

REPUBLIC OF KENYA



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<b>REPORT</b>	DATE: 16 NOV 2022
	DAY: Wednesday
TABLED BY:	Lom
OFF THE TABLE:	Mainah Wanjiku

**THE AUDITOR-GENERAL**

**ON**

**MICHUKI TECHNICAL TRAINING INSTITUTE**

**FOR THE YEAR ENDED  
30 JUNE, 2021**

MICHUKI TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 30<sup>TH</sup> JUNE 2021

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MICHUKI TECHNICAL TRAINING INSTITUTE

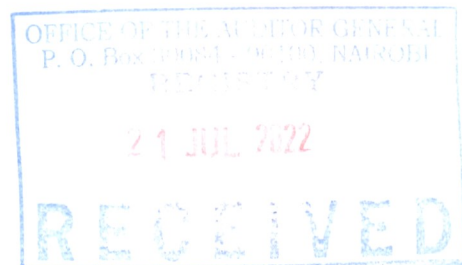
P.O. BOX 4 10202  
KANGEMA



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ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2021



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

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**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

Michuki Technical Training Institute (MTTI) was incorporated/ established under the TVET Act 2013. The entity is domiciled in Kenya and is located in Iyego Location, Kangema Sub-county in Murang'a County. It has no branches. The institute is under the Ministry of Education.

**(b) Principal Activities**

The Mandate of Michuki Technical Training Institute is to provide Technical, Vocational and Entrepreneurship Training (TVET) using appropriate technology to empower trainees for individual and national development. The Institute provides leadership in designing suitable plans and strategies that contribute to high and sustainable socio-economic development; The Institute has a credible strategic plan and performance contract that delivers the desired goals. It is also our undertaking that we will perform our responsibilities diligently and to the best of our abilities to support the achievement of the agreed performance targets.

**Vision**

Our vision is "A leader in the provision of Technical, Vocational, and Entrepreneurial Training".

**Mission**

Our mission is to provide quality technical, vocational and entrepreneurship training (TVET) to empower graduates for individual development and global competitiveness.

**(c) Key Management**

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

Board of Governors  
Accounting officer/Principal  
Heads of departments

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

Name	Responsibility
<b>TOP MANAGEMENT</b>	
John G Ndirangu	Chief Executive Officer/ Principal
Simon Njoroge	Deputy Principal/ Administration
Newton Shivachi	Deputy Principal/Academic
Gerald Wachira	Registrar
Michael N Muthembwa	Dean
Odima Bahati	Finance Officer
<b>ACADEMIC MANAGEMENT</b>	
Daniel Muhia	H O D Electrical
Lydia Watheka	H O D Institutional Management

Leah W Chege	H O D I C T
David Githaiga	H O D Mechanical
John Gakinya	H O D Building
Joseph Ndirangu	H O D Business
William Ndungu	H O D Mathematics
Caroline Anindo	H O D Liberal
<b>NON ACADEMIC</b>	
Gerald Wachira	ISO Management Representative
Hannah Mutiga	Industrial Liaisons' Officer
Hosea Yegon	Sports Office
James Ngechu	Guidance & Counselling
Gibson Kariuki	Procurement Officer
John Gituku	Internal Auditor
Esther Kinywa	Human Recourse

**(e) Fiduciary Oversight Arrangements**

Name of the Committee	Members	Activities
Finance and Resource Mobilization	1. Dr James Gichana Ongwae 2. Dr. Okoth George Odhiambo 3. Mr. Joseph N. Mwangi	Approve quarterly reports for onward submission to the full board  Interview BOG employees
Technical Infrastructure and	1. Eng. Wilson K Bett 2. Mr. Kiptum Kibet Charles	Adopt suggested BQ for implementation  Attend schedule site meetings
Risk and Audit	1. Dr. Kiptum Kibet Charles 2. Veronicah Maina	Receive discuss and approve audit report for onward ratification by full board  Develop areas of improvement in risk and audit

**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(f) Entity Headquarters**

P.O. Box 4-10202 Kangema  
Muranga County  
Kangema Sub County  
St. Marys - Iyego road off Karugia Shopping Centre

