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OF

THE AUDITOR-GENERAL

ON

LAISAMIS TECHNICAL TRAINING INSTITUTE

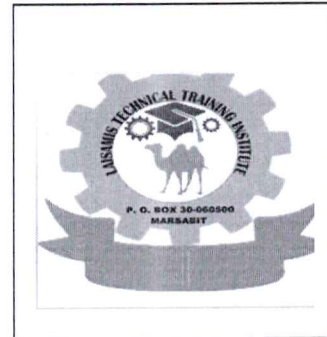
FOR THE YEAR ENDED 30 JUNE, 2025

OFFICE OF THE AUDITOR-GENERAL
ISIOLO REGIONAL OFFICE

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Issued 30th June 2025



LAISAMIS 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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LAISAMIS 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

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
VTC	Vocational Training College
LTTI	Laisamis Technical training Institute

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2. Key Entity Information and Management

(a) Background information

The Laisamis Technical Training Institute was established under the TVET Act No. 29 (2013) on 26th April 2017. The entity is domiciled in Kenya. The institute is under the Ministry of Education state Department for Technical and Vocational Education and Training. Currently, the institution runs eight academic departments namely Electrical and Electronics Engineering, Mechanical and Automotive Engineering, Building Technology, Health Sciences, Agriculture and Environmental Studies, Information Communication Technology and Informatics, Business Studies and Liberal Studies, and Institutional Management (Hospitality). Administrative offices include the following: Office of the Principal, Office of Deputy Principal Administration, Deputy Principal Academics, Finance and procurement. Board of Governors appointed by the Cabinet Secretary in the Ministry of Education undertakes decision-making and oversight roles in the institution. The Fiduciary Management Transact the Operations of the institution on behalf of the Principal Secretary, State Department of TVET who is the Chief Accounting officer in the education sector.

(b) Principal Activities

The principal activity/mission/ mandate of the entity is to Enhance Knowledge, Skills and Technology for industrial Development.

(c) Key Management

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

- Board of Management
- Accounting Officer/ Principal/Manager
- Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	• Charles Rotich
2.	Deputy principal Finance	• Abigail Kithinji
3.	Deputy Principal Academic	• Joshua Orguba
4.	Registrar (s)	• Samuel Mutwiri
	Dean of students	• Feroze Kiptuisang
	Head of Finance	• Bosco kombe
	Procurement Officer.	• Richard Kaldale

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Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The Fiduciary oversight arrangement consists of the following levels: -

Academic Committee's.

The academic committee oversee the quality of services offered to the trainees in the institution.

Finance and Operation Committee

The finance and operation Committee oversee the financial management of the institution.

(f) Entity Headquarter

P.O. Box 30-60500
Marsabit
Along Marsabit-Moyale Highway

(g) Entity Contacts

Telephone: 0700303300
E-mail: laisamistechnical@gmail.com
Website: www.laisamistech.ac.ke

(h) Entity Bankers

Cooperative Bank
Marsabit Branch
Account Name. Laisamis Technical and Vocational College

(i) Independent Auditors

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

LAISAMIS TECHNICAL TRAINING INSTITUTE
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Key Entity 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

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3. The Board of Management

Member/ Director	Details
 Chris Segelan Designation: Board Chair.	DOB.12/5/1990 Qualification.MBA (Accounting and Finance) CPA-K Experience in Government and Private sectors Worked as Auditor in Government Entities
 Edward Delea Designation. Board Member	DOB.1 ST Jan 1977 Qualification.MBA - Human resource Management Worked as Human resource officer of Marsabit county Government
 Alice Sipidayo Kholbokha Designation. Board Member	DOB:1 ST Jan 1973 Qualification .BSC in Nursing Worked as Senior Nurse in Marsabit General Hospital.
 Charles Rotich Designation. Board Member	DOB.4 th Dec 1970 Qualification. Master's in Business Administration Join the institution as the senior Principal in 2019 And worked in other institution on senior management position

LAISAMIS TECHNICAL TRAINING INSTITUTE

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

4. Key Management Team

SN.	Member/ Director	Details
1.	 Name. Charles Rotich Designation: Principal	DOB.4/12/1970 Qualification. Master's in Business Administration
2.	 Name. Abigail Kithinji Designation: Deputy Principal- Administration	DOB.26/08/1993 Qualification.M.A Project Planning and Management Worked as Dean of student 2020-2023
3.	 Name. Joshua Orguba Designation: Deputy Principal- Academics	DOB:16/12/1992 Bsc.in information Technology
4.	 Name. Samuel Mutwiri Designation: Registrar	DOB:16/08/1988 Bsc. In Information technology
5.	 Feroze Kiptuisang Designation. Dean of Student	DOB.02/07/1992 Qualification.Bsc.in Hospitality & Tourism Management
7	 Bosco kombe Designation .Finance Officer	DOB.17/1/1994 Qualification CPA II (intermediate level) continuing,,,,,, Certificate in Accountancy Diploma in Procurement
8	 Richard Kaldale Designation.Procurement Officer	DOB.15/08/1997 Qualification. BSC. In procurement management

LAISAMIS TECHNICAL TRAINING INSTITUTE

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

5. Chairman's Statement

I am honoured to present the statement for the annual reports and financial statement of Laisamis Technical Training Institute for the financial year 2024-2025. This report provides an overview of our institution's achievements financial performance and strategic direction as we continue our commitment excellence in Technical and Vocational Education.

