

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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BY:

HON. OWEN BAYA, MP

CLERK-AT
TABLE:

CHRISTINE NOIRITHI

THE AUDITOR-GENERAL

ON

**MASAI TECHNICAL
TRAINING INSTITUTE**

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





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

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MASAI TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2025

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Institute Information and Management

(a) Background information

Masai Technical Training Institute is a Government institution under Technical, Vocational Education & Training Authority (TVETA), under the Ministry of Education. It is situated in Kajjado Town (Along Nairobi – Namanga Road) 77 Kms from Nairobi. Her staff are qualified Trainers in their respective fields.

The institute started offering technical courses in 1986. Since then, the institute has registered more than twelve thousand (12,000) trainees.

A Board of Governors appointed by the Ministry of Education manages the institute. The day-to-day management of the institute is done by the principal

(b) Principal Activities

The principal activity of the institute is to impart technical and vocational skills to youths in Kenya. The institute offers a wide range of technical courses under the following academic

Departments; -

- a. Building and Civil Engineering
- b. Hospitality and Institutional Management
- c. Mechanical Engineering
- d. Electrical and Electronics Engineering
- e. Business and liberal studies
- f. E-Learning -Open and distance Learning
- g. Information Communication Technology

Vision: A leader in providing quality technical and business education.

Mission: To excel in producing competent manpower in technical and business fields for self-Sustainability and responsible citizenship.

Core values

- a. Professionalism
- b. Integrity
- c. Customer focus
- d. Teamwork
- e. Innovation & creativity

Strategic Objectives:

The specific strategic objectives of Masai Technical Training Institute are to;

- a. To provide training in business and technical education.
- b. To embrace science, technology and innovation in everyday life.

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- c. To produce market-oriented manpower.
- d. To implement the training objectives of the Ministry of Education.
- e. To provide an environment for creativity and innovation.

Mandate and Core Functions

The institute's mandate is in line with the TVET Act, TVET strategy and reforms. The key mandate of the Institute is to;

- a. Offer competence Based Technical Training.
- b. Prepare and guide trainees, for evaluation and certification by appropriate examining bodies.
- c. Promote Science, Technology and Innovation in all training programs.

The core functions of the Institution include;

- (a) Implementation of TVET curriculum and approved programs,
- (b) Supervision, monitoring and evaluation of programs,
- (c) Strengthening linkages between the Institute and Industry,
- (d) Diversifying income generating activities and optimizing available resources,
and
Formulating, reviewing and coordinating institutional policies.

Key Management

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

- Board of Governors/ Council/ Management etc.
- Accounting officer/ Principal
- Management...;

(c) Key Management

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

- Board of Governors/ Council/ Management etc.
- Accounting officer/ Principal
- Management...;

(d) Fiduciary Management

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

No.	Designation	Name
1.	Chief Principal/ Council Secretary	Dr Rosebella Chukwu
2.	Deputy Principal Administration	Dr. Livingstone Mwaura
3.	Deputy Principal Academics Affairs	Mr. Charles Kamau
4.	Registrar Academics	Mrs. Rachel Mwanzia
5.	Registrar Administration	Mr Isaac Orero
6.	Dean of Trainees	Ms. Lydia Gwendo
7.	Ag Finance Officer	Mr. Simon Kepempa
8.	Ag Procurement Officer	Mr. Daniel parsilanke
9.	Quality Assurance	Ms. Millicent Wanyaga
10.	Management Representative (QMR)	Mr. Evans Nyariki
11.	PC Coordinator	Mr. Vivienne Wekesa
12.	Industrial Liaison Officer	Mr. Millicent Onyango
13.	Internal Auditor	Outsourced
14.	HR Officer	Ms.Peris Kamanga

Key Institute Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Audit, Finance & General Purposes committee activities

The Committee shall exercise all the powers of BOG in financial matters except in relation to the items, which are reserved, to BOG in these Standing Orders, on which the Committee shall advise BOG. Terms of Reference The role of the Committee shall be to monitor the financial status of the Institute on behalf of BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

- To monitor and facilitate the implementation of the Institute s strategy with regard to financial matters
- To receive reports from the Principal and the Finance Officer
- To monitor implementation of the strategy for the Institute
- To receive reports of the extent and condition of the Institute estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements
- To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- To determine the fees and charges made for Institute services and facilities.
- To supervise the financial administration of the Institute and make recommendations to BOG where appropriate.
- To supervise the arrangements for safeguarding the Institute's assets
- To ensure the proper financial evaluation and control of projects
- To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments
- To make recommendations to BOG on the financing of projects

Senior Management Activities

The main purpose of the Senior Management Team is to:

- Ensure that MTTI's BOG is able to take strategic decisions relating to MTTI's activities.

- Provide leadership in communicating MTTI's mission, values, plans and achievements effectively and consistently to BOG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders.
- Be accountable for the development and implementation of MTTI's strategic, corporate and business plans in line with the mission and values.
- Take a strategic overview of performance in all areas of MTTI's activities.
- Makes recommendations to the BOG on the implementation and achievement of the BOG's Strategic Framework;
- Agrees MTTI's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of MTTI, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- Oversees and monitors MTTI's joint work with the other stakeholders
- Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BOG and/or its relevant Committees.
- Leads all senior managers in motivating and developing MTTI staff to deliver the highest standards of performance and customer service

Government oversight activities

The Government of Kenya's oversight role includes provision of Grants for both Capitation and Development as well as provision of the regulatory framework. The Office of the Auditor General undertakes the audit of the Institutional activities.

(f) Institute Headquarters

Kajiado Town
P.O Box 125-01100
Kajiado County,
Along Kajiado-Namanga Road Kenya

(g) Institute Contacts

Telephone-020 2064581
Mobile0727738161
Website: www.masaitech.ac.ke

(h) Institute Bankers

1. Kenya Commercial Bank
Kajiado Branch
P.O. Box 43-0100
Kajiado
2. Equity Bank
Kajiado Branch
P.O. Box 536-0100
Kajiado
3. Cooperative Bank
Kajiado Branch
P.O. Box 454-0100
Kajiado

(i) Independent Auditors




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

Key Institute Information and Management (Continued)





(j) Principal Legal Adviser

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



3.The Council/Board of Governors

Ref	Directors	Details
1.	 Dr. Isaac Mapenay Ph.D. CHAIRPERSON OF THE GOVERNING COUNCIL	Date of birth: 1966 PHD in Pharmacology and Toxicology from The University of Nairobi
2.	 Dr Rosebella chukwu Ph.D. CHIEF PRINCIPAL	Date of birth: 1966 Doctorate in disaster management and humanitarian assistance
3.	 Dr. Rahab Wanjiku Ngugi MEMBER	Date of birth: 1978 Ph. D. Business Administration (Strategic Management)





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4.	 Eng. Philip Tama MEMBER	<p>Date of birth: 01.01.1977</p> <p>Bachelors of Science Composite Material Engineering</p>
5.	 Mr. Kennedy Echesa MEMBER	<p>Date of birth: 05.05.1988</p> <p>Masters of Law in Law, Governance and Democracy</p>
6.	 Fredrick musembi PS Alternate Member	<p>Date of birth: 1984</p> <p>Bachelors of business management (finance Option)</p>
	 Aphonce Otieno Opinya	<p>Date of birth: 13.05.1979</p> <p>Bachelors of Commerce (Accounting Option)</p>