**(g) Entity Contacts**

Telephone :(+254)0725-912313  
E-mail: michukitech@yahoo.com  
Website: [www.michukitech.co.ke](http://www.michukitech.co.ke)

**(h) Entity Bankers**

i) Kenya Commercial Bank Ltd  
Muranga Branch  
P.O BOX 112-10200  
Muranga Town

ii) Equity Bank Ltd  
Kangema Branch  
P.O BOX private bag-102020  
Kangema Town

iii) Amica Savings & Credit  
Kangema Branch  
P.O BOX 816-10200  
Kangema Town




**(i) Independent Auditors**

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




**(j) Principal Legal Adviser**



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

## II. THE BOARD OF GOVERNORS




NAME	DETAILS
<p>1. Board of governor (chairman)</p>  <p>Silas Muguongo Profession: Medical Laboratory technologist</p>	<p><b>Date of birth:</b> 07. 08.1961</p> <p><b>Academic Qualifications:</b> Candidate MSc (Micro biology) BSc medical laboratory Science HND Micro biology Dip (medical laboratory Technology) Certificate (medical laboratory Technology) Advanced Dip (Technical Education)</p> <p><b>Work experience:</b></p> <ul style="list-style-type: none"> <li>▪ Laboratory Technology (1986-1989)</li> <li>▪ Lecturer KMTC (1990 - 2010)</li> <li>▪ Lecturer Outspan (2010 – to date)</li> <li>▪ Dean of student</li> </ul>
<p>2. Board member</p>  <p>Dr James Gichana Ongwae Profession: Lecturer</p>	<p><b>Date of birth:</b> 20/11/1953</p> <p><b>Academic qualifications</b> PHD Entrepreneurship MSc Entrepreneurship B.E.D Vocational Education Dip Ed Technical Education (Electrical Engineering)</p> <p><b>Work experience :</b></p> <ul style="list-style-type: none"> <li>▪ Assistant Director (Retired)</li> <li>▪ Consultant in education research and training</li> <li>Lecturer in innovation and development finance</li> </ul>
<p>3. Board member</p>  <p><u>Eng. Wilson K Bett</u> Profession: Mechanical Engineer</p>	<p><b>Date of birth:</b> 24/12/1981</p> <p><b>Academic Qualifications:</b> MSc. Candidate Energy Technology BSc. Mechanical Engineering Dip. Project management and Development Certificate in Hydropower Development and Management</p> <p><b>Work experience :</b></p> <ul style="list-style-type: none"> <li>▪ Senior Engineer KenGen(Upper Tana Region Operation)</li> <li>▪ Assistant Factory Manager Eastern Produce Kenya</li> </ul>

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<p>4. Board member</p>  <p><b><u>Dr. Okoth George Odhiambo</u></b> Profession: ICT Informatics</p>	<p><b>Date of birth:</b>03/03/1980</p> <p><b>Academic Qualifications:</b> PHD (GIS &amp; Remote Sensing) PHD (GIS &amp; Remote Sensing) MSC(Health Informatics) BSC(Information Technology ) Higher Diploma(Education)</p> <p><b>Work experience:</b></p> <ul style="list-style-type: none"> <li>▪ Head of ICT department –Kenya Railways Corporation</li> <li>▪ Senior Lecture –Laikipia University</li> <li>▪ Lecturer Greatsa University</li> <li>▪ QMS Auditor-Kenya Railways Corporation</li> <li>▪ Risk Officer - Kenya Railways Corporation</li> </ul>
<p>5. Board member</p>  <p><b><u>Mr. Joseph N. Mwangi</u></b> Profession: Lecturer(Adjunct) and ICT consultant</p>	<p><b>Date of birth:</b> 06/08/1980</p> <p><b>Academic Qualifications:</b> Msc.-Master in Computer Science Computer Systems,Bsc. Diploma in Computer Science CCNA and A+</p> <p><b>Work experience :</b></p> <ul style="list-style-type: none"> <li>▪ Adjunct Lecturer at MMU</li> </ul> <p>ICT consultant at Technical University of Kenya</p>
<p>6. Board member</p>  <p><b><u>Dr. Kiptum Kibet Charles</u></b> Profession: Lecturer Academic qualifications</p>	<p><b>Date of birth:</b>12/12/1965</p> <p><b>Academic Qualifications :</b> Academic qualifications PHD Administration &amp; Management MED Administration &amp; Management BED Diploma (KEMI)</p> <p><b>Work experience :</b></p> <ul style="list-style-type: none"> <li>▪ Lecturer Chuka University</li> <li>▪ Principal – Kisanana Boys, Sosiyo Sec School , Baringo High</li> <li>▪ Part time lecturer Kisii University and Mt. Kenya University</li> </ul>

