators	Activities	Achievements
1:	access and equity	to diversify training programmes	No. of students enrolled No. of programmes launched	Introduced new academic programmes and applied for registration.	
2:	Institutional Corporate Governance /Management	Improve Institutional corporate governance/ Management	Organisational structure, institute management policies Board of governors committee induction of the institute Board	Developed institutional policies, strategies and programmes that are responsive to effective governance and management of TVET New institute board members inaugurated board committee established	
3:	ICT	Promote effective application of ICT	Acquire more computers for learning and offices internet systems		
4:	Research and Innovation	establish forums for sensitization of staff and students	Originality of research document/ideas Award/recognition for innovation		
5:	Financial Resources	Enhance fees collection	fees collection & debts Control systems established and implemented	fees collection policy developed debt management policy developed and operationalised	
6:	Human Resource	Enhance the staff adequacy and competence	increased number of the PSC /BoG staffs	- Liaise with the PSC/BoG for meeting gaps in teaching as per the skills gap analysis done.	officer
7:	Collaboration and linkages	Enhance Collaborations and Linkages	Collaboration and linkages frameworks	Participated in KATTI activities to strengthen linkages with other TVET institutions.	

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			established and strengthened		
8:	Infrastructure improvement	Upgrade infrastructure	number of new facilities constructed number of offices established	source for the BQ for the workshop Source for the material construct the offices and workshop sheds	

8. Corporate Governance Statement

Good corporate governance is key to the integrity of state corporations and is central to its sustainability. Corporate governance plays a leading role in how corporations and their boards of governors are directed, controlled and held to account. Corporate governance, therefore, encompasses the systems, practices and procedures by which the individual corporation is regulated in order to remain competitive, ethical, sustainable and fair.

MTTI Board adheres to principles of openness, integrity and accountability in its stewardship of the Institute's affairs. It recognizes the developing nature of corporate governance and assesses the Institute's compliance with generally accepted corporate governance practice on a regular basis, directly and through its full board and Board committees. The role of the Board is to ensure conformance by focusing on and providing the Institute's overall strategic direction and policy-making as well as performance review through accountability and ensuring appropriate monitoring and supervision. The Board is also responsible for the overall system of internal control and for reviewing its effectiveness. The controls are designed to both safeguard the Institute's assets and ensure the reliability of financial information.

The Institute Board meets regularly to consider issues of operational and strategic importance to the Institute. Below are the key features of the existing corporate governance practices within MTTI which are reviewed and improved on a regular basis: -

1. Institute Board

The Institute Board consists of the Chairman and eight members, who have been appointed in accordance with the TVET Act (2013). The full Institute Board meets on quarterly bases and the board committee members meet as per the Board meeting calendar of events

The Board is responsible for setting the direction of the Institute through the establishment of strategic objectives, key policies and approval of budgets. It monitors the implementation of strategies and policies through a structured approach of reporting by management and consequent accountability.

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The Board is actively involved and brings strong independent judgment on its deliberations and discussions. The Institute Board members have diverse skill set, a wide range of knowledge and experience of institute setting that is applied to the formulation of strategic objectives and decision-making. The Board meets regularly and retains full and effective control over the Institute in all strategic, financial, operational and compliance areas.

BoG. Meeting Register

Fully BoG Meeting

Name	Designation	30/9/22	21/10/22	25/11/22	17/3/23	18/3/23	29/6/23	Attendance
Prof. Peter Kagwanja	Chairperson	√	√	√	√	√	√	6
Prof. Paul Mbatia	Member	√	√	√	√	√	√	6
Dr. Ruth Muriithi	Member	√	√	√	√	√	√	6
Dr. Linus I Ochieng'	Member	√	√	√	√	√	√	6
Eng. Watson Nyakundi	Member	√	√	√	√	√	√	6
Eng. Lawrence Mwangi	Member	-	-	√	√	√	√	4
Mr. Cornelius Mutangili	Member	√	√	-	√	√	√	5
Mr. Robin Wachira	Member	√	√	√	√	√	√	6
Charles Theuri Nyota	Member	-	-	√	√	√	√	4
Total Attendance		7	7	8	9	9	9	49

Finance Committee & General-Purpose Committee

Name	Designation	2/03/2023	Attendance
Eng. Lawrence W Mwangi	Chairperson	√	2
Mr. Cornelius Mutangili	member	√	2

Training/Education

Name	Designation	Purpose	29/06/23	Attendance
Prof. Paul N Mbatia	Chairperson	Shortlisting as a panellist	-	-
Dr. Ruth W Muriithi	member	Shortlisting as a panellist	√	1
Mr. Ephantus Ngiri	Member	Shortlisting as a panellist	√	1
Total Attendance			2	2

Audit Risk committee

Name	Designation	Attendance
Dr. Linus Isaac Ochieng'	Chairperson	
Eng. Watson Nyakundi	member	

2. Board committees

To assist the Board in the discharge of its responsibilities, Board committees have been established. All the Board committees meet at least two times a year. The committees are as follows: -

Finance, Planning and Development Committee

Responsibilities:

1. To receive, consider and submit the proposed budget estimates from the various institute department for approval by the Board;
2. To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board;
3. To report to the Board all matters related to finance and development;
4. To ensure that accurate records are kept on the establishments in the Institute;
5. To consider and recommend to the Board the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the Institute;
6. To report to the Board on the progress of physical infrastructure development of the Institute;
7. To prepare Institute Development plans for an approved period and submit to the Board; and
8. To exercise such other powers as the Board may from time-to-time delegate to the Committee.