Institution Achievements and Growth.

LTTI has continued to make significant progress in advancing its mandate to provide high-quality technical and vocational training. Some of our key accomplishments over the past years.

- **Expansion of Training program.** We have introduced new Competency Based Education and training (CBET) program to align with the industry demands ensuring our graduates are well prepared for the job market.
- Infrastructure Development.

Investment in modern training facilities, including well-equipment workshops, classrooms and digital learning platforms have enhanced the learning experience for our students.

Financial Performance and Sustainability

The financial statements for 2024-2025 reflects our commitment to prudent financial management, accountability and sustainability. Key highlights include:

- **Revenue growth and efficient resource allocation:** the institution has effectively managed its financial resources, ensuring operational stability while investing in key priority areas.
- **Transparency and compliance:** LTTI has upheld high standards of financial governance, ensuring compliance with financial regulations and best practices.

Future Outlook

As we move forward, LTTI remains committed to:

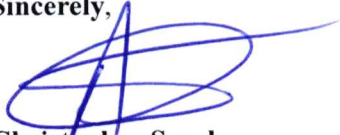
- **Enhancing training quality:** by continuously upgrading our curriculum, investing in staff development and embracing technology in teaching and learning.
- **Expanding infrastructure:** to accommodate a growing student population and improve learning facilities.
- **Financial sustainability:** by strengthening revenue generation initiatives and fostering strategic partnership.

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

Appreciation

I extend my sincere gratitude to the Board of Governors, the Principal, staff, students and all stakeholders for their dedication and support in making LTTI a centre of excellence in technical and vocational education. Together, we will continue to build a brighter future for our students and contribute to national development.

Sincerely,



Christopher Segelan

Chairperson of the Board of Governors
Laisamis Technical Training Institute

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

5. Report of the Principal/Manager



I am pleased to present the statement for the annual reports and financial statements of Laisamis technical Training Institute (LTTI) for the financial year 2024-2025. This report highlights our progress, financial performance and strategic efforts to enhance technical and vocational training for our students.

Institutional Achievements and Growth

The past year has been marked by significant growth and development at LTTI. Some of our notable achievements includes:

- **Expansion of training program:** we have introduced new competency-based education and training (CBET) courses to align with market demands and industry needs.
- **Infrastructure development:** investment in modern training facilities, including workshops, classrooms and ICT infrastructure, have improved the learning environment for our students.
- **Student enrolment and performance:** LTTI has recorded an increase in student enrolment, reflecting growing demand for technical education. Our students have continued to excel in national examinations and industrial attachments.

Financial Performance and Sustainability

Our financial statements for the year 2024-2025 demonstrate prudent management and accountability in resource allocation. Key highlights include:

- **Efficient use of funds:** despite economic challenges, we have maintained financial stability, ensuring smooth operations and continuous improvements in training facilities.
- **Transparency and compliance:** we have adhered to financial regulations and best practices, reinforcing our commitment to accountability and good governance.

Future plan and strategic directions

Looking ahead, LTTI remains focused on:

- **Enhancing training quality:** we will continue upgrading our curriculum, improving teaching methodologies and investing in faculty development.
- **Expanding infrastructure:** plans are in place to construct additional training facilities to accommodate our growing student population.
- **Strengthening Financial sustainability:** through innovative funding approaches, grants and strategic partnerships, we aim to secure more resources for institutional growth.

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

Appreciation

I sincerely thank the board of governors, staff, students and all stakeholders for their unwavering support and dedication to the growth of LTTI. Your contributions and collaboration have been instrumental in our continued success. Together, we will continue to empower our students with skills for a brighter future.

Sincerely,



Charles Rotich

Principal/Secretary BOG
Laisamis Technical Training Institute

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

6. Statement of Performance against Predetermined Objectives

Laisamis technical Training Institute developed a strategic plan for the period 2023-2027, which is the guideline towards effective service delivery. The strategic plan comprises of thirteen (13) objectives which is on course and are at different stages of implementation each of which carrying its own merits and challenges.