<p>7. Board member(CDTVET)</p>  <p><b><u>MR .CHARLES NYOTA</u></b> Profession: CDTVET</p>	<p><b>Date of birth:</b>10/10/1970</p> <p><b>Academic Qualifications:</b> Masters in computer Science</p> <p><b>Work experience:</b></p> <ul style="list-style-type: none"><li>▪ Quality Assurance office for 20years</li></ul>
<p>8. Principal/ BOG Secretary</p>  <p><b><u>John G Ndirangu</u></b> Profession: Teacher</p>	<p><b>Date of birth:</b> 01/04/1959</p> <p><b>Qualifications :</b> MBA – Strategic management BBA – Business management Diploma in Education HND E.P.E</p> <p><b>Work experience :</b> TSC teacher 1990 – 2017</p> <ul style="list-style-type: none"><li>▪ PSC Trainer 2017 – to date</li><li>▪ Principal Michuki TTI since 2005</li></ul>

III. TOP MANAGEMENT TEAM

<p>1. Principal/ BOG Secretary</p>  <p><b><u>John G Ndirangu</u></b> Profession :Trainer</p>	<p><b>Date of birth:</b> 01/04/1959</p> <p><b>Qualifications :</b> MBA – Strategic management BBA – Business management Diploma in Education HND E.P.E</p> <p><b>Work experience :</b> TSC teacher 1990 – 2017</p> <ul style="list-style-type: none"> <li>▪ PSC Trainer 2017 – to date</li> <li>▪ Principal Michuki TTI since 2005</li> </ul>
<p>2. Deputy Principal Admnistration</p>  <p><b><u>Simon M. Njoroge</u></b> Profession: Trainer</p>	<p><b>Date of birth:</b> 08/10/1967</p> <p><b>Academic qualifications :</b> BBA – Business Administration Higher Diploma in Entrepreneurship Development Kenya Certificate of Education Technical in Craft Certificate in Carpentry and Joinery</p> <p><b>Work experience</b></p> <ul style="list-style-type: none"> <li>▪ HOD Business Studies-Michuki TTI</li> <li>▪ HOD Carpentry and Joinery -Michuki TTI</li> <li>▪ HOD and Trainer-Mawego TTI</li> </ul>
<p>3. Deputy Principal Academics</p>  <p><b><u>Newton Shivachi</u></b> Profession: Trainer</p>	<p><b>Date of birth:</b> 11/02/1983</p> <p><b>Academic Qualifications :</b> Master of Science (Electronics and Instrumentation) Post graduate Diploma in Management BED (SCIENCE) – Physics and Mathematics</p> <p><b>Work experience</b></p> <ul style="list-style-type: none"> <li>▪ PSC Trainer – Michuki TTI</li> <li>▪ Assistant Sports Officer – Michuki TTI</li> <li>▪ HOD Mathematics / Science – Michuki TTI</li> <li>▪ Performance Coordinator Michuki TTI</li> <li>▪ Registrar – Michuki TTI</li> <li>▪ DP Academics Affairs – Michuki TTI</li> </ul>

4. Registrar



**Gerald Wachira**  
Profession-Trainer

**Date of birth:** 30/05/1975

**Academic qualifications :**

MBA – Finance

BED – Economic and Maths

**Work experience**

- Trainer Michuki TTI
- Management Representative- Michuki TTI
- Registrar Michuki TTI

5. Dean of Students



**Michael Muthembwa**  
Profession-Trainer

**Date of birth:** 30/07/1978

**Academic qualifications :**

BE – Electrical and Electronic

Higher Diploma-Electronic Option

Diploma in Electrical Engineering(Power Option)