Audit and risk committee

Responsibilities:

- a) To evaluate adequacy of management procedure with regard to issues relating to risk management, control and governance;

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- b) To review external audit findings and recommendations and propose corrective and preventive actions where necessary;
- c) To review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics;
- d) To initiate special audits and or investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting Officer; and
- e) To exercise such other powers as the Board may from time-to-time delegate to the Committee

3. Board Members' Remuneration

Sitting allowance for Board members and chairman honorarium are guided by circular No. OP/CAB.9/21/2A/LII/43 dated 23rd November, 2004. The remuneration for Board members consists of sitting and subsistence allowances in connection with Board & Board committee and Chairman's honorarium during the financial year ended 30th June, 2021 are outlined under Note 12 on page 15 of these Financial Report and Financial Statements (Board expenses)

4. Succession Plan

The appointment of Board members is the prerogative of the Cabinet Secretary, Ministry of Education. Members have no control of the appointment and duration of service.

5. Board Charter

MTTI Board has a board charter. The Board is also guided by Mwongozo Code of Governance.

6. Appointment and removal of Board members

The appointment of Board members is the prerogative of the Cabinet Secretary, Ministry of Education

7. Induction and Training

Current MTTI Board of governors is to be were inducted in the 2022/2023 financial due to inconveniences created by the COVID 19 pandemics.

8. Board Members' Performance

The Board performance evaluation exercise was done in July, 2023.

9. Conflict of interest

In every Board meeting held by the MTTI Board, Members declare conflict of interest on matters in the agenda and register the same in the conflict-of-interest register book.

10. Ethics and Conduct

Institute Board Members uphold the highest standard of ethics and conduct while executing their mandate.

11. Governance Audit

The Board has put in place a combination of processes and structures to inform, direct, manage and monitor the activities of the Institute towards the achievement of its objectives

12. Internal Controls

The Institute has implemented and maintained internal controls designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard and maintain accountability of the Institute's assets.

Such controls are based on Law, Government & Institute regulations, Policies and circulars and are implemented by trained personnel with appropriate segregation of duties. The effectiveness of the system of internal controls is monitored regularly through operational meetings and the annual external audit.

13. Going Concern

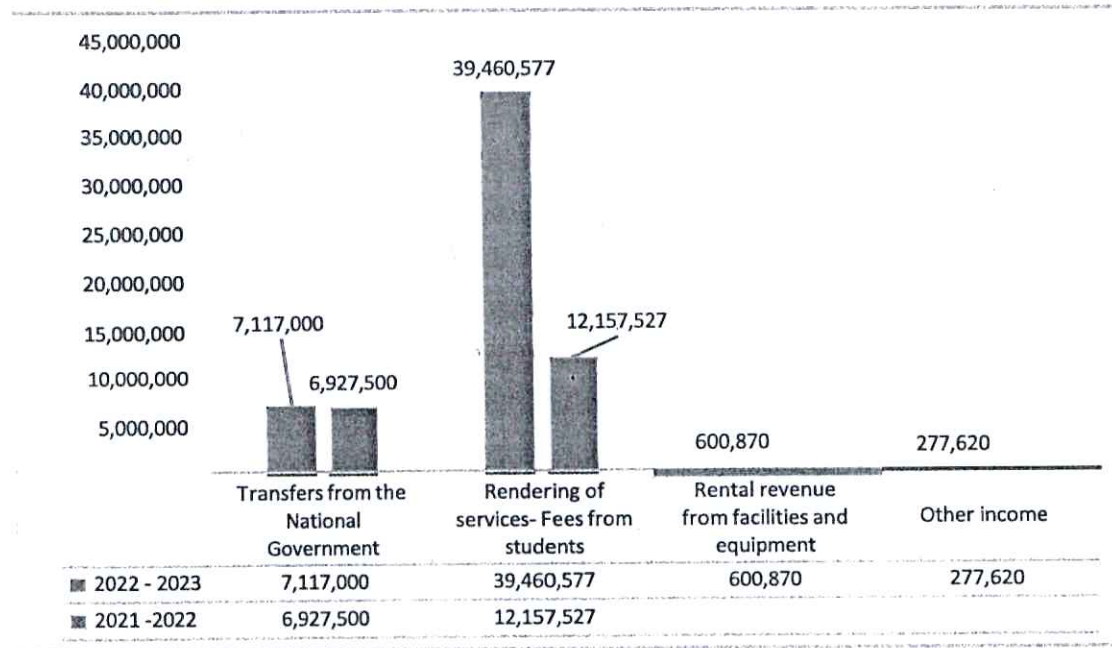
The Institute Board confirms that Institute has adequate resources to continue in operation for the foreseeable future and therefore, the continued use of going concern as a basis of preparing the financial statements.

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9. Management Discussion and Analysis

Operational and financial performance

A) income analysis:



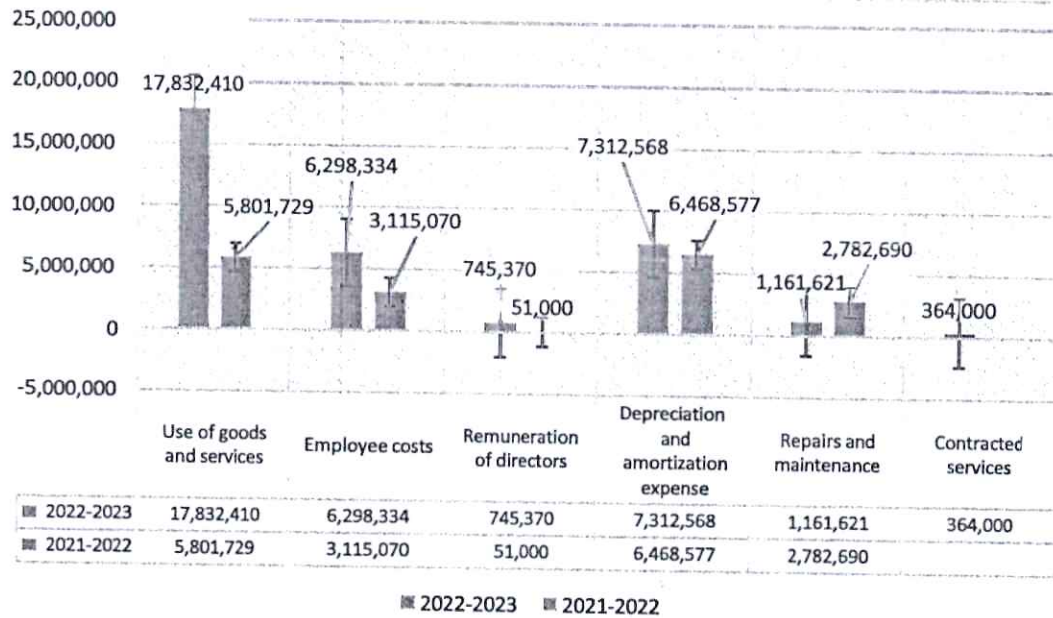
The 2022/2023 financial year, there was over 149% financial growth from the both revenue from exchange transaction and non-exchange transactions.