The objectives of Laisamis technical Training Institute as per the strategic plan are as follows:

- To integrate ICT in training
- To recruit competent and qualified trainers
- To strengthen and nurture industry collaborations
- To enhance infrastructure and facilities to accommodate persons with disabilities
- To upgrade the existing physical infrastructure
- To develop new infrastructure facilities
- To sensitize trainees on alcohol and drug abuse
- To improve the health of trainees
- To strengthen guidance & counselling services
- To increase gross enrolment
- To prudently manage financial resources
- To offer competitive staff remuneration
- To enhance IGA's

Laisamis technical Training Institute has managed to make stride in the following areas:

- Recruited competent and qualified trainers in the different field study.
- Increased trainee enrolment.
- Pay staff remunerations in time

The college also has face challenges in implementing some of the objectives due to financial constraints and other exogenous factors.

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

7. Corporate Governance Statement

Laisamis Technical Training Institute is a government Institution under Ministry of Education, State Department of TVET.

It is managed by the Board of Governors appointed by the cabinet secretary who oversees the operations of the institution.

The Board of Governors constitute seven members headed by the chairman and is composed of three committees that include; Finance and Infrastructure, Education and Human Resource, Risk and Audit

The Institution is committed to ensuring compliance with the principles of corporate governance as it is in the Constitution of Kenya 2010, and the Mwongozo Code of Conduct.

The Board of Governors is responsible for the governance of the institution on how it conducts its operations in adherence to the principles of Corporate Governance that is transparency, accountability, risk management, internal controls, ethical leadership and good corporate citizenship.

The top management constituting the Principal, Deputy Principal Administration, Deputy Principal Academics, Registrar, Dean of Students, does the day-to-day running of the institution.

The institution continuously assesses its governance-operating model to ensure that robust internal governing systems and practices are in place to support the Board and Management in delivering on its mandate.

8. Management Discussion and Analysis

1. OVERVIEW

The management discussion and analysis provide an in-depth review of financial and operational performance of Laisamis Technical Training Institute for the fiscal year ended 30th June 2025. This report highlights key achievements, challenges, financial position and strategic initiatives undertaken to drive growth and sustainability.

2. OPERATIONAL PERFORMANCE

Institutional Growth and Achievements

- Increased student enrolment reflecting strong demand for technical and vocational training programs
- Expanded academic and training programs to align with industry needs
- Enhanced collaboration with industry partners for internship and job placement opportunities

3. FINANCIAL PERFORMANCE

3.1 Revenue and Funding Sources

- Total revenue for the year has increased from the previous year.
- Funding sources included tuition fees and government grants

3.2 Expenditure Analysis

- Operational expenses increased due to staff salaries and training equipment procured.

3.3 Financial Position and Liquidity

- The institution maintained a stable financial position with healthy cash flow.
- Debt level remained manageable ensuring financial stability

4. STRATEGIC OUTLOOK AND FUTURE PLANS

- Expansion of industry-driven training program to enhance employability.
- Strengthening partnership with local and international institutions for research and innovation.
- Enhancing student support services to improve retention and graduation rates.

5. CONCLUSION

The institution remains committed to delivering quality education and training while maintaining financial sustainability and operational excellence. Despite challenges, strategic initiatives undertaken by the organization have led to continued growth and success.

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

9. Environmental and Sustainability Reporting Statement

i. Sustainability strategy and profile

Laisamis Technical Training Institute is a public institution established to offer relevant and sustainable training in order to improve the livelihoods of the citizens and economic growth. The infrastructural development, human resource and government support to ensure that the institutions is sustainable over a long period.

ii. Environmental performance

The institution is at its formative stages and will work towards adhering to environmental Sustainability best practices by ensuring the growth of more trees in the school compound and ensure there is environmental committee to monitor all the environmental activities.

a) Employee welfare

The training staff are hired as per the Public Service Guidelines while the none teaching staff are Hired by the Board of Governors as per the human resource policy

d) Market place practices

The college meets its obligations in paying its suppliers in time.

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

10. Report of the Board of Management

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 entity's affairs.

Principal activities

To provide technical education and training in appropriate and emerging technologies for employment and academic progress of our students through quality and demand driven training, community partnership, work experiences and inspiring students to be life-long learners and socially responsible

Results.

The results of the entity for the year ended June 30 are set out on page 1 to 5.

Board of Governors

The members of the Board of Directors who served during the year are shown on page (vi)- (x) of the report

Auditors

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

By Order of the Board



Secretary of the Board

Marsabit

Date:

11. Statement of Board of Management Responsibilities

The board of governors at Laisamis Technical Training Institute (LTTI) plays a pivotal in steering the institution towards achieving its mission of providing quality training and entrepreneurial skills that are responsive to market demands. Their responsibilities encompass several key areas:

1. Strategic Leadership

1. **Mission and vision alignment:** ensure that LTTI activities align with its mission to develop highly qualified and resourceful graduates
2. **Policy development:** formulate and approve policies that guide the institution's operations and strategic direction.