Diploma in Technical Education

**Work experience**

- Electrician –Dwa Sisal Plantation Estate
- Instructor-NYs Mombasa,Ukunda Youth Poly.
- Instructor-Ngwata Youth Polytechnic

6 Finance Officer



**CPA. Odima Bahati**  
Profession: Finance & Analyst, Trainer

**Date of birth:** 31/07/1992

**Academic qualifications :**

BCOM – Accounting Option

CPA(K) – Accounting Option

CIFA(K)-Finance & Investment Analysis

Diploma in Technical Education-Accounting Option

**Work experience**

- Financial Accountant –Trailink Group Ltd
- Senior Accountant-Compassion International
- Accountant-Excel Works and Engineering Ltd
- Auditor-Ayuga and Associate CPA firm
- Trainer at Kabete National Polytechnic

#### IV. CHAIRMAN'S STATEMENT

On behalf of the BOG, management, staff and students of Michuki TTI I would like to thank the government through the Cabinet Secretary Ministry of Education for giving me the opportunity to serve in this great institution. In the FY2020/2021 the following was achieved under my leadership.

**In the financial year 2020/2021 the board achieved the following-:**

1. Established an ODEL department
2. Completed the internal and external works in the Electrical Building
3. Acquired equipment for the gymnasium
4. Increased internet bandwidth from 20MBPS to 80MBPS
5. Acquired library textbooks and e-learning related materials worth Ksh. 2,824,122.
6. Acquired workshop equipment worth Ksh. 19,290,813.
7. Acquired training materials for the different departments worth Ksh. 23,140,853.
8. Established and equipped a new board room
9. The management held (3) medical camps where screening and free consultation on HIV&AIDS and Non Communicable diseases, and sensitization on COVID-19 was done.
10. Operationalized food processing unit (under value additional equipment).
11. Completed the construction of the third floor of the library block.
12. Completed the construction of phase II of perimeter wall.
13. Drilled and operationalized bore hole
14. Started the construction of a modern male hostel
15. Acquired a 16 seat staff utility vehicle
16. The management updated data on the existing accommodation spaces within the community.
17. The management engaged in corporate social responsibility of carrying out a town clean up, distributing free tree seedlings and branded dust bins.
18. There was increase in gross enrolment from 3308 to 3585
19. 22 youths were attached within the Institute
20. The Institute participated in the Mt Kenya region Athletics and we attained position number 1 out of 10 participating institutions where we were awarded 39 medals.
15. The BOG implemented the cross cutting issues in compliance with the Performance Contracting requirements i.e.
  - Implementation of Service delivery Charter
  - Resolution of public complaints
  - Disability mainstreaming


- Prevention of HIV and AIDS and Non Communicable Diseases.
- Continual enhancement of staff competence.
- Corruption Prevention
- ICT Integration in Education
- Asset Management

16. Developed a scheme of service for BOG employees

**Future Projected Projects and Status**

1. Complete construction of staff quarters
2. Construct a tuition block
3. Carry out a tracer study on our graduates
4. Install a hot water system in Muthaiga Hostel
5. Upgrade the access road from gate B to gate C
6. Install additional CCTV cameras for security
7. Increase acreage of the college
8. Increase student enrolment to 5000 students
9. Acquire National Polytechnic status

**Signed by**



**Silas G Muguongo  
BOG Chairman**

## **V. REPORT OF THE PRINCIPAL**

Michuki Technical Training institute is a tertiary institution that is well placed to offer quality and relevant training to her graduates, tailored to ensure they contribute effectively to the attainment of the country's Vision 2030 strategic objectives. In furtherance of our mandate, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs so as to remain competitive in terms of quality and relevance, and address the needs of the society.

Under the guidance of the Board of Governors, we have set up structures and policies aimed at guiding the institution in the right strategic direction. We have been able to start training on the implementation of integrated management systems based on ISO 9001:2015 (QMS) and ISO/IEC 27001:2013 (ISMS). The training involved top management, process owners and process actors.

Under my leadership and the overall direction of the Institute's Board, we were able to ensure that financial resources were utilized efficiently and effectively for optimum result. Despite the many challenges brought about by economic constraints, the Institute nevertheless continued to discharge its mandate of training, research and outreach programmes.