This was as result of increase in the enrollment and also financing of the institute operation by the GoK through capitation and CDF bursary mainly from Maragua CDF.

B) expenditure analysis

The 2021/2022 financial year expenditure increased by over 85%, this was as result of increased number of trainees in the year that demanded for more budgetary allocations to deliver the core mandate.

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Operation performance

(i) Academic performance

In the FY 2022/ 2023, MTTI committed itself to increase pass rate in technical and business Examination

2022/2023 examination analysis

Exam series	Registered candidates	No. That passed	Percentage pass
KNEC July 2022	76	56	74
KNEC November 2022	75	45	61
KNEC March 2023	39	30	77
NITA			

Course code	Course name	No of entry July	No of entry November	KNEC 2023	March
2601	Diploma in Electrical and electronic. (power)	3	2		1
1601	Craft Electrical and electronic. (power)	7	14		1
0202	Artisan in Electrical and electronic. (power)	7	5		9

Murang'a Technical Training Institute
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2705	Diploma in Building technology.	8	2	1
1704	Craft in Building technology.	-	-	1
1305	Craft in Plumbing.	-	23	13
0105	Artisan in Plumbing.	16	4	1
1501	Craft in Mechanical production	11	5	4
0103	Artisan in Automotive	4	2	5
1802	Craft in Food and beverage.	8	10	3
0402	Artisan in Food and beverage	12	-	-
1920	Craft in ICT	-	2	-
2920	Diploma in Ict.	-	2	-
1906	Craft in business management.	-	1	-
	Computerised secretarial studies.		2	
	TOTAL	76	75	39

(ii) Students' population growth

In the FY 2022/ 2023, MTTI had the below student's enrolment as per departments

Department	SEP 2022	JAN 2023	MAY 2023
Building	160	47	20
Business.	39	3	-
Electrical.	101	5	24
ICT.	107	7	26
Hospitality management.	119	9	15
Mechanical.	77	9	44
Total	606	68	176

Within the year, the college population grew from 403 students at the beginning of the term to 513 as at end of the 2022/2023 financial year.

10. Environmental And Sustainability Reporting Statement

1. Sustainability strategy and profile

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

2. Environmental performance

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

Ecological Dimension of Corporate Sustainability

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

Murang'a Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

into ground, as well as waste and hazardous waste. Additionally, the impact on biodiversity and environmental issues of the product over the life cycle are of importance. This dimension is mainly measured by impacts, but within corporate sustainability strategies the focus has to be laid on the effects causing these impacts.

3. Employee welfare

a) Corporate governance-

This is the transparency in all of the institute activities in order to ameliorate relationship towards its stakeholders. During the financial year, the institute recruited staff using the laid down recruitment procedures. This was done through the guidance of public service commission who Give insight into all relevant data; following rules of on recruitment of the corporate governance and defining responsibilities and behaviour of the board.

b) Staff Motivation and incentives – this is an Active involvement and exemplary function of management on sustainability of all the employees being aware of their needs, claims and motivation factors of employees in order to implement sustainability sufficiency into the organization due to support of management for acting in sustainable way (e.g., time, money, resources). The management has developed and implemented incentives and reward systems (monetary and non-monetary). for motivating its employees.

c) Health and safety – the institute guarantee that no health and safety risks occur when working in/for the institute. No negative impact of employees' physical health at any time was reported.

The institute has Operation of programmes for employees to prevent dangers and to stay generally fit and healthy.

d) Human capital development - Development of human capital for sustainability related issues through specific programmes is key to any organization. The institute has sponsored staff to various seminars and workshops and also allowed others join holiday classes. The institute has also encouraged Broad cross-working

education (job enrichment, job enlargement) for staff in order to become aware of the different challenges and issues of corporate sustainability

4. Market place practices-

a) Responsible competition practice.

The institute practices responsible competition by following normal procedure of marketing. The institute has developed an anti-corruption policy and non-political adherence

b) Responsible Supply chain and supplier relations-

The institute has list of suppliers who were prequalified through advertisement. The policy of the institute is to pay all the bills at the end of every month and this has created a good rapport with her suppliers and service providers

c) Responsible marketing and advertisement

The institute carries out normal marketing through media and organized talks.

d) Product stewardship.

Trainees of the Institute are competently prepared emotionally, intellectually and spiritually. They are equipped with Hands on Skills and Technology to make a difference in this generation and generations to come.