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7.	MEMBER	
7.	 <p style="text-align: center;">Nixon Mageka MEMBER</p>	<p>Date of birth: 1976</p> <p>Master's in communication management from Kigali Institute of Science and Technology</p>
8.	 <p style="text-align: center;">Dr Mercy Mwaniki Ph.D. MEMBER</p>	<p>Date of birth: 1983</p> <p>Ph.D. Physical Geography</p>

4. Key Management Team

	Management	Details
1.	 Dr Rosebella chukwu Ph.D. CHIEF PRINCIPAL	Doctorate in disaster management and humanitarian assistance
2.	 Dr. Livingstone Mwaura Ph.D. DEPUTY PRINCIPAL ACADEMIC AFFAIRS	PhD (Project Management)
3.	 MR Charles Kamau. DEPUTY PRINCIPAL ACADEMIC AFFAIRS	MSC & BEd
4.	 Rachel Mwanzia REGISTRAR	Bachelor of Science Degree in Hospitality Management

5.	 <p>Simon Kepempa Ag FINANCE OFFICER</p>	Bachelors of Commerce (Accounting Option) – on-going
6.	 <p>Mr Daniel Parsilanke Ag PROCUREMENT OFFICER</p>	Bachelors of Procurement and logistics Management

5. Chairman's Statement

Introduction

On behalf of the Board of Governors, I am pleased to present the institute annual Report statement for the year ended 30th June, 2025. I wish to point out an impressive performance characterized by remarkable improvements in operational performance as well as expansion of the Institute Infrastructure.

Institute Mandate

As a public TVET Institution, MTTI recognizes its pivotal role in helping Kenya to achieve development goals through training, research and innovation. In this respect Masai Technical Training Institute provides skills, knowledge and technology required to steer the country towards achieving the economic, social and political goals as enshrined in National development instruments.

The institute will continue to reposition its main brands within the context of the markets requirements, customer satisfaction and cost rationalization.

The need to meet this objective over the years has remained the central focus of the institute.

The Board of Governance is confident that the institute performance of its mandate is at high level to address the requirement for human resource for TVET's in the country.

Achievements

The Board has developed a cordial working relationship with devolved units of Government resulting to attraction of support in which the institute has had students sponsored by National Government Constituency devolvement fund (NG-CDF) and also from non-profit making organizations like Compassion and National Council for Persons with disability which has boosted the number of special needs students to undertake TVET courses. The resultant is a boost on innovation and research of which students were equipped with skills in various technical courses that would lead to self-employability.

MTTI prides herself in being inclusive concerning Gender balance in all sectors of the institution. We also have an increased enrolment of PWD students in education and among our employees, as well as training economically disadvantaged youths and marginalized girls and women. Additionally, MTTI is compliant with the Government's policy of National cohesion, as we ensure that we enroll students who come from all counties nationwide.

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The Board is committed to develop the remaining 22 policies as required by the government. This will go a long way to ensure that the MTTI lives up to its mandate.

Future Outlook

With the new status of National Polytechnic demand for technical skills and creating employment, the institute is reviewing a 10-year master plan and a 5-year strategic plan to embrace the wider reforms in the TVET in order to compete locally, regionally and globally towards the Vision 2030 and Africa's 2063 transformative drive. MTTI is committed to continuously train qualified artisans, technicians and technologists who are required by both industry and entrepreneurs.

Technical skills and innovation are indispensable for the future of Kenya, and towards the realization of Vision 2030 and sustainable development. These can only be fully achieved if we empower technical institutes, in line with education reforms within session Paper 1 of 2019. To this end, the institute has aligned the training programs to Competency Based Education and Training (CBET), which is key in equipping youths with relevant skills and creating employment opportunities. The institute has rolled out the modular education system

Challenges

The institute has now acquired the status of National Polytechnic; Masai Technical Training Institute dream to have a complete modern administration/tuition block. This will help the institution get rid of the old timber structures and increase the capacity of handling the ever increasing enrolment that is coupled with Inadequate training staff, training equipment, Inadequate tuition and Insufficient systems (online) training.

Appreciation

Finally, I wish to thank the Government and other organizations for the support they have continued to give the on behalf of the Board of governors, I thank the institute staff for their exemplary dedication and commitment in institution.


.....
Dr. Isaac Mapenay CHAIR PERSON BOG
MASAI TECHNICAL TRAINING INSTITUTE
P. O. Box 125 - 01100, KAJIADO.
TEL: 020 206 4581

BOG Chairman

14th July 2025

6. Report of the Chief Principal

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

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

HIGHLIGHTS OF FY 2024/2025 PERFORMANCE

The Financial Year 2024/2025 started on a relatively low note since it was post Covid-19 pandemic recovery that had grounded learning.

Previously, in a move to boost student enrolment the Government had introduced Capitation to the tune of Ksh. 30,000/= p.a. to all joining and current students in all Technical Training Institutions. Annual trainees' fee nationally is capped at Ksh. 56,420/= with the Government pledging the above Ksh. 30,000/= capitation, while encouraging the needy students to apply through HELB for the balance of Ksh. 26,420/=

The government also introduce scholarship fund and change the annual trainees fee nationally to 67,189/= and new modularize system of education

Students Enrolment;

During the year 2024/2025, there was an increase of leaners from 2246 to approximately 2729 by end of June, 2025. This increase can be attributed to the government efforts of ensuring 100% transition from secondary schools to tertiary education.

I have confidence that the trainees are well equipped with the necessary skills that strategically aligns them with opportunities within our Counties, Country, Regionally and globally at the same time contributing to the realization of the Big 4 Agenda: Health, Manufacturing, and Affordable Housing and Food security.

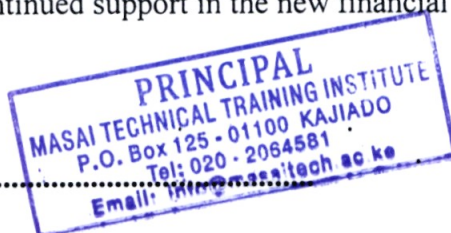
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Masai Technical Training Institute being a Tertiary institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition. To do so, however the Institute requires a lot of support from the Government and other stakeholders in this crucial transitional stage to a National Institute in terms of funding, material support and enhancement of Income Generating Activities to reinforce external support.

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

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

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



Dr Rosebella chukwu Ph.D.