2. Governance and Oversight

1. **Regulatory compliance:** ensure adherence to the ministry of education's standards and other regulatory requirements.
2. **Ethical standards:** promote uphold the core values of excellence, integrity, professionalism, creativity, teamwork, accountability and transparency.

3. Financial Stewardship

1. **Budget approval:** review and approve annual budget, ensuring financial resources are allocated effectively to support institutional priorities.
2. **Financial monitoring:** oversee financial performance and ensure the sustainability of LTTI programs to maintain high educational standards.

4. Institutional Performance

1. **Quality assurance:** monitor and evaluate the quality of training program to maintain high educational standards
2. **Performance metrics:** assess institutional effectiveness through key performance indicators and support continuous improvement efforts.

5. Human Resource Management

1. **Staff development:** support policies and programs that promote professional development

6. Stakeholder Engagement

2. **Community relations:** foster strong relationships with the local community, industry partners and other stakeholders to enhance collaboration and support.
3. **Communication:** ensure transparent and effective communication channel between board, management, staff, student and external partners.

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

7. Risk Management

1. **Policy implementation:** establish and oversee the implementation of policies that mitigate risks associated with institutional risks associated with institutional operations.
2. **Crisis response:** Developed and monitor framework for responding to emergencies and unforeseen challenges.

Approval of the financial statements

The Entity's financial statements were

Approved by the Board on..... and signed on its behalf by:

Christopher Segelan



.....

Name

Chairperson of the Board/Council

Charles Rotich



Name

Accounting officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON LAISAMIS 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 Laisamis Technical Training Institute set out on pages 1 to 35, which comprise of the statement of financial position

as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and 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 Laisamis 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. Inaccuracies in the Financial Statements

1.1 Revenue – Fees from Students

The statement of financial performance discloses fees from students amounting to Kshs.10,409,600. However, Note 7 to the financial statements discloses fees from students amounting to Kshs.10,542,950, resulting in a variance of Kshs.133,350. Further, it was noted that although the Institute prepares its financial statements in accordance with the International Public Sector Accounting Standards (Accrual Basis), it continues to recognize revenue on a cash basis, recording income only when cash is received rather than when it is earned.

In the circumstances, the accuracy, completeness and reliability of the reported student fee income of Kshs.10,409,600 could not be confirmed.

1.2 Cash and Cash Equivalents

The statement of cash flows discloses cash and cash equivalents balance as at 30 June, 2025 amounting to Kshs.2,244,070. Included is a cash outflow amount of Kshs.4,866,012 related to the addition of property, plant, and equipment. However, Note 16 discloses property, plant, and equipment total additions amounting to Kshs.3,910,666, resulting in an unexplained variance amount of Kshs.955,346.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.2,244,070 reported in the statement of cash flows could not be confirmed.

2. Unsupported Receivables from Exchange Transactions

The statement of financial position and Note 14 to the financial statements disclose receivables from exchange transactions related to student debtors amounting to

Kshs.1,023,200. However, review of the students' fee ledger revealed outstanding fees totaling Kshs.5,649,994, resulting in an understatement of receivables from exchange transactions by Kshs.4,626,794.

In the circumstances, the accuracy and completeness of receivables balance of Kshs.1,023,200 could not be confirmed.

3. Undisclosed Assets and Lack of Land Ownership Documents

The statement of financial position and Note 16 to the financial statements disclose property, plant and equipment of Kshs.61,406,030. However, audit inspection of the workshop revealed that the Institute had twelve (12) welding plants and machinery of unknown value that were not disclosed in the financial statements under property, plant and machinery. This omission raises concerns about possible understatement of assets, which may affect the accuracy and completeness of the financial position of the Institution. Further, as previously reported, the Institute occupies two parcels of land of unknown value donated by the community. However, as at the time of audit, the Institute had not obtained legal ownership documents for these parcels of land. In addition, the Institute did not disclose the value of the land occupied in the financial statements.

In the circumstances, the accuracy and completeness of the property, plant, and equipment balance of Kshs.61,406,030 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget amount of Kshs.28,864,991 against an actual revenue amount of Kshs.21,407,474, resulting in a shortfall of Kshs.7,457,517, or 26% of the approved budget. Similarly, the Institution incurred total expenditure amounting to Kshs.17,259,099 against actual receipts of Kshs.21,407,474, resulting in under-absorption of an amount of Kshs.4,148,375, or 19% of the actual receipts.