5. Corporate Social Responsibility / Community Engagements

MTTI being a public entity embraces the policy of Corporate Social Responsibility (CSR) through engaging herself with the following amongst many social responsibilities:

(a) Charitable Activities

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

(b) Communities outreach activities

MTTI in conjunction with Maragua Hospital organised for a covid 19 awareness sensitization programmes at Local shopping centres. This was a sign that the Institute is moving towards fulfilling its core mandate of community service. A institute worth its name must benefit the community and not only improve its economic activities but also uplift the health and the well-being of people around it to attain the country's Universal Health. Universal Health Coverage (UHC) concept is firmly based on WHO constitution of 1948

Murang'a Technical Training Institute
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declaring health a fundamental Human right. This is equally in line with the Constitution of Kenya 2010 that confers on every Citizen Highest attainable standard of Health Including Reproductive Health. The President reaffirmed the objective of Kenyan constitution through the Big Four Agenda Where Affordable Health Care is a pillar. UHC should be every body's business and a multi-sectoral approach is the way to go in the realization of this concept of Health care delivery.

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

(c) Environmental Improvement activities

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

(d) Academic Mentorship

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

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the institute's affairs.

Principal activities

The principal activities of the institute are is to offer technical & vocational skills to trainees who meet the minimum academic qualification to be enrolled to the institute

Results


The results of the institute for the year ended June 30- 2023 are set out on page 1 – 5 Board of Governors

The members of the Board who served during the year are shown on page vi and viii

Auditors

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

By Order of the Board


**PRINCIPAL
MURANG'A TECHNICAL
TRAINING INSTITUTE**
P. O. Box 27 - 10205, MARAGUA
Email: murangata@gmail.com
Robinson Wachira
Secretary of the Board

Date:

Murang'a Technical Training Institute
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12. Statement of Board of Governors Responsibilities

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

The Board members are responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute,
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- (iv) safeguarding the assets of the institute,
- (v) selecting and applying appropriate accounting policies, and
- (vi) making accounting estimates that are reasonable in the circumstances.

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

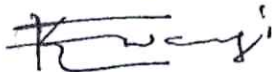
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fair view of the state of institute's transactions during the financial year ended June 30, 2023, and of the institute's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the institute's financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

The institute's financial statements were approved by the Board on 23rd SEPTEMBER 2023 and signed on its behalf by:

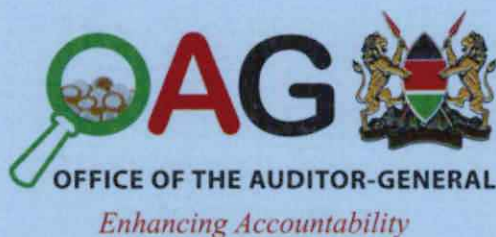


.....
Name: PROF Peter Kagwanja
Chairperson of the Board/Board



.....
PRINCIPAL
MURANG'A TECHNICAL
TRAINING INSTITUTE
.....
P. O. Box 27...10205, MARAGU,
Name : ENG Robinson Wachiratti@gmail.com
Accounting Officer/Principal

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON MURANG'A TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

The accompanying financial statements of set out on pages 1 to 29, which comprise the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Murang'a Technical Training Institute as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Undisclosed value of Land and Lack of Ownership Documents

The statement of financial position as at 30 June, 2024 and as disclosed in Note 19 to the financial statements reflects property plant and equipment balance of Kshs.271,762,308. However, the balance does not include the value of land where the College resides. Further, ownership documents for the land were not provided for audit.

In the circumstances, the land ownership, accuracy and completeness of the property, plant and equipment balance could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.47,933,600 and Kshs.47,456,067 respectively, resulting to under-collection of Kshs.477,533. Similarly, the Institution spent Kshs.33,780,059 against actual receipts of Kshs.47,456,067, resulting to under expenditure of Kshs.13,676,008.

The under expenditure may have curtailed realization of planned activities and service delivery.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Other Information

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

In connection with my audit on the Institute's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Law on Ethnic Composition

Review of the personnel records and staff establishment revealed that the Institute had a total of fifty-three (53) employees as at 30 June, 2023, out of which, forty-three (43) or (81%) were from the dominant ethnic community. This was contrary to the requirements of Section 7(2) of the National Cohesion and Integration Act, 2008 which states that, no public establishment shall have more than one third of its staff from the same ethnic community.

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

2. Failure to carry out Training Needs Assessments

The Management did not carry out training needs assessments during the financial year under review contrary to Public Service Human Resource Policies 2016 H3 (1) which states that training needs assessment is a performance audit that generates and provides information to assess the inadequacy of knowledge and skills which inhibits an organization from attaining its objectives. Training in the Public Service shall be based on training needs assessment which shall be conducted after every three (3) years in each State Department

In the circumstances, Management was in breach of the public service human resource policies.

3. Employment of Unlicensed Trainers

The Institute had thirty-nine (39) members of trainers out of which twenty-one (21) trainers were not licensed and registered by the Technical and Vocational Education and Training Authority. However, even though the Management explained that most of the unlicensed trainers have already registered with TVETA and that they are awaiting for the registration number to be issued, the Management did comply with Section 23 of the Technical and Vocational Training Act of 2013 and Regulation 16. (1) of the Technical and Vocational Education and Training Regulations 2015.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Business Continuity and Disaster Recovery Plan

During the year under review, the Institution did not have in place an Information System, Disaster Recovery Plan and a Business Continuity Plan. Therefore, there was no documented process to guide mitigation against any events affecting the information systems, information recovery and business continuity. In the circumstances, the security off the Institution`s information system could not be guaranteed.

In the circumstances, the effectiveness of the security build around the information system could not be confirmed.

2. Lack of Internal Audit Function and Audit Committee

The Institute operated without an internal audit function and an audit committee for the purpose of carrying out in depth reviews of Management operations. This was contrary to Section 73(1) and 73(5) of the Public Finance Management Act 2012 requires every entity to have arrangement in place for internal audit function. Further, Public Finance Management National Government (2015) Regulation 43 (e) States that An Accounting Officer shall ensure that each national government entity has an audit committee in place.