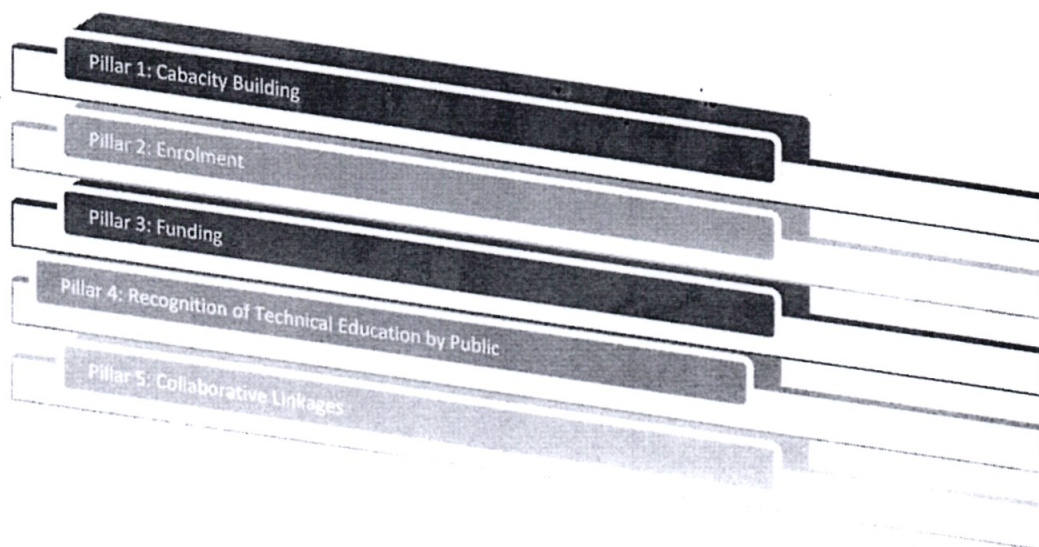
CHIEF PRINCIPAL/SECRETARY BOG.

Date: 14th July 2025

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7. Statement of Performance against Predetermined Objectives

Masai Technical Training Institute has 5 strategic pillars and objectives within its Strategic Plan for the FY 2024/2025- 2028/2029. These strategic pillars are as follows:



Masai Technical Training Institute develops its annual work plans based on the above 5 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2024/2025 period for its 5 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
PILLAR 1: CAPACITY BUILDING	-Upgrade and modernize.	-Installation of Management Information Systems.	-Institutionalized Management Information System (MIS)	-Management Information system being implemented
	-Enhance human resources across departments.	Increased number of teaching and non-teaching staff	-Advertisement and promotions	-ICT courses are being offered in the institution
	-Increase financial resources to support Institute programs.	-Increased student population		
		-Increased demand		

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		for IGA products and services		
		-Complete ICT infrastructures		
PILLAR 2: ENROLMENT	Increase trainee enrolment in STEM course	Increased number of trainees enrolled in STEM courses	-Advertisement in Print, mainstream, and social media. -Community sensitization campaigns	Increased number of trainees enrolled in STEM courses
PILLAR 3: FUNDING	-To establish adequate source of funding for the Institutes projects	-Increased enrollment to increase fee collection - Increased demand for IGA products and services	-Marketing, advertising and outreach	-Increased student population
PILLAR 4: RECOGNITION OF TECHNICAL EDUCATION BY THE PUBLIC	-Exploit existing good will to enhance awareness, appreciation and Positioning of Technical Education	-Increase trainee enrolment. -Increased student sponsorships by the public.	-Involvement in Corporate Social Responsibility initiatives	-Increased participation in community activities
PILLAR 5: COLLABORATIVE LINKAGES	-Strengthening collaboration linkages	Development partners on board Mentorship	-Establish collaborations and linkages - Strengthen existing collaboration and linkages -Establish benchmarks and joint cooperation networks with international TVET institutions	Collaboration with NYS and KCB Bank and AFDB in sponsoring students.

8. Corporate Governance Statement

Corporate governance comprises rules, procedures, regulations and processes through which the Institute is directed. It involves balancing the interests of the Institute in order to achieve long-term strategic objectives of the Institute.

The roles and functions of the Board members are clearly defined and include giving the overall oversight of management and giving the strategic direction of the Institute. The Board members defines the Institute's strategies, objectives, values and ensures that procedures and practices are put in place to ensure effective control over strategic, financial, operational and compliance issues. The Board members develops short and long-term goals of the Institute, develops strategies to achieve those goals and monitors the performance of the Institute against the set goals. The Board members also spearheads the preparation of financial statements and reports of the Institute, approves and reviews annual budgets and ensures that the Institute has adequate systems of internal controls together with appropriate monitoring of compliance activities to ensure business continuity.

The Board members provides oversight to the Institute's top management and has unrestricted access to timely and relevant information as well as advice and services of the Corporation Secretary to discharge its duties effectively.

A Masai Technical Training Institute Board member operates in compliance with the Mwongozo code that offers corporate governance framework for all state corporations. The members of Board have duly undergone training under this code.

The Board members prepares an annual almanac showing the schedule of meetings planned for each year. During the year, the Institute Board members held regular quarterly meetings, while special meetings were called when necessary.

The Board is headed by the Chairman and is composed of nine members inclusive of the Principal who is the only executive member. The constitution of the Board members takes into consideration requirements of the sector, diversity of skills, academic qualifications, gender, age and experience necessary to add value to the operations of the Institute. The Board members are appointed to various Board Members' Committees mandated to carry out specified functions. The Board members therefore bring their diverse experiences in deliberations during Board meetings.

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The Board members' committees have well defined terms of reference. The committees are intended to facilitate efficient decision making by the Board members in them discharging their duties and responsibilities.