The underfunding and under absorption may have adversely affected the implementation of planned activities and impacted negatively on service.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Unresolved Prior Year's Audit Matters

In the prior year's audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Institution in 2024/2025 revealed that the following matters remained unresolved:

1. Unsupported Property Plant and Equipment
2. Lack of Audit Committee and internal Audit Function
3. Late Submission of Financial Statements

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Errors and Omission in the Financial Statements

Review of the financial statements and accompanying disclosures revealed the following errors and omissions:

- i. The Environmental and Sustainability Reporting Statement on page xv did not include information on Corporate Social Responsibility (CSR) activities undertaken during the year under review.
- ii. The financial statements were signed by an accountant who is not a registered member of the Institute of Certified Public Accountants of Kenya (ICPAK), contrary to the provisions of Section 22(1) of the Accountants Act, Cap 531, which requires that only registered accountants prepare or sign financial statements.
- iii. Under Note 19, Financial Risk Management, the section on credit risk has not been completed, as amounts relating to receivables and bank balances are missing. Additionally, under the same note, the section on liquidity risk management is incomplete, as amounts relating to trade payables have not been disclosed.
- iv. Under Note 20, Related Party Balances, the disclosure of transactions and balances with related parties during the year has not been completed.
- v. Note 7, Fees from Students erroneously refers to the financial year as 2023–2024 instead of 2024–2025.

In the circumstances, the financial statements as presented do not comply with the PSASB reporting template.

2. Stalled Construction of Workshop

The statement of financial position and Note 16 to the financial statements reflect property, plant, and equipment amounting to Kshs.61,406,030. Further, Note 16(b) discloses capital work in progress totalling to Kshs.1,189,926, which includes an amount

of Kshs.1,000,060 relating to the construction of a workshop that commenced in June, 2022 and was expected to be completed within five years. However, a site inspection revealed that construction works had stalled and no activity took place during the financial year under review. An interview with the Institute's accountant confirmed that no funds were disbursed or utilized for the project during the period. Further, review of the project file revealed inconsistencies in reported expenditure, where the project cost schedule reflected cumulative spending of an amount of Kshs.3,483,360, which is at variance with the amount of Kshs.1,000,060 disclosed in the financial statements.

In the circumstances, value for money in the construction of the workshop could not be confirmed.

3. Engagement of Unregistered Trainers

The statement of financial performance and Note 9 discloses employee costs of an amount of Kshs.1,729,968. Review of the list of trainers posted to the Institute revealed that out of the thirty-four (34) trainers engaged, only six (6) possessed valid registration numbers issued by the Technical and Vocational Education and Training Authority (TVETA). This implies that twenty-eight (28) trainers were engaged without valid practicing licenses or registration from the Authority, contrary to Section 17(1) of Technical and Vocational Education and Training Act, 2013, which states that no person or institution shall offer training in Kenya unless the person or institution has been accredited, licensed and registered under this Act to offer such training.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Weaknesses in Revenue Management System

The statement of financial performance discloses a total amount of Kshs.10,542,950 in respect to fees from students and other income. However, review of the revenue collection process revealed that the Institute use a manual system, relying on handwritten receipts and Excel summaries that are not integrated into any centralized financial management system. Collection control sheets were not consistently maintained or sequentially filed, making it difficult to verify completeness of the collected revenue and determine which periods had been reconciled.

In the circumstances, the effectiveness and reliability of the Institute's revenue management system 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 Management and the Board of Management

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 Management 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

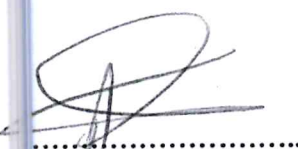
21 November, 2025

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

3. Statement of Financial Performance for The Year Ended 30 June 2025

	Notes	2024/2025	2023/2024
			Kshs
Revenue from non-exchange transactions			
Transfers from National Government Entities	6	10,997,874.00	7,897,114
		10,997,874.00	7,897,114
Revenue from Exchange transactions			
Fees from students	7	10,409,600.00	5,267,829
Sales of Goods and other incomes		133,350.00	
		10,542,950.00	5,267,829
Total Revenue		21,540,824.	13,164,943
Expenses			
Use of goods and services	8	10,094,899.00	11,511,421
Employee costs	9	1,729,968.12	2,158,829
Board Expenses	10	51,500.00	781,600
Depreciation and amortization expense	11	1,141,562.2	1,398,250
Repairs and maintenance	12	5,382,732.00	1,870,710
Total Expenses		18,400,661.32	17,720,810
Net surplus/(deficit) for the year		3,140,162.68	(4,555,867)

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



Name
Chairman of Board

Date



Name
Accountant
ICPAK No

Date 6/10/2025



Name
Principal/Manager, MARSABIT

Date

LAISAMIS TECHNICAL TRAINING INSTITUTE

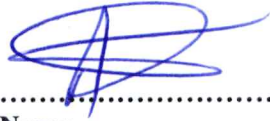
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	13	2,244,070	3,157,616
Receivables from exchange transactions	14	1,023,200	32,352
Inventories	15	0.00	0.00
Total Current Assets		3,267,270.00	3,189,968
Non-Current Assets			
Property, plant, and equipment	16	61,406,030.00	58,636,926
Intangible Assets	15(a)	250,000.00	
Total Non-Current Assets		61,656,030.00	58,636,926
Total Assets (A)		64,923,300.00	61,826,894
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	17	188514.00	232,271
Total current liabilities		188514.00	232,271
Total Liabilities (B)		188514.0	232,271
Net Assets (A-B)		64,734,786.00	61,594,623
Represented By:			
Revaluation Reserves			0
Accumulated Surplus		1,665,319.68	(1,474,843)
Capital Fund		63,069,466	63,069,466
Total Net Assets		64,734,786.00	61,594,623