In the circumstances, the effectiveness of the assurance on internal control systems for the Institute could not be confirmed.

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

Responsibilities of the Management and Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance. In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 May, 2025

Murang'a Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

Murang'a Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

14. Statement of Financial Performance for The Year Ended 30 June 2023

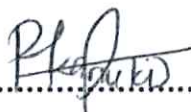
Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	7,117,000	6,927,500
Total Revenue from non-exchange transactions		<u>7,117,000</u>	<u>6,927,500</u>
Revenue from exchange transactions			
Rendering of services- Fees from students	7	39,460,577	12,157,527
Rental revenue from facilities and equipment	8	600,870	
Miscellaneous Income	9	277,620	
Revenue from exchange transactions		<u>40,339,067</u>	<u>12,157,527</u>
Total revenue		<u>47,456,067</u>	<u>19,085,027</u>
Expenses			
Use of goods and services	10	17,832,410	5,801,729
Employee costs	11	6,298,334	3,115,070
Remuneration of directors	12	745,370	51,000
Depreciation and amortization expense	13	7,312,568	6,468,577
Repairs and maintenance	14	1,161,621	2,782,690
Contracted services	15	364,000	
Total expenses		<u>33,714,303</u>	<u>18,219,066</u>
Net Surplus for the year		<u>13,741,764</u>	<u>865,961</u>

The Financial Statements set out on pages 1 to 2 were signed by:



.....
Chairman of the Board

Date 23/09/2023



.....
Finance Officer

ICPAK No 157955

Date 23/09/2023

PRINCIPAL
MURANG'A TECHNICAL
TRAINING INSTITUTE
P. O. Box 27 - 10205, MARAGUA
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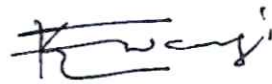
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Principal

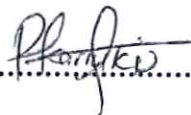
Date 23/09/2023

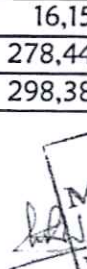
15. Statement of Financial Position as at 30th June 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	6,448,838	4,131,250
Current portion of receivables from exchange transactions	17	19,325,585	5,809,660
Inventory 2022- 2023	18	424,260	
Total current asset		<u>26,198,682</u>	<u>9,940,910</u>
Non-current assets			
Property, plant and equipment	19	271,762,308	271,989,571
Intangible assets	20	425,469	132,450
Total Non-current assets		<u>272,187,777</u>	<u>272,122,021</u>
Total assets		<u>298,386,459</u>	<u>282,062,931</u>
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	1,256,510	739,620
Refundable deposits from customers	22	661,010	229,800
Payments received in advance	23	1,872,525	238,861
Total liabilities		<u>3,790,045</u>	<u>1,208,281</u>
Net assets			
Reserves			
Accumulated surplus		16,155,968	2,414,204
Capital Fund		278,440,446	278,440,446
Total net assets and liabilities		<u>298,386,459</u>	<u>282,062,931</u>

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






PRINCE TECHNICAL
MURANG'A TRAINING INSTITUTE
P. O. Box 27 - 10205, MARAGUA
Email: murangatti@gmail.com

Chairman of the Board

Finance Officer

Principal

ICPAK No 151955

Date 23/09/2023

Date 23/09/2023

Date 23/09/2023

Murang'a Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2023

16. Statement of Changes in Net Asset for The Year Ended 30 June 2023

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2021			1,548,244	278,440,446	279,988,689
value of the asset					
Revaluation gain					
Fair value adjustment on quoted investments					
Total comprehensive income			865,961		865,961
Capital/Development grants received during the year					
Transfer of depreciation/amortization from capital fund to retained earnings					
At June 30, 2022			<u>2,414,204</u>	<u>278,440,446</u>	<u>280,854,650</u>
At July 1, 2023			<u>2,414,204</u>	<u>278,440,446</u>	<u>280,854,650</u>
value of the asset					
Revaluation gain					
Fair value adjustment on quoted investments					
Total comprehensive income			13,741,764		13,741,764
Capital/Development grants received during the year					
Transfer of depreciation/amortization from capital fund to retained earnings					
At June 30, 2023			<u>16,155,968</u>	<u>278,440,446</u>	<u>294,596,414</u>

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17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	7,117,000	6,927,500
Rendering of services- Fees from students	7	39,460,577	12,157,527
Rental revenue from facilities and equipment	8	600,870	
Miscellaneous Income	9	277,620	
Total Receipts		47,456,067	19,085,027
Payments			
Compensation of employees	11	6,298,334	3,115,070
Use of goods and services	10	17,832,410	5,801,729
Other payments	24	2,270,991	9,302,267
Total Payments		26,401,735	18,219,066
Net cash flow before working capital changes		21,054,332	865,961
Changes in working capital	26		2,690,938
Net Cash Flows from operating activities	25	9,695,912	3,556,899
Purchase of property, plant, equipment and intangible assets			
Purchase of property, plant, equipment and intangible assets		-7,378,324	-375,690
Net cash flows used in investing activities		-7,378,324	-375,690
Cash flows from financing activities			0.00
Increase in deposits			0.00
Net cash flows used in financing activities			0.00
Net increase/(decrease) in cash and cash equivalents		2,317,588	3,181,209
Cash and cash equivalents at 1 June	16	4,131,250	950,041
Cash and cash equivalents at 30 JUNE	16	6,448,838	4,131,250