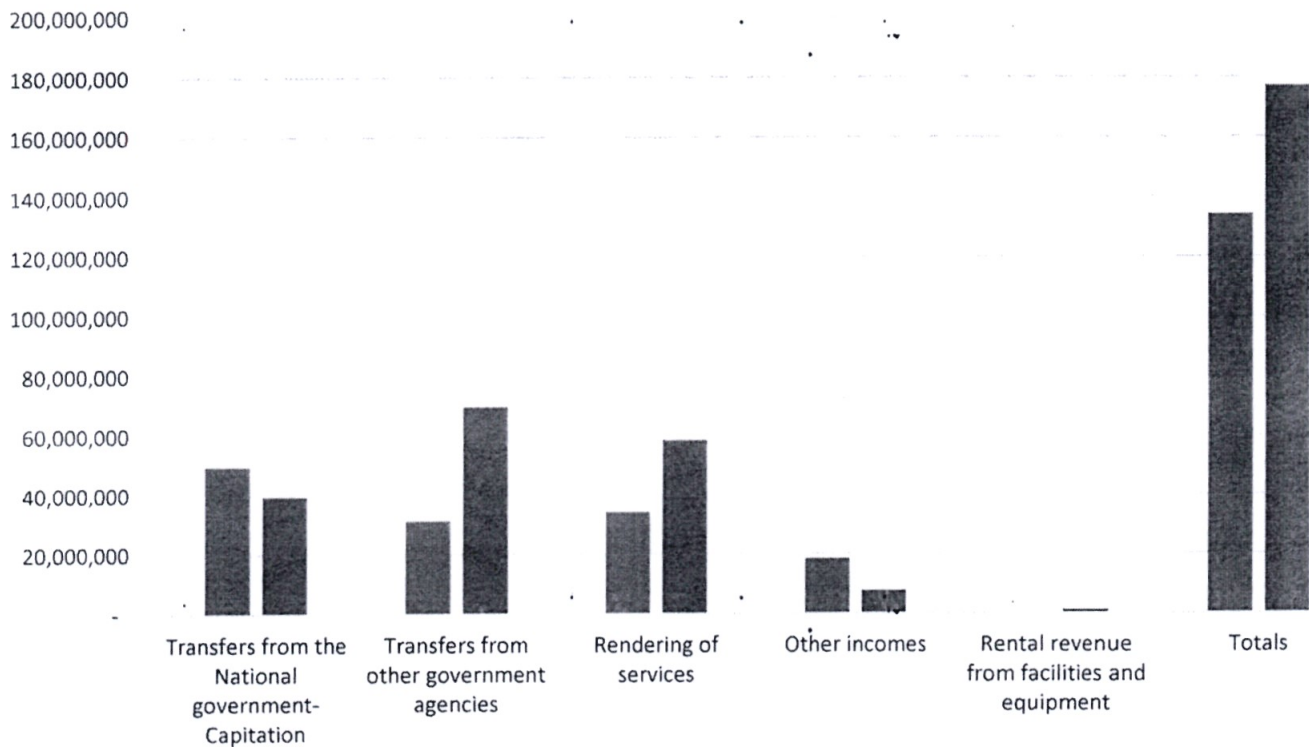
9. Management Discussion and Analysis

Masai Technical Training Institute operational and financial performance

During the year ended June 2025 the Institution had 2729 trainees.

Below are the graphs and pie charts analyzing the revenues and expenses of the Institute:

Comparative Revenues Analysis



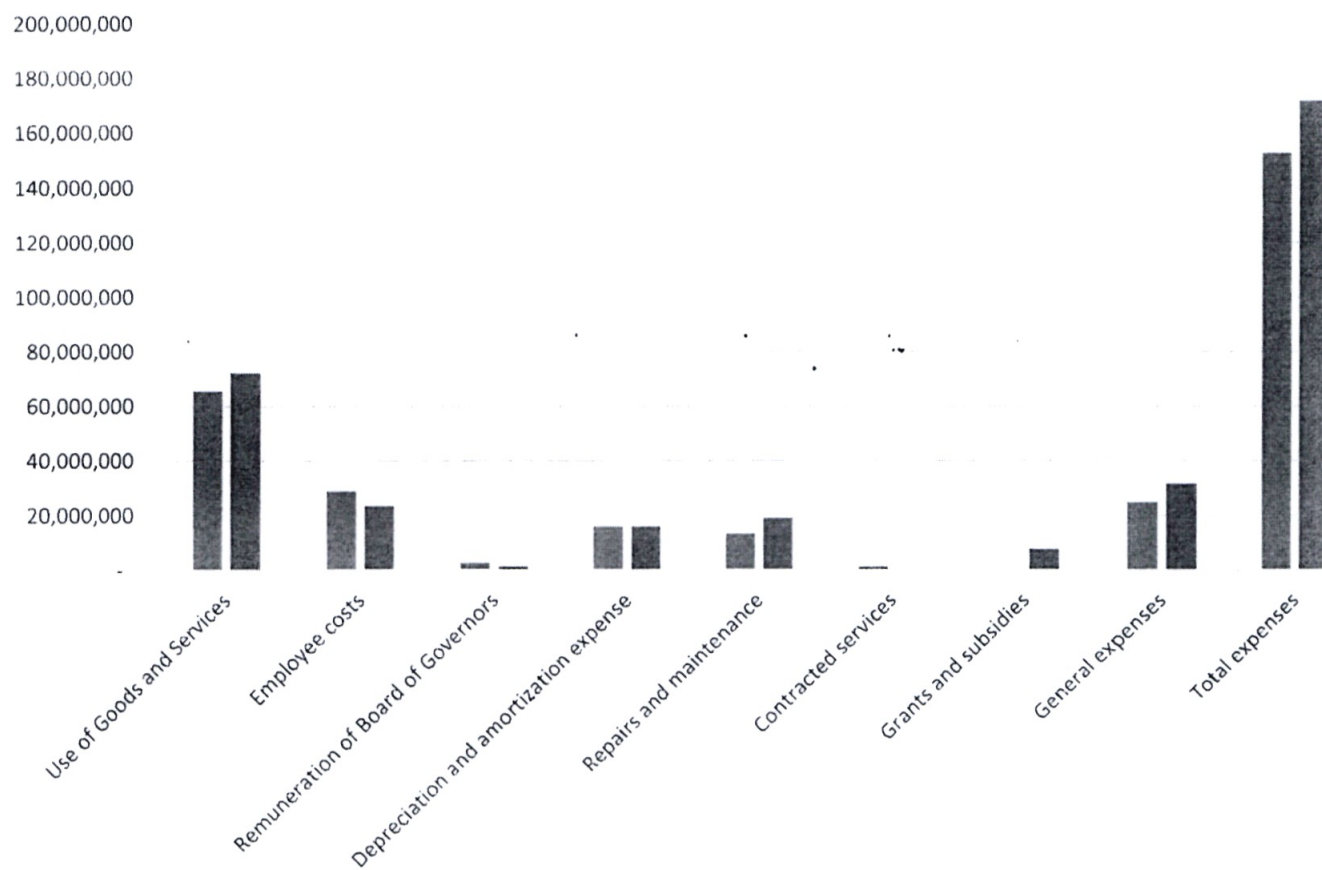
From the above graphs, revenues decreased due to low enrolment and the post covid period effects.

The below analysis reviews that all expenses decreased drastically due to low enrolment and delay & reduction in capitation disbursement effects as mentioned under income.

The contribution of each expense as a percentage of total expenses is as shown below.

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Comparative Expenses Analysis



Risks and Opportunities facing MTTI

Opportunities	Threats
Potential for collaboration & Linkages	Competition from other TVCS
High demand for Technical skills	Rapid Technological changes
Centralized placement of new students by KUCCPS	Rapid changes of policy
Positive perception of TVET by the Public	Rigid KICD Curriculum
Demand for short term courses	High cost of training in practical skills
Access to student loans & bursaries from H.E.L.B, county & NGCDF	Unpredictable job market
Government support	Formal employment culture in the society
Enabling legal & policy framework	Unfavorable economic changes
	cybercrime
	Political interference

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	HIV/ AIDS drugs and substance abuse
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Other institutes’ major risks are mainly related to its core business which is training and human resource development. Some of the identified risks include;

- i. Low student enrolment.
- ii. Student turnover
- iii. Inadequate student accommodation and support facilities
- iv. Delayed disbursement of capitation and NYS sponsorship
- v. Staff turnover due to inability to retain them

Masai Technical Training Institute compliance with statutory requirements

Masai Technical Training Institute complies to deduction and remittance of statutory deductions such NHIF, NSSF and PAYE

Key projects and investment decisions

The projects under consideration in the FY 2024/2025 are summarized in the table below

Projects Initiated/Planning	Projects On-going	Projects Implemented
-institutional and hospitality& administration block phase 1 work -partial completion of perimeter wall-razor wire & lighting for ambiance	-FPH renovation works -Storm Water II drainage improvement works -Student center phase II -V.I.P Ablution block	-Jitume project

10. Environmental And Sustainability Reporting Statement

Masai Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1. Sustainability strategy and profile

Key Institute staff attended career days and workshops for head teachers in order to motivate and mentorship to students in high schools. These motivational talks are a permanent feature in our calendar of events every year and they ensure that the Institute maintains a strong link with students who are aspiring to join Institutes.