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

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



.....
Name
Chairman of Board

Date



.....
Name
Accountant
ICPAK No

Date 6/10/2025



.....
Name
Principal/Manager

Date

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

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

Description	Revaluation reserve	Accumulated Surplus	Capital Grants/Fund	Total
At July 1, 2022(previous year)	0	0	0	0
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	-	3,081,024	-	3,081,024
Capital grants received during the year	-	-	55,825,637	55,825,637
At June 30, 2023	0	3,081,024	55,825,637	58,906,661
At July 1, 2023(current year)	0	3,081,024	55,825,637	58,906,661
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	-	(4,555,867)	-	(4,555,867)
Capital grants received during the year	-	-	7,243,829	7,243,829
At June 30, 2024	0	(1,474,843)	63,069,466	61,594,623
At July 1 2024(current year)	0	(1,474,843)	63,069,466	61,594,623
Revaluation gain	0	-	-	-
Surplus/Deficit for the year	0	3,140,162.68	-	3,140,162.68
Capital grants received during the year	0	-	0	-
At June 30 2025		1,665,319.68	63,069,466	64,734,785.68

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

16. Statement of Cash Flows For The Year Ended 30 June 202

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from National Government entities		10,997,874.00	15,140,943
Fees from students		10,409,600.00	5,267,829
Sales of goods and other incomes		133,350.00	-
Total Receipts		21,540,824	20,408,772
Payments			
Use of goods and services		10,094,899.00	11,511,421
Employee costs		1,729,968.12	2,158,829
Board Expenses		51,500.00	781,600
Repairs and maintenance		5,382,732.00	1,870,710
Total Payments		17,259,099.12	16,322,560
Net Cash Flows from operating activities		4,281,724.88	4,086,213
Cash flows from investing activities			
Purchase of property, plant, and equipment		(4,866,012)	(2,941,533)
Net cash flows used in investing activities		(4,866,012)	(2,941,533)
Cash flows from financing activities			
Proceeds From Borrowing		-	0
Repayment of Borrowings		-	0
Net cash flows used in financing activities		-	0
Net Increase/(Decrease) in Cash and Cash equivalents		(913,547)	1,144,680
Cash & Cash equivalents at the beginning (1 st July)	13	3,157,617	2,012,937
Cash & Cash equivalents at the end. (30 th June)	13	2,244,070	3,157,617

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

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

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	A	B	C=A+B	D	E=C-D	F=E/C %
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from National Government entities	16,058,171	0	16,058,171	10,997,874.0	5,060,297.0	31.5%
Fees from students	12,806,820	0	12,806,820	10,409,600.0	2,397,220	1.9%
Total Income	28,864,991	0	28,864,991	21,407,474.00	7,457,517	26%
Expenses						
Use of goods and services	12,119,991	0	12,119,991	10,094,899.0	2,025,092	17%
Employee costs	2,880,000	0	2,880,000	1,729,968.12	1,150,032	40%
Board Expenses	1,200,000	0	1,200,000	51,500.00	1,148,500	96%
Repairs and maintenance	6,540,000	0	6,540,000	5,382,732.00	1,157,268	18%
Total Expenditure	22,739,991	0	22,739,991	17,259,099.12	5,480,892	24%
Deficit/surplus For the Period	0	0	0	4,148,374.88	1,976,625	100%

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

18. Notes to the Financial Statements

1. General Information

Laisamis Technical Training Institute is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the State Department for Technical, Vocational Education and Training (TVET) and domiciled in Laisamis sub-county. The entity's principal activity is technical skills services.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

There are no new standards and interpretations 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	Applicable 1st January 2025 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 cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 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	Applicable 1st January 2025 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	Applicable 1st January 2025

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

Standard	Effective date and impact:
	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul 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>
<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026</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 entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p>Applicable 1st January 2026</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>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</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>

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

iii. Early adoption of standards

LTTI did not early-adopt any new or amended standards in year 2024-2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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 entity.

Interest income

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

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.

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

b) Budget information

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

c) Taxes

Current income tax

The entity 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. Investment properties are derecognized when either 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 derecognition. 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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

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

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity 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 entity and a financial liability or equity instrument of another entity. At initial recognition, the entity 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 entity 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 entity'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 cash flows 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 entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity 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.

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

j) Inventories

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

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

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

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

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 Entity.