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18. Statement of Comparison of Budget Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from the National Government – grants/ gifts in kind	35,430,800	11,510,800	46,577,577	7,117,000	364,023	1
Rendering of services- Fees from students				39,460,577		
Rental revenue from facilities and equipment	381,000	611,000	992,000.00	600,870	113,510	11
Other income				277,620		
Total revenue	35,811,800	12,121,800	47,933,600	47,456,067	477,533	1
Expenses						
Use of goods and services	18,222,800	13,899,800	32,122,600	17,832,410	14,290,190	36
Employee costs	7,884,000	(1,760,000)	6,124,000	6,298,334	-174,334	-2
Remuneration of directors	1,350,000	(554,000)	796,000	745,370	50,630	4
Depreciation and amortization expense						
Repairs and maintenance	990,000	200,000	1,190,000	1,161,621	28,379	3
Capital expenditure	7,365,000		7,365,000	7,378,324	-13,324	0
contracted services		336,000	336,000	364,000	-28,000	-8
Total Expenditure	35,811,800	12,121,800	47,933,600	33,780,059	14,153,541	30
Surplus For the Period				13,676,008		

1. The college under achieved in the use of goods & services due to under collection of revenue

19. Notes to the Financial Statements

1. General Information

Murang'a Technical Training Institute (MTTI) is established by and derives its authority and accountability from TVET Act of 2013. The institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The institute principal activity is technical & vocational training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the institute's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 18. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the institute. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

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 the Institute's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • 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 a institute's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Institute provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Institute.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Institute's financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>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.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

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

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for</p>

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Standard	Effective date and impact:
	users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of the Institute. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.

iii. Early adoption of standards

The institute did not early-adopt any new or amended standards in year 2023

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset

ii) Revenue from exchange transactions

Rendering of services

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

b) Budget information

The original budget for FY 2022/2023 was approved by the Board or Board on 23rd May ,2022. No Subsequent revisions or additional appropriations were made to the approved budget.

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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c) Taxes

Current income tax

The institute is exempted from paying taxes

d) Property, plant and equipment

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

e) Intangible assets

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

f) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions, the cost of the inventory is its fair value at the date of acquisition.

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

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

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

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

g) Provisions

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

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can be made of the amount of the obligation. Where the Institute expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

h) Social Benefits

Social benefits are cash transfers provided to

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

The institute recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the institute will incur in fulfilling the present obligations represented by the liability.

i) Nature and purpose of reserves

The Institute does not create and maintains reserves

j) Changes in accounting policies and estimates

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

k) Employee benefits

Retirement benefit plans

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

l) Related parties

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

m) Service concession arrangements

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

n) Cash and cash equivalents

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

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

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Provisions

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

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

Provisions for Doubtful Debts are recognized at the following rate:

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

Depreciation

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

No	Classification of asset	Rate
i.	Building	2 %
ii.	Plant, Machinery and equipment	12.5%
iii.	Office Equipment and computer accessories	12.5%
iv.	Computer equipment	30%
v.	Motor vehicles- Buses & others	25%
vi.	Furniture and fittings	12.5%
vii.	Library books	20%

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6. Transfers from other National Government entities

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	7,117,000	6,427,500
Operational Grant		500,000
Total unconditional Grants	7,117,000	6,927,500

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending the Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of Technical training	4,061,000			4,061,000	6,427,500
State Department of Technical training	3,056,000			3,056,000	500,000
Total	7,117,000			7,117,000	6,927,500

7. Rendering of Services

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Registration	478,620	194,500
Tuition	21,122,182	5,612,518
KUCCPS	297,810	250,600
Student Welfare	285,590	72,900
Student Id	274,800	46,800
Activity	1,728,585	195,518
EWC	1,635,880	229,092
P Emoluments	5,931,250	1,036,529
RMI	801,456	77,355
LTT	1,506,270	169,715
Medical/Insu	73,500	5,900
Bursary	604,940	932,900
Attachment	1,505,680	75,940
Boarding		81,400
Helb ID		515,700
Helb Bursary	593,800	
ICT Infrastructure	146,000	
CDF Bursary	49,100	2,660,160
Administration	34,274	

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Learning Materials	704,540	
Meals & Accommodation	1,686,300	
Total Revenue from The Rendering of Services	39,460,577	<u>12,157,527</u>

(Rendering of services is the fees from institute trainees)

8. Rental revenue from facilities and equipment

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Hire of boarding facilities	556,450	
Hire of training facilities	44,420	
Total	<u>600,870</u>	

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

9. Miscellaneous Income

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
T-shirt & apron	10,000	
Drawing board	257,620	
Sale of tender	10,000	
Total other income	<u>277,620</u>	

Miscellaneous income is sale of internally fabricated goods and sale of tenders for the 2022- 2023 FY

10. Use of Goods and Services

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Bank Charge (Main Account)	19,428	18,200
Bank Charge (Dev Account)	2,290	
Airtime	78,500	-
Internet	447,482	-
Transport	3,074,712	1,223,325
Hospitality	568,935	287,188
Stationery	335,665	417,524
Administration	2,043,740	715,525
KATTI	444,500	573,920
Library	205,132	1,850
Activity	482,170	138,400
Attachment	52,510	71,600
Deputy President Event	224,500	
EWC	528,916	385,903
Advert	69,485	206,328

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Student ID	156,700	69,250
Medical NYS	31,491	
Website	16,500	66,800
Landscaping	144,750	
Meals And Accommodation	3,646,824	
Capacity Building	339,900	168,400
NSSF Penalty	3,444	
Cleaning	60,334	
Printing	-	5,000
Teaching & Learning Materials	739,645	633,931
Inventory		202,810
ICT	526,294	
School Equipment	509,865	
Training Equipment	819,000	
Inspection	14,000	
Hair Dressing	7,440	
Cyber Services	1,200	
Consultation	250,000	20,000
Drama	190,500	
Sport games	97,330	
Store Materials	674,740	
Reimbursement	17,665	
TVET Fair	123,780	
KUCCPS Placement	275	
Fees Refund		5,000
Postal Charges		9,175
HELB		581,600
Provision for bad debts	882,768	
Total good and services	17,832,410	5,801,729