2. Environmental performance

Environmental degradation has severe negative effects in the world. It is therefore important for constant efforts to be made to conserve the environment around us. During the year, the Institute started a project to grow trees in the Institute. This project will be continued in subsequent years in order to improve the total tree cover in the Institute.

3. Employee welfare

The Institute has developed a Human resource policy to help in the recruitment of its staff. The policy is also gender sensitive as it has contributed to the third gender rule as per government directives. Employees hold capacity trainings every year to motivate them. This has improved the morale the employees in the place of work and thus improved service delivery. The Institute is in the process of putting in place a safety policy in order to be compliance with Occupational Safety and Health Act of 2007, (OSHA).

There is a reward and appraisal system in place for all the employees of Masai Technical Training Institute.

4. Community Engagements-

Masai Technical Training Institute, as a responsible corporate institution established to achieve public good, recognizes the link between sustainable growth and development of the institution and the need to invest in society, the local community and protection of the environment. This is important to ensure that social, economic and environmental benefits accrue to the society and other stakeholders as the Institute conducts its business. During the year, the Institute contributed to various community initiatives and noble projects, despite the prevailing resource constraints

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11. Report of the Council/Board of Governors

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

Principal activities

The principal activity of the institute is to: offer competence Based Technical Training, prepare and guide trainees, for evaluation and certification by appropriate examining bodies and promote Science, Technology and Innovation in all training programs.

Results

The results of the institute for the year ended 30 June 2025 are set out on page 1 of these financial statements.

BOARD OF GOVERNORS

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

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



Chief Principal/Secretary to the council

Date.....28/11/2025.....

12. Statement of Board of Governors/ Council's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)*) require the council 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 Council 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 council members are also responsible for safeguarding the assets of the *institute*.

The Council 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, 20XX. 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 Council 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 State Corporations Act, and the TVET Act*) – *entities should quote applicable legislation as indicated under*). The council members are of the opinion that the *institute's* financial statements give a true and fair view of the state of *institute's* transactions during the financial year ended June 30, 20XX, and of the *institute's* financial position as at that date. The Council 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 (*disclose as applicable, matters relating to the use of going concern basis of preparation of the financial statements.*) Nothing has come to the attention of the Council 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.

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

Approval of the financial statements

The *institute's* financial statements were approved by the Board on 27/6/2025 and signed on its behalf by:

Isaac M. Mapenay

Name

Chairperson of the Board/Council

Dr Rosebella Chukwu

Name

Accounting Officer/Principal

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Enhancing Accountability

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Masai Technical Training Institute set out on pages 1 to 34, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

Report of the Auditor-General on Masai Technical Training Institute for the year ended 30 June, 2025

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 Masai Technical Training Institute as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unconfirmed Adjustment of Accumulated Surplus

The statement of changes in net assets reflects accumulated surplus adjustment of Kshs.30,062,512 whose supporting documents were not provided for audit review.

In the circumstances, the accuracy and completeness of accumulated surplus adjustment of Kshs.30,062,512 could not be confirmed

2. Unconfirmed Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.572,601,883 as disclosed in Note 24 to the financial statements. Review of the assets register revealed that motor vehicles and computers were in serviceable condition, in use and had economic value to the Institute but had been fully depreciated. Management had not done a revaluation to establish the true and fair value of the assets. Further, the property, plant and equipment balance include land valued at Kshs.260,000,000 whose ownership documents were not provided for audit review.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.572,601,883 could not be confirmed.

3. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 20 to the financial statements reflect receivables from exchange transactions balance of Kshs.78,356,351. Included in the balance are receivables totalling Kshs.39,452,885 which have been outstanding for more than one (1) year. Management did not provide measures put in place to recover the long outstanding amounts.

In the circumstances, the accuracy and recoverability of receivables from exchange transactions balance of Kshs.39,452,885 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Masai 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects actual expenditure of Kshs.155,800,546 against actual receipts of Kshs.197,301,700 resulting to under absorption of Kshs.41,501,154 or approximately 21% of actual receipts.

The under absorption affected the planned activities and may have impacted negatively on service delivery to the public.

2. Long Outstanding Trade and Other Payables

The statement of financial position and as disclosed in Note 25 to the financial statements reflect trade and other payables balance of Kshs.33,627,404. Included in the balance are payables totalling Kshs.19,070,463 which have been outstanding for more than one (1) year and no measures had been put in place to clear the debts.

Failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on pages iii to xxix which comprise of Key Institute Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Chief Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Board of Governors and Statement of Board of Governors

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect 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 Qualified Personnel in Key Departments

Review of records revealed that the Institute does not have qualified personnel in Finance, Human Resource and Internal Audit. Their roles are currently being undertaken

by staff on acting capacity and who lack the requisite academic and professional qualifications for the positions.

Further, key functions such as financial management and reporting, payroll management and internal control oversight are being performed without adequate technical competence or professional supervision. In addition, the financial statements have not been signed by a qualified Finance Officer contrary to IPSAS reporting template which requires the financial statements to be signed by a qualified Accountant.

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

2. Lack of Effective Revenue Management System

The Institute Management awarded a contract on 26 October, 2020 for the provision of Management Information System (MIS) software and Local Management System (LMS) at a contract sum of Kshs.4,350,000. Review of the system functionality revealed that the Institution's revenue management software is unreliable and lacks critical functionalities necessary for effective revenue monitoring and reporting. The system cannot generate reports showing revenue collected within a specified period, capture or filter data based on transaction start date and identify specific debtors or outstanding balances for a specified period.

In the circumstances, the existence of an effective Revenue Management System could not be confirmed.

3. Irregular Board Appointment and Lack of Approved Annual Work Plan

Review of governance documents revealed that there was no Gazette Notice for the appointment of the Board of Management and an approved Annual Work Plan. It was therefore not possible to confirm whether the Board was legally constituted and whether its operations were guided by an approved Work Plan This is contrary to Parameter 1.9(1) (2) of Mwongozo Code of Governance for State Corporations on Board work plan which states that Board members should ensure development of an annual Board work plan for review of Management's implementation of strategies, policies and plans.

In the circumstances, the effectiveness of governance measures put in place could not be confirmed.