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

Social benefits are cash transfers provided to

- i) specific individuals and / or households that meet the eligibility criteria,
- ii) ii) mitigate the effects of social risks and
- iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

o) Foreign currency transactions

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

p) 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.

q) Related parties

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

r) Service concession arrangements

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

s) 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.

t) Comparative figures

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

u) 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 Laisamis technical Training 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 LTTI 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 Entity.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

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

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6. Transfers from the National Government

Description	2023/2024	2023/2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	10,997,873.7	7,897,114
Total unconditional Grants	10,997,873.7	7,897,114
Total Government Grants and Subsidies	10,997,873.7	7,897,114

7. Fees from students

Description	2023/2024	2023/2024
	Kshs.	Kshs
Fees from Students	7,891,426	5,267,829
Exam fee	1,266,350	0
Helb Loan	1,034,823.92	0
Reg, TVETA\$StudentID	172,500	0
Industrial Attachment fee	44,500	0
IGA	133,350	0
Total	10,542,950.00	5,267,829

8. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Teaching & learning materials	2,214,141.00	2,625,790
Industrial attachment costs	54,775.00	169,000
Electricity	348,835.00	63,330
Water	85,200.00	30,000
Professional and consultancy services	879,425.00	53,100
Subscriptions	365,200.00	750,000
Examination fees	3,286,740.00	3,061,180
Catering, conference and delegation	176,760.00	297,030
Travelling and accommodation	1,216,512.00	2,874,320
Printing and stationery	473,145.00	109,520
Rent Expenses	64,000.00	
Telephone expenses	0	2,480

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Training expenses	844,750.00	1,461,551
Animal Feeds	49,000.00	720
Advertising	10000.00	13,400
Bank Charges	26,416.00	
Total good and services	10,094,899.00	11,511,421

9. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries and wages	1,643,161.35	2,072,329
Social contributions	86,806.50	86,500
Employee Costs	1,729,967.85	2,158,829

10. Board Expenses

Description	2024.2025	2023/2024
	Kshs	Kshs
Directors Emoluments	51,500	781,600
Total	51,500	781,600

11. Depreciation and Amortization expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	1,141,562.2	1,398,250
Total depreciation & amortization Expense	1,141,562.2	1,398,250

12. Repairs and Maintenance

Description	2024.2025	2023/2024
	Kshs	Kshs
Property	5,297,132.00	1,870,710
Furniture and fittings	85600.00	0
Computers and accessories	0	0
Total Repairs and Maintenance	5,382,732.00	1,870,710

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13. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	2,244,070	3,157,616
Total Cash and Cash Equivalents	2,244,070	3,157,616

13 (a). Detailed Analysis of Cash and Cash Equivalents

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current Account			
Co-operative Bank	01129551821200	1,906,521.02	3,157,616
Kenya Commercial Bank	1331225450	337,548	-
Sub- Total		2,244,070	3,157,616
Grand Total		2,244,070	3,157,616

14. Receivables from Exchange transactions

14 (a) Current Receivables from Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Student Debtors	1,023,200	32,352
Total Current Receivables	1,023,200	32,352

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14 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,023,200.00	100%	25,882	80%
Between 1- 2 years			5176	16%
Between 2-3 years			1294.1	4%
Total (a+b)	1,023,200.00	100%	32352	100%

15. Inventories

Description	2024/2025	2023/2024
	Kshs	Kshs
Consumable stores	0	0
Total Inventories at lower of Cost and Net Realizable Value	0	0

15(b)

Description	2024/2025	2023/2024
	Kshs	Kshs
Intangible Assets	250,000.00	0
Total Intangible Assets	250,000.00	0

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16. Property, Plant and Equipment

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets have not been revalued, however, the value of the building is known. The cost of land cannot be estimated therefore; it has not been included.

16 (b) Property, Plant and Equipment at Cost

Cost	Buildings	Furniture and fittings	Computers and Accessories	Plant and equipment	Library books	other assets	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 st July 2024	52,831,590	305,156					5,500,180	58,636,926
Addition	2,720,740						1,189,926	3,910,666
Disposal	-	-	-	-	-	-	-	-
At 30 th June 2025	55,552,330.00	305,156.00					6,690,106	62,547,592
Dep rate	2%	10%	20%	10%				
Depreciation	1,111,046.6	30,515.6	-	-	-	-		
Disposal	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	
At 30 th June 2025	(1,111,046.6)	(30,515.6)						1,141,562.2
Net Book value								
At 30 th June 2025	54,441,283.4	274,640.4	-	-	-	-	6,690,106	61,406,030
At 30 th June 2024	52,831,590	305,156					5,500,180	58,636,926

WIP 2024/2025	
Construction of workshop	1,000,060
Construction of the toilet	435,460.00
Total	1,186,926

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17. Trade and Other Payables from Exchange Transactions

Description	2024/2025		2023/2024	
	Kshs		ksh	
Trade payables	0		35,879	
Salary	188,514.30		196,392	
Total Trade and Other Payables	188514.30		232,271	
	Current FY		Comparative FY	% of the Total
Ageing analysis:				
Under one year	188514.30	100%	232,271	100%
1-2 years	0		0	%
2-3 years	0		0	%
Over 3 years	0		0	%
Total (to tie to totals above)	188514.30	100%	232,271	100%

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18. Cash generated from operations.