11. Employee Costs

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
P Emoluments	4,993,288	2,286,868
Internship	70,000	-
Part Time Training	232,300	416,710
NHIF	190,550	28,050
NSSF	621,000	68,320
PAYE	8,125	1,460
HELB	183,021	5,662
NITA	50	

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Employee Costs	6,298,334	2,807,070
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12. Board Expenses

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Directors Emoluments	745,370	51,000
Total	745,370	51,000

13. Depreciation and Amortization expense

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Buildings	5,307,717	5,393,588
Motor Vehicles		
Furniture And Fittings	1,110,212	692,439
Computers	412,350	13,800
Other Assets	394,041	368,750
Plant And Equipment's	27,468	
Intangible Assets	60,781	
Total Depreciation and Amortization	7,312,568	6,468,577

14. Repairs and Maintenance

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
RMI	1,129,421	
ICT	29,600	
General Repairs	2,600	2,782,690
Total Repairs and Maintenance	1,161,621	2,782,690

15. Contracted services

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Security	364,000	
Total Contracted services	364,000	

16. Cash and Cash Equivalents

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Current Account	2,287,126	3,412,257
Development	3,819,850	
Cash	341,862	718,993
Total Cash and Cash Equivalents	6,448,838	4,131,250

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

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Financial Institution	Account number	2022 - 2023 FY	2021- 2022 FY
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1282527274	2,287,126	3,412,257.00
Sub- Total		<u>2,287,126</u>	<u>3,412,257.00</u>
b) Development Deposits			
Kenya Commercial Bank	1305378881	3,819,850	
Sub- Total		<u>3,819,850</u>	
c) Others			
Cash in Hand		341,862	718,993.00
Sub- Total		<u>341,862</u>	<u>718,993.00</u>
Grand Total		<u>6,448,838</u>	<u>4,131,250.00</u>

17. Receivables from Exchange transactions

17 (a) Current Receivables from Exchange transactions

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Current Receivables		
Student Debtors	16,058,020	5,809,660
Other receivables (KNEC)	3,267,565	
Total Current Receivables	<u>19,325,585</u>	<u>5,809,660</u>

17 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2022 - 2023 FY		2021- 2022 FY	
	Current FY	% of the total	Comparative FY	% of the total
Fees receivable				
Less than 1 year	11,822,871	59	5,809,660	100%
Between 1- 2 years	5,034,134	25		
Other receivables				
Exams	3,351,348	17		
Total (a+b)	<u>20,208,353</u>	<u>100</u>	<u>5,809,660</u>	<u>100%</u>

17(c) Provision for bad debt Analysis of Receivables from Exchange transactions

Description	Rate	2022-2023		2021-2022	
		Receivables	Provision	Receivables	Provision
Fees receivable					
Less than 1 year	0.025	11,822,871	295,572	5,809,660	145,242
Between 1- 2 years	0.1	5,034,134	503,413		
Other receivables					
Exams	0.025	3,351,348	83,784		

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Total (a+b)		<u>20,208,353</u>	<u>882,769</u>	5,809,660	145,242
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17 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
At the beginning of the year	5,809,660	5,809,660
Addition during the year	15,174,219	
Provisions during the year	-882,769	
Recovered during the year	-775,526	
Write offs during the year		
At the end of the year	<u>19,325,585</u>	5,809,660

18. Inventories

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Training Consumable materials stores	424,260.00	
Total Inventories at lower of Cost and Net Realizable Value	424,260.00	

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19. Property, Plant and Equipment

		Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Work in progress	Total
Cost	Land	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1st July 2021		269,679,393		5,811,053	46,000	2,950,000			278,486,446
Additions					23,500		219,740		243,240
Disposals									
Transfers/adjustments									
At 30th June 2022		269,679,393		5,811,053	69,500	2,950,000	219,740		278,729,686
At 1st July 2022		269,679,393		5,811,053	69,500	2,950,000	219,740		278,729,686
Additions		1,100,027		4,034,617	1,318,800	571,080			7,024,524
Disposals									
Transfers/adjustments									
At 30th June, 2023		270,779,420		9,845,670	1,388,300	3,521,080	219,740		285,754,210
Depreciation and impairment									
At 1st July 2021		0		271,538	0.00	0.00	0.00	0.00	271,538
Depreciation		5,393,588		692,439	13,800	368,750	0.00	0.00	6,468,577
At 30 June 2022		5,393,588		963,977	13,800	368,750	0.00	0.00	6,740,115
At 1st July 2022		5,393,588		963,977	13,800	368,750	0.00	0.00	6,740,115
depreciation rate		0.02	0.25	0.125	0.3	0.125	0.125		
Depreciation		5,307,717		1,110,212	412,350	394,041	27,468		7,251,787
At 30th June, 2023		10,701,305		2,074,189	426,150	762,791	27,468		13,991,902
Net book values									
At 30th June, 2022		264,285,805		4,847,076	55,700	2,581,250	219,740		271,989,571
At 30th June, 2023		260,078,115		7,771,481	962,150	2,758,289	192,273		271,762,308

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Valuation

The institute assets have not been valued

19 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land			
Buildings	270,779,420	10,701,305	260,078,115
Motor vehicles			
Furniture and fittings	9,845,670	2,074,189	7,771,481
Computers	1,388,300	426,150	962,150
Other Assets	3,521,080	762,791	2,758,289
Plant and equipment	219,740	27,468	192,273
Total	285,754,210	13,991,902	271,762,308