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 December, 2025

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

		FY2024-2025	FY2023-2024
	Note		
Revenue from non-exchange transactions			
Transfers from the National government-	6	42,794,057	32,449,648
Transfers from other government agencies	7		1,989,765
Total revenue from non-exchange transactions		42,794,057	34,439,413
Revenue from exchange transactions			
Rendering of services	8	140,385,078	115,923,946
Other incomes	9	8,693,854	12,723,361
Rental revenue from facilities and equipment	10	5,428,712	7,446,160
Total revenue from exchange transactions		154,507,643	136,093,467
Total revenue		197,301,700	170,532,880
Expenses			
Use of Goods and Services	11	100,284,562	63,453,437
Employee costs	12	25,521,533	29,278,653
Remuneration of Board of Governors	13	2,950,200	3,253,650
Depreciation and amortization expense	14	11,314,338	16,662,239
Repairs and maintenance	15	7,136,313	20,000,518
Contracted services	16	5,993,600	5,256,770
General expenses	18	-	20,198,474
Total expenses		153,200,546	158,103,741
Other gains/(losses)			
Provision of doubtful debts		3,883,367	
Inventory impairment		13,711	
Total impairment loss		3,897,078	
Surplus/(Deficit) for the Year		40,204,077	12,429,139

The Financial Statements set out on pages 26 to 29 were signed by:

[Signature]

Chairman of Council/Board

Date 28/11/2025

[Signature]

Principal

Date 28/11/2025

Finance Officer

ICPAK No

Date

CHAIR PERSON BOG
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MASAI TECHNICAL TRAINING INSTITUTE
Annual Report and Financial Statements for the year ended 30th June 2025

15. Statement of Financial Position As At 30th June 2025

STATEMENT OF FINANCIAL POSITION			
		FY2024-2025	FY2023-2024
		Kshs	Kshs
ASSETS	Note		
Current assets			
Cash and cash equivalents	19	1,019,438	6,410,181
Receivables from exchange transactions	20	78,356,351	39,572,885
Receivables from non- exchange transactions	21	3,075,000	9,992,265
Related party balances	22	3,722,160	3,722,160
Inventories	23	671,848	779,339
Total Current Assets		86,844,797	60,476,830
Non-current assets			
Property ,plant and equipment	24	572,601,883	581,316,221
Total non-current assets		572,601,883	581,316,221
TOTAL ASSETS		659,446,680	641,793,051
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	25	33,627,404	26,115,340
Total current liabilities		33,627,404	26,115,340
Total liabilities		33,627,404	26,115,340
Net assets		625,819,276	615,677,711
Represented by:			
Accumulated surplus		35,061,916	24,920,352
Capital reserves		590,757,360	590,757,360
TOTAL NET ASSETS		625,819,276	615,677,711

The Financial Statements set out on pages 57 to 62 were signed by:


.....
Chairman of Council/Board


.....
Principal

.....
Finance Officer

Date 28/11/2025

Date 28/11/2025

ICPAK No

Date

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Kajiado

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

For the Year ended 30 June 2024	Accumulated surplus	Capital Reserves	Total
Balance brought forward as at 1 July 2023	53,501,310	590,757,360	644,258,670
surplus/deficit for the year	12,429,139		12,429,139
adjustments	-41,010,097		- 41,010,097
Balance carried forward as at 30 June 2024	24,920,352	590,757,360	615,677,712

For the Year ended 30 June 2025	Accumulated surplus	Capital Reserves	Total
Balance brought forward as at 1 July 2024	24,920,351	590,757,360	615,677,711
adjustments	-30,062,512		-30,062,512
surplus for the year	40,204,077		40,204,077
Balance carried forward as at 30 June 2025	35,061,916	590,757,360	625,819,276

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

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

		FY2024-2025	FY2023-2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Government National government & other grants	6	39,719,057	32,449,648
Transfers from other government entities	7	-	1,989,765
Rendering of services- Fees from students	8	120,983,234	115,923,946
Other income	9	7,628,938	12,723,361
Rental revenue from facilities and equipment	10	4,391,640	7,446,160
Total Receipts		172,722,869	170,532,880
Payments			
Use of Goods and Services	11	(133,911,966)	63,453,437
Employee costs	12	(25,521,533)	29,278,653
Remuneration of Board of Governors	13	(2,950,200)	3,253,650
Repairs and maintenance	15	(7,136,313)	20,000,518
Contracted services	16	(5,993,600)	5,256,770
General expenses	18	-	20,198,474
Total Payments		(175,513,612)	158,103,741
Net Cash flows from operating activities		(2,790,743)	12,429,139
Cash flows from investing activities			
Purchase property plant and equipment		(2,600,000)	- 1,879,500
Increase/Decrease in Inventory		-	- 487,739
Increase/Decrease in non-exchange receivables		-	-
Increase/Decrease in exchange receivables		-	16,703,525
Increase/Decrease in payables		-	5,027,585
Net cash generated from operations		(2,600,000)	19,363,871
Net increase/(decrease) in cash and cash equivalents		(5,390,743)	(6,934,732)
Cash and cash equivalents at 1 July 2024	19	6,410,181	13,344,913
Cash and cash equivalents at 30 June 2025	19	1,019,438	6,410,181

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

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

	Original budget	Adjustments	Final Budget	Actual	Variance	Change	Explanation of material variances
		Shs	Shs	Shs	Shs	%	
		b	c= a +b	d			
Revenue							
Transfer from National government	34,410,000	-	34,410,000	42,794,057	-8,384,057	-24%	(a)
Transfers from other levels of Government	-	-	-	-	-		(b)
Revenue from exchange transactions	154,169,457	-	154,169,457	154,507,643	-338,186	0%	(c)
Total income	188,579,457		188,579,457	197,301,700			
Expenses							
Use of Goods and Services	92,755,464	10,000,000	102,755,464	100,284,562	2,470,902	2%	(d)
Personnel emoluments	35,290,000	-	35,290,000	25,521,533	9,768,467	28%	(e)
Remuneration to Board of Governors	5,000,000	-	5,000,000	2,950,200	2,049,800	41%	(f)
Depreciation and amortization expense	17,580,000	-	17,580,000	11,314,338	6,265,662	36%	(g)
Repairs and maintenance	5,694,343	2,033,889	7,728,232	7,136,313	591,919	8%	(h)
contracted services	5,993,600		5,993,600	5,993,600			
General expenses	16,546,050	-12,033,889	4,512,161	-	4,512,161	100%	(j)
Total expenses	178,859,457	-	178,859,457	153,200,546			
Surplus for the year				44,101,155			
Development expenditure	9,720,000	-	9,720,000	2,600,000.0	7,120,000	73%	k
	188,579,457		188,579,457	44,101,155			

- (a) Transfer from National Government increased due to a change in the government funding model introduced in September 2023, leading to additional disbursements.
(b) No allocations or receipts were expected or received from other levels of government.
(c) Revenue from exchange transactions exceeded projections due to increased fee charges from an average of Ksh 26,420 to Ksh 67,189 per student, excluding government capitation.
(d) Use of goods and services underspent due to delays in disbursement of capitation, which affected procurement timelines.
(e) Under spending in personnel emoluments was due to engagement of BOG trainers who are paid lower stipends compared to permanent staff.
(f) Remuneration to the Board of Governors was lower due to reduced sittings and cost-control measures implemented during the year.
(g) Depreciation and amortization was below budget as planned asset acquisitions were delayed during the year.
(h) Development expenditure was significantly lower than budgeted due to lack of sufficient funding

19. Notes to the Financial Statements

1. General Information

Masai technical training institute is established by and derives its authority and accountability from Technical, Vocational, Education and Training Authority (TVETA) Act. Act. The institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The institute principal activity is impact Technical and Vocational skills to youths in Kenya.