	2024/2025	2023/2024
	kshs	Kshs
Surplus/(Deficit) for the year	0	0
Adjusted for:	0	
Depreciation	0	0
Non-Cash grants received	0	0
Contributed assets	0	0
Impairment	0	0
Gains and Losses on Disposal of Assets	0	0
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Finance Income	0	0
Finance Cost	0	0
Working Capital Adjustments	0	0
Increase in Inventory	0	0
Increase in Receivables	0	0
Increase in Deferred Income	0	0
Increase in Payables	0	0
Increase in Payments received in advance	0	0
Net Cash Flow from Operating Activities	0	0

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

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19. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 2025				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

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(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position. The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Total	0	0	0	0
At 30 June 2025				
Trade Payables	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Total	0	0	0	0

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control

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market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

a) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	0	0
Capital Reserve	0	0
Total Funds	0	0
Total Borrowings	0	0
Less: Cash and Bank Balances	0	(0)
Net Debt/(Excess Cash and Cash Equivalents)	0	0
Gearing	0	0%

20. Related Party Balances

Nature of related party relationships

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

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County Government of Marsabit

The County Government of Marsabit is the principal shareholder of LTTI. The County Government of Marsabit has provided full guarantees to all long-term lenders of the entity, both domestic and external.

Other related parties include:

- i) The Ministry of Education state Department of TVET
- ii) The Parent Department.
- iii) Board of Management;
- iv) Key management

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

Description	2024/2025	2023/2024
	kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Hire of facility by govt. agencies	0	0
Others (specify)	0	0
Total	0	0
B) Purchases from related parties		
Purchases of electricity from kplc	0	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. agencies	0	0
Others (specify)	0	0
Total	0	0
b) Grants /Transfers from the Government		
Grants from National Govt	0	0
Grants from County Government	0	0
Donations in Kind	0	0
Total	0	0
Total		
c) Key Management Compensation		
Board of Management emoluments	0	0
Compensation to Key Management	0	0
Total	0	0

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21. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	0	0
Assets arising from determination of Court Cases	0	0
Reimbursable Indemnities and Guarantees	0	0
Others (Specify)	0	0
Total	0	0

Contingent Liabilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Contingent Liabilities	0	0
Court Case against (The Entity)	0	0
Bank guarantees in favour of subsidiary	0	0
Contingent liabilities arising from Contracts including PPPs	0	0
Others (Specify)	0	0
Total	0	0

(Give details)

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22. Capital Commitments

Capital Commitments	2024/2025	2023/2024
	kshs	Kshs
Authorised for	0	0
Authorised and contracted for	0	0
Total	0	0

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

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23. Events After The Reporting Period

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

24. Currency

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

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Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Unsupported property, plant and Equipment	The management will endeavour to undertake the valuation of their assets	Not resolved	2025/2026
2.	Budgetary control and performance	The management will ensure that control should be observed	Resolved	
3,	Late submission	The management will ensure Compliance in the timelines.	Resolved	
4	Lack of Audit Committee and internal Audit Function	The management will ensure establishment of audit committee of the board.	Resolved	

Guidance Notes:

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

.....
06 NOV 2025
 Name: **Charles Rotich**
 Principal Manager, MARSABIT

Date

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Appendix II: Projects Implemented by Laisamis technical Training Institute

Projects

Projects implemented by the Laisamis technical Training Institute Funded by development partners.

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	0	0	0	0	0	0
2	0	0	0	0	0	0

Status of Project Completion

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0

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Appendix III- Inter-Entity Confirmation Letter


Name of transferring Entity:...Ministry of Education..


Name of beneficiary Entity:... Laisamis technical Training Institute..

Confirmation of amounts received by Laisamis Technical Training Institute as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
CB0254463	20.09.2024	570,934		570934	Capitation for Students
CB068506	20.09.2024	46,859.80		46,859.80	Capitation for Students
CB0269528	20.09.2024	161,081.10		161,081.80	Capitation for Students
S54384117	23.09.2024	2,422,525.00		2422525.00	Capitation for Students
CB0036612	24.09.2024	114,048.80		114048.80	Capitation for students
S99347107	03.03.2025	7,682,425.00		7,682,425.00	Capitation for Students
Total		10,997,873.7	0.00	10,997,873.7	

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

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

Head of Accounts Department - Beneficiary Entity:
 Name Charles Rohich Sign  Date 06 NOV 2025



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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Ksh s.)	Comments
0	0	0	0	0	0	0
0	0	0	0	0	0	0