20. Intangible Assets

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
At beginning of the year	132,450.00	
Additions	353,800.00	132,450.00
At end of the year	486,250.00	<u>132,450.00</u>
Additions-internal development		
At end of the year	486,250.00	<u>132,450.00</u>
Amortization and impairment		
amortization rate straight line	0.13	-
At beginning of the year	60,781.25	
Amortization		
At end of the year	425,468.75	<u>132,450.00</u>
Impairment loss		
NBV At end of the year	425,468.75	<u>132,450.00</u>

21. Trade and Other Payables

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Trade payables	1,256,510.00	38,900.00
Other Payables KNEC		700,720.00
Total Trade and Other Payables	1,256,510.00	739,620.00

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Ageing analysis:	2022 - 2023 FY	% of the Total	2021- 2022 FY	% of the Total
Under one year	1,256,510	100%	739,620	100%
Total	1,256,510	100%	739,620	100%

22. Refundable Deposits from Customers/Students

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Caution money	661,010	229,800
Total Deposits	661,010	229,800

Ageing analysis:	2022 - 2023 FY	% of the Total	2021- 2022 FY	% of the Total
Under one year	431,210	65	147,200	64
1-2 years	147,200	22	82,600	36
2-3 years	82,600	12		
Total	661,010	100	229,800	100

23. Payments received in advance.

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Fees received in advance	1,872,525.00	238,861.00
Total	1,872,525.00	238,861.00

Ageing analysis:	2022 - 2023 FY	% of the Total	2021- 2022 FY	% of the Total
Under one year	1,872,525.00	100%	238,861.00	100%
Total	1,872,525.00	100%	238,861.00	100%

24. Other Payments

Description	2022-2023	2021-2022
	Kshs	Kshs
Remuneration of directors	745,370	958,000.00
Depreciation and amortization expense		1,204,586.12
Repairs and maintenance	1,161,621	2,782,690
Contracted services	364,000	
Total other payments	2,270,991	2,208,786.12

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25. Cash generated from operations.

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Surplus for the year before tax	21,054,332	865,961
Adjusted for:		
Depreciation		6,468,577
Increase in Inventory	-424,260	
Working Capital adjustments		
Increase in receivables	-13,515,925	-4,721,209
Increase in payables	2,581,764	943,570
Increase in payments received in advance		
Net cash flow from operating activities	<u>9,695,912</u>	<u>3,556,899</u>

26. Changes in working capital

Description	2022-2023	2021-2022
	Kshs	Kshs
Net Cash Flow from Operating Activities	9,695,912	3,556,899
(less)		
Net cash flow before working capital changes	21,054,332	865,961
Changes in working capital	<u>-11,358,421</u>	<u>2,690,938</u>

27. Financial Risk Management

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

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

(i) Credit risk

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

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

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the institute's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables from exchange transactions	5,809,660	5,809,660	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	4,131,250	4,131,250	0	0
Total	<u>9,940,910</u>	<u>9,940,910</u>	<u>0</u>	<u>0</u>
At 30 June 2023				
Receivables from exchange transactions	19,325,585	11,023,886	5,034,134	798,985
Receivables from non-exchange transactions				0
Bank balances	6,448,838	6,448,838	0	0
Total	<u>25,774,423</u>	<u>19,941,304</u>	<u>5,034,134</u>	<u>798,985</u>

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade and other payables from exchange transactions	0.00	739,620	0.00	739,620
Refundable deposits from customers	0.00	229,800	0.00	229,800
Payments received in advance	0.00	238,861	0.00	238,861
Total	0.00	1,208,281	0.00	1,208,281
At 30 June 2023				
Trade and other payables from exchange transactions	0.00	1,256,510	0.00	1,256,510
Refundable deposits from customers	0.00	661,010	0.00	661,010
Payments received in advance	0.00	1,872,525	0.00	1,872,525
Total	0.00	<u>3,790,045</u>	0.00	<u>3,790,045</u>

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(iii) Market risk

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

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

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

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

iv) Capital Risk Management

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

Description	2022 - 2023 FY	2021- 2022 FY
	Kshs	Kshs
Retained Earnings	16,155,968	2,414,204
Capital Reserve	278,440,446	278,440,446
Total Funds	<u>294,596,414</u>	<u>280,854,650</u>
Less: Cash and Bank Balances	6,448,838	4,131,250
	2.2	1.5

28. Related Party Balances

Nature of related party relationships

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry; ministry of education

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

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

	2022-2023	2021-2022
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Govt	7,117,000	6,927,500
Mentor Institute		0
support from Maragua NG CDF		2,660,160
Total	<u>7,117,000</u>	<u>9,587,660</u>
b) Expenses incurred on behalf of related party		
Payments of salaries and wages for BoG employees	6,663,834	3,115,070
Total	<u>6,663,834</u>	<u>3,115,070</u>
c) Key management compensation		
Directors' emoluments	745,370	51,000
Total	<u>745,370</u>	<u>51,000</u>
Total	<u>14,526,204</u>	<u>12,753,730</u>

29. Events After the Reporting Period

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

30. Ultimate And Holding Entity

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

31. Currency

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

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20. Appendices


Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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


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

Name
 Accounting Officer:
 Eng Robinson Wachira
 Date 23/09/2023

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Appendix II: Projects Implemented by (The Entity)

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

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

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

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Appendix III- Inter-Entity Confirmation Letter

Murang'a Technical Training Institute
P.O. Box 27- 10205
Maragua

Murang'a Technical Training Institute wishes to confirm the amounts disbursed to you as at 30th June 2023 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 [Insert name of beneficiary Entity] as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023				Amount Received by [Beneficiary Entity] (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of the institute:

Name ...ENG Robinson Wachira..... Sign

PRINCIPAL
MURANG'A TECHNICAL
TRAINING INSTITUTE
P. O. Box 27 - 10205, MARAGUA
Date 30/06/2023
Email: mtti@mtti.ac.ke

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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Appendix V: Reporting on Disaster Management Expenditure

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