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 judgment in the process of applying the *institute's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *institute*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (*include any other applicable legislation*), 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

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There are no new and amended standards issued in the financial year.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

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

MASAI TECHNICAL TRAINING INSTITUTE

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	<p>IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an institute shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the institute's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements

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	understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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iii. Early adoption of standards

The Institute did not early – adopt any new or amended standards in the financial year or *the institute adopted the following standards early (state the standards, reason for early adoption and impact on institute's financial statements.)*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

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. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on *11 April 2025*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the institute upon receiving the respective approvals to conclude the final budget. Accordingly, the institute recorded additional appropriations of xxx on the FY 2024/2025 budget following the Council/ Board's approval. The institute's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The institute is exempt from paying taxes as per schedule xxx of the xxx Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Institute. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Institute also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Institute will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Institute. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Biological Assets

The institute recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the institute, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

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

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

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The institute does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one

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institute and a financial liability or equity instrument of another institute. At initial recognition, the institute measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

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. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The institute recognises a social benefit as an expense for the social benefits 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.

n) Nature and purpose of reserves

The *Institute* creates and maintains reserves in terms of specific requirements. (*Institute to state the reserves maintained and appropriate policies adopted*).

o) 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.

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

r) Borrowing costs

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

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

s) Related parties

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

t) 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.

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

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

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:

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

Provisions

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

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

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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6. Transfers from other National Government entities

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Government capitation	13,955,700	16,431,500
Capitation accrued	3,075,000	8,002,500
MOE scholarship	13,181,357	8,015,648
MOE Monitoring and evaluation	12,582,000	
Total transfers from Government	42,794,057	32,449,648

(a) Transfers from other Government entities (Categorized)

Name of the Institute 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 TVET	13,955,700	3,075,000	-	17,030,700	32,449,648
MOE scholarship	13,181,357			13,181,357	
MOE Monitoring and evaluation	12,582,000			12,582,000	
Total	39,719,057		-	42,794,057	32,449,648

The details of the reconciliation have been included under appendix iv

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7. Transfers from Other Levels of Government

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Transfer from Africa development bank	-	1,989,765
Total Transfers	-	1,989,765

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8. Rendering of Services

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Personal emoluments	26,660,863	24,799,678
Tuition fee	47,511,391	30,942,172
EWC	7,973,065	7,268,275
LT&T	7,769,298	6,929,063
RMI	5,802,690	4,707,176
Activity fee	8,835,130	7,843,862
Industrial attachment and Insurance	3,708,714	3,700,500
Medical fee	2,898,112	1,644,500
Boarding fees	7,775,356	13,490,000
Examination fees	18,771,791	14,598,720
Registration fees	218,000	
KUCCPS Placement fees	327,000	
TVETA Fees	109,000	
Student ID Fees	506,167	
Student Council fees	1,518,501	
Total Revenue from The Rendering of Services	140,385,078	115,923,946

The change is due to change in fee structure and government funding model

9. Sale of Goods-other incomes

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Cafeteria	2,616,400	1,242,000
Student ID		377,100
Student council		1,131,300
Sale of tenders	-	1,000
Driving school	2,312,060	2,347,500
Textile	33,460	431,284
Rental Income	1,290,000	1,290,000
KATTI Drama income	-	2,105,900
KATTI Athletics income	1,826,900	1,827,277
Recruitment Centre Fee	-	1,359,000
BUS Hire	-	168,000
Part-time income	359,100	443,000
Library lost book	18,934	
Research Conference	237,000	
Total other Incomes	8,693,854	12,723,361

These are incomes from Income Generating Activities that the institute engaged in which are not direct linked to the academic activities of the institution.

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10. Rental revenue from facilities and equipment

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Hire of facilities	5,428,712	7,446,160
Total	5,428,712	7,446,160

This relates to the income received from hiring of institute facilities to external institutions for conferences, seminars and workshops.

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11. Use of Goods and Services

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Tuition expenses	24,900,632	25,832,988
Activity	9,126,005	3,310,595
Local Transport & Travelling	5,004,481	9,473,497
Electricity, water and Conservancy	2,781,996	3,434,684
Student council expenses	1,273,570	818,792
Examination fees	19,586,739	14,598,720
Boarding expenses	912,350	3,498,071
Institute publicity expenses	2,911,050	1,425,100
Industrial attachments	661,200	1,060,990
Fuel and oil	6,323,105	
Insurance cost	850,000	
Rent expenses	668,843	
Driving school expenses	907,360	
Research and Development expenses	3,280,534	
Performance contracting	226,650	
Hire of facilities	3,114,728	
Part time expenses	77,042	
KATTI Participation	633,170	
KATTI Athletics	1,579,881	
National Polytechnic Launch	1,359,610	
Cafeteria expenses	1,523,616	
Monitoring & Evaluation expenses	12,582,000	
Total goods and services	100,284,562	63,453,437

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12. Employee Costs

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Salaries and wages	17,070,644	20,278,943
Commuter allowances	1,615,000	
Housing benefit and allowance	3,516,925	
Overtime payments	786,833	
Employee related costs: contribution to pension N S S F	2,532,131	2,572,904
S H I F		811,100
P A Y E		2,112,075
H E L B		414,792
N I T A L E V Y		57,500
H U S I N G L E V Y	-	592,238
Kases sacco	-	413,819
Ollin sacco	-	110,226
Provident fund	-	1,851,156
Kudheiha Union		63,900
Total employee cost	25,521,533	29,278,653

13. Board/Council Expenses

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Board allowances	2,111,000	3,253,650
Chairman Honoraria	300,000	
Other allowances- retreat	539,200	
Total	2,950,200	3,253,650

14. Depreciation and Amortization expense

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Property, plant and equipment	11,314,338	16,662,239
Total depreciation and amortization	11,314,338	16,662,239

15. Repairs and Maintenance

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Repairs and maintenance- routine maintenance	5,509,536	8,432,400
Motor Vehicles Insurance	-	889,485
Repairs and maintenance- Motor vehicle	1,626,777	3,166,211
Fuel, oil and lubricants	-	7,512,422
Total Repairs and Maintenance	7,136,313	20,000,518

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16. Contracted Services

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Out-sourced services	5,993,600	5,256,770
Total contracted services	5,993,600	5,256,770

17. Development expenses

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Development- Student Centre phase 2	2,600,000	-
Total Development expenses	2,600,000	-

18. General expenses

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Driving school expenses	-	1,337,580
Research and Development expenses	-	2,263,220
Performance contracting	-	99,840
Hire of facilities	-	4,673,484
Dispensary	-	228,633
Part time expenses	-	393,118
KATTI Participation	-	782,120
Jitume project expense	-	3,372,062
Estate Insurance Cost	-	703,150
KATTI Athletics	-	1,628,872
Rent expense	-	638,796
KATTI DRAMA Festivals	-	1,933,926
MOE recruitment expenses	-	709,620
mentoring institution tax expenses	-	360,000
Monitoring and evaluation	-	
National Polytechnic Launch	-	
Cafeteria expenses	-	1,074,053
Total general expenses	-	20,198,474

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19. Cash and Cash Equivalents

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Current Account	1,009,119	6,223,794
Fixed Deposits Account	10,319	186,388
Total Cash and Cash Equivalents	1,019,438	6,410,182

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

Financial Institution	Account number	FY2024-	FY2023-
		2025	2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1107674484	750,416	3,608,833
Equity Bank, etc.	0860299441015	216,683	1,142,914
Coop bank-recurrent	01129320062101	39,334	1,427,648
Cooperative bank-development-	01129320062100	2,686	2,694
Coop Kajiado West T.T.I-	01139321477900		14,713
Equity Kajiado east TVs -	0860265718198		26,991
Sub- Total		1,009,119	6,223,794
b) Fixed Deposits Account			
Kenya Commercial Bank	1107469681	10,319	186,388
Sub- Total		10,319	186,388
Grand Total		1,019,438	6,410,182

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20. Receivables from Exchange transactions

20 (a) Current Receivables from Exchange transactions

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	67,488,976	26,706,963
Rent Debtors	1,037,072	352,912.00
water Debtors	12,147	7,826
Other Exchange Debtors-hire of facilities	13,466,523	12,413,754
Less: impairment allowance	(3,883,367)	
Total Current Receivables	78,356,351	39,572,885

20 (b) Ageing Analysis of Receivables from Exchange transactions

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
	Current FY	% of the tot	Comparativ FY	% of the tot
Less than 1 year	42,786,833	52%-	29,899,531	75.8%
Between 1- 2 years	29,899,531	37%	120,000	0.3%
Between 2-3 years	1,116,170	1%	1,116,170	2.8%
Over 3 years	8,437,184	10 %	8,437,184	21.3%
Total (a+b)	82,239,718	100%	39,572,885	100%

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21. Receivables from Non-Exchange transactions

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Current Receivables		
Transfers from National Government-Capitation	3,075,000	8,002,500
Total Current Receivables	3,075,000	9,992,265

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

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,075,000	100%	9,992,265	100%
Total	3,075,000	100%	9,992,265	100%

22. Related party balances

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Mentorship Grants		
Kajiado East TVC	2,777,160	2,777,160
Kajiado West TVC.	945,000	945,000
Total related party balances	3,722,160	3,722,160

23. Inventories

Description	FY2024-2025	FY2023-2024
	Kshs.	Kshs.
Health unit stores	27,000	560,489
Textile	312,700	180,050
Electrical stores	57,250	-
Cleaning materials stores	19,500	18,100
Beauty and hair dressing	269,109	20,700
Less: impairment allowance	(13,711)	-
Total inventories	671,848	779,339

This relates to inventories as at 30th June 2025

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24. Property, Plant and Equipment

Cost	Land	Buildings	Work-in-progress	Motor-vehicles	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		2%	-	25%	10%	30%	13%	
At 1 July 2023 at Cost	260,000,000	296,728,621	29,695,671	52,371,078	6,232,180	14,042,700	38,052,380	697,122,630
Additions			1,879,500					1,879,500
At 30th June 2024	260,000,000	296,728,621	31,575,171	52,371,078	6,232,180	14,042,700	38,052,380	699,002,130
Additions	-		2,600,000	-	-	-	-	2,600,000
At 30th June 2025	260,000,000	296,728,621	34,175,171	52,371,078	6,232,180	14,042,700	38,052,380	701,602,130
Depreciation And Impairment								
At 1 Jul 2023	-	18,902,735	-	48,939,637	2,073,231	12,126,240	18,981,828	101,023,970
Depreciation		5,934,572	-	3,431,441	623,218	1,916,640	4,756,548	16,662,239
At 30 Jun 2024		24,837,307		52,371,078	2,696,449	14,042,700	23,738,375	117,685,909
Depreciation		5,934,572	-	-	623,218	-	4,756,548	11,314,338
At 30th Jun 2025	-	30,771,879	-	52,371,078	3,319,667	14,042,700	28,494,923	129,000,247
Net Book Values								
At 30th Jun 2024	260,000,000	271,891,314	31,575,171	-	3,535,731	-	14,314,005	581,316,221
At 30th Jun 2025	260,000,000	265,956,742	34,175,171	-	2,912,513	-	9,557,458	572,601,883

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Notes to the Financial Statements (Continued)

25. Trade and Other Payables

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
Trade payables	33,627,404		26,115,340	
Total Trade and Other Payables	33,627,404		26,115,340	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	14,556,941	43%	26,115,340	100%
1-2 years	19,070,463	57%	-	-
Total (to tie to totals above)	33,627,404	100%	26,115,340	100%

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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.

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

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unsupported Local Transport and Travel	Management acknowledges the audit finding on unsupported local transport and travel expenses amounting to Kshs.1, 091,700. But they are fully supported	resolved	resolved
2	Misstatement of Use of Goods and Services	Management acknowledges the audit finding on the unsupported increase in non-exchange receivables amounting to Kshs.16, 703,525 as reflected in the statement of cash flows. Adjusted accordingly	resolved	resolved
3	Unsupported Property, Plant and Equipment	Management acknowledges the audit but in process of acquiring title deed	On going	On going
4	Unsupported Increase in Non-Exchange Receivables	It is true and adjusted	resolved	resolved
5	Irregularities in Staff Recruitment	The candidate had certificate and results slip for that diploma course however the diploma certification was not yet out.	resolved	resolved
	Lack of an Imprest Register	It's true and in process of acquiring one	On going	On going
2	Irregular	KATTI is a registered	On-going	On-going

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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)
	payments of Subscriptions to KATTI	association whose membership and activities are aligned to programmes of the Ministry of Education or TVETA. it has a constitution that provides guidelines on subscriptions		
1	Lack of staff establishment	Staff establishment now in place	resolved	resolved
2	Lack of Authentication of Academic and Professional Certificates	It's true and the management will authenticate all staff documents	On-going	On-going
3	Lack of an Operational Plan	Management acknowledges the audit finding on the absence of a formal, documented, and approved operational plan. The delay in finalizing the operational plan was due to on-going efforts to align institutional goals with available resources and strategic priorities. Management is actively developing a comprehensive operational plan that will clearly outline resource allocation, performance targets, and monitoring frameworks. The plan will be submitted for approval within the shortest possible time to enhance governance and accountability	On-going	On-going

Name

Accounting Officer

Principal / Secretary BOG

Date 28/11/2025



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Appendix II: Projects Implemented by Masai technical training institute

Projects

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

Project title	Donor	Period/ duration	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Student center phase 2	Internal	1 year	2,600,000	Internally generated funds

Status of Projects completion

Project	Key Deliverables	Project Status	Budget	Source of funds
Perimeter wall & gate refurbishment	<ul style="list-style-type: none"> ▪ Project photos 	27% Complete	2,090,395	Internally generated funds
Student center phase 2	<ul style="list-style-type: none"> ▪ Practical completion 	70% Complete	2,600,000	Internally generated funds
VIP Ablution unit	<ul style="list-style-type: none"> ▪ Project completion certificate ▪ payment certificate 	10% Complete	2,400,000	Internally generated funds

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Appendix III- Inter-Institute Confirmation Letter

Name of transferring institute.....N/A.....

Name of beneficiary institute.....N/A.....

Break down of Transfers from the Masai Technical Training Institute				
FY 2024/2025				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (Ksh)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	0.00	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (Ksh)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	0.00	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (Ksh)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	0.00	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (Ksh)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	0.00	

The above amounts have been communicated to and reconciled with the parent Ministry
 Finance Officer

Sign -----

Principal/Secretary BOG

Sign-----