### **HIGHLIGHTS OF FY 2021/2022 PERFORMANCE**

The Financial Year 2020/2021 started when the country was undergoing a tough time of battling the COVID-19 pandemic. The academic calendar had been disrupted and learning institutions closed. This meant that Technical Institutions could not have their July 2020 exams as scheduled. These exams were later administered in January/February 2021. The May 2020 intake, normally reserved for Business courses, and September 2020 intake could not take place due to the disrupted academic calendar. This affected the student population as had been projected.

The government has been very supportive to the TVET institutions. This was done by introducing a fees of Ksh. 56,420/= for all students in technical institutions.

Of this, the government pays capitation of Ksh. 30,000/= p.a. to all new and continuing students in Technical Training Institutions. That leaves the students with a balance of Ksh. 26,420/= to pay, of which the needy cases may apply for loans and bursaries through HELB.

### Students Enrolment

The FY 2020/2021 had challenges of closure of learning institutions occasioned by the outbreak of COVID-19 Pandemic, which affected many aspects of the Kenyan economy. Many parents/ guardians lost their jobs, businesses were disrupted and consequently lost their sources of livelihoods. The closure of learning institutions took a long time from March 2020 to 26<sup>th</sup> October 2020.

This meant that the institution did not have the May 2020 and September 2020 intake, hence affecting our overall population. However, there was an intake in February 2021 where 1308 new students joined the institute and 455 in the May 2021 intake. This increased the student enrolment to 3585.

During the financial year under review, 2020/2021, the institute developed and delivered on the following targets:

- a) Despite the suspension of co-curricular activities for the period when learning institutions had been closed, we managed to participate in regional athletics competitions where we emerged position 1 out of the 10 institutions that participated.
- b) We were awarded 39 medals out of a team of 39 participants that we presented for the competition.
- c) Its under the same period that we acquired several computers for our ICT workshops.
- d) Under the same year, the community around the institute managed to increase students accommodation spaces from 4,000 to 4,500.
- e) We also trained staff on online content development.

### Projects Undertaken

During the Financial Year under review:-

- ❖ Construction of phase three of the Library block (3<sup>rd</sup> floor)
- ❖ Acquired a 16 seat staff van registration number KDA 275P
- ❖ Continued equipping of the gymnasium

In our contribution to the Big 4 Agenda, we held three medical camps in support of Affordable Health Care where we offered screening and sensitization on Non-Communicable Diseases (cancer, BMI, Blood Pressure) and HIV/AIDS. We also offered capacity building in baking and food processing where we trained 40 members of the society. We also attached 22 youths within the Institute, conducted staff training on AUTOCAD, Multi-media applications, ISO9001:2015 and ISO27001:2013 implementers' course.

I believe that our graduates undergo the best training that equips them with the necessary skills that strategically aligns them with opportunities within the country, regionally and globally; while at the same

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time contributing to the realization of the Big 4 Agenda: (Health, Manufacturing, Affordable Housing and Food Security).

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

On behalf of the Institute Board of Governor and the top management, I take this opportunity to thank the Government for its unequivocal support during the year under review. I also appreciate the financial, material and moral support of stakeholders, collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as the cooperation of the Management team, all staff and our trainees that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

I look forward to their continued support in the new financial year 2021/2022 and the years ahead.

**Signed by**



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**John G Ndirangu**  
**Principal/BOG Sec**

**VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES**

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives. Michuki Technical Training Institute has 6 strategic pillars and objectives within the reviewed strategic plan for FY2017 – 2022. The institute have also used the strategies as Performance Contracts targets. These strategic pillars are as follows:

Strategic Pillar	Objective (s)	Key Indicators	Performance	Strategies / Activities	Achievements
Governance	Improve on operational efficiency	Certification of IMS based on ISO9001:2015 and ISO27001:2013	IMS Manual	Integrate implementation of management systems based on ISO9001:2015 and ISO27001:2013	For 2020/2021
		IMS Manual	IMS Manual	Documentation of the IMS Manual	IMS procedures Manual
Access and Equity	Expand the physical infrastructure	Number of trained staff		Training of Trainers	28 trainers trained on IMS – on 23 <sup>rd</sup> to 25 <sup>th</sup> September 2020
		Program List of attendance		Staff awareness creation and launch of the IMS based on ISO9001: 2015 and ISO/IEC 27001:2013	Launch done on 2 <sup>nd</sup> October 2021
		No of internal audits and surveillance audits held		Execution of internal	1 internal audit held in 23 <sup>rd</sup> and 24 <sup>th</sup> February 2021
		Infrastructure		Completion library block complex	Completed the construction up to 3 <sup>rd</sup> floor of the library block
				Completion of electrical/electronic workshop project	Completed the construction of internal and external works of the electrical / electronic workshop
				Construction of a staff quarter (Phase)	Construction in progress
				Acquire a 16 seater Staff van.	Acquired a 16 seater staff van
To increase students enrolment				Drill and operationalize a water bore hole	Bore hole drilled and is operational
				Construct an ablation block	For 2021/2022
				Introduction of 3 new courses	- Diploma in Social Work and Community Development - Craft Certificate in Food Science, Processing and
				Occupational standards	
				Request letters	
				List of students admitted.	

				Preservation introduced in January 2021 - Craft Certificate in General Agriculture - Artisan in Masonry introduced in Jan 2021 Done in 2018/2019 To be reviewed in 2021/2022 Equipping continuously done For 2021/2022 For 2021/2022 For 2021/2022 BOG Scheme of Service developed. To be implemented in 2021/2022 Human Resource Procedure Manual developed and included in the IMS The policy to be developed in 2021/2022 Done in 2020/2021 For 2021/2022 Increased to 80mbps For 2021/2022 7 laptops earmarked for 2021/2022 The R&D committee appointed on 15/10/2019
	To enhance customer service delivery	Reviewed Service delivery charter	Conduct a graduation Review and effectively implement the service delivery charter	
	To improve students' academic performance		Equipping of the electronic workshop and the labs	
Resources	Deploy technology in fees collection		Identify an appropriate biometric identification system	
			Install a biometric identification system to enhance fees collection	
	To maintain a motivated workforce	Scheme of service	Maintain the biometric system Develop a scheme of service for BOG staff	
		Human Resource Procedure Manual	Develop a Human Resource Policy and Procedure Manual	
ICT		Working gear	Provision of appropriate working gear to staff	
	Enhance process automation	MIS library module	Procure MIS module for library, accommodation	
			Improve internet bandwidth from 40mbps to 60mbps	
	Integrate ICT in training		Purchase additional LCD projectors	
Research and Development			Purchase additional laptops	
	Institutionalize Effective Research and Development	Appointment letters	Appointment of the R&D committee members	

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JUNE 2021

Collaboration and linkages	To enhance collaborations and linkages	Invitation Letter Attendance List Report\patented Projects	C&L policy	Participation in exhibitions and trade fairs	Participated in Mt. Kenya Regional TVET fair held from 19/02/2020 to 22/02/2022 Qualified for National TVET fair	Do be done in 2021/2022
Develop the C&L policy						

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**VII. CORPORATE GOVERNANCE STATEMENT**

During FY 2020/2021, there was 98% eligible attendance at all meetings of the Board.

The following table shows the number of meetings held during 2020/2021, the attendance of each Member;

	17 <sup>th</sup> July 2020	14 <sup>th</sup> to 16 <sup>th</sup> Oct 2020	14 <sup>th</sup> Apr 2021	30 <sup>th</sup> April 2021	30 <sup>th</sup> June 2021	Total meetings attended
Silas Githenji Muguongo (BOG Chairperson)	Present	Present	Present	Present	Present	5/5
John G Ndirangu (Principal)	Present	Absent	Present	Present	Present	4/5
Simon Njoroge Deputy Principal Adm)	Present	Absent	Present	Present	Present	4/5
Mercy Kamau (Deputy Principal Ac)	Present	Absent	Absent	Absent	Absent	1/5
Dr James O Gichana (Member)	Present	Present	Present	Present	Present	5/5
Veronica W Maina (Member)	Present	Absent	Absent	Absent	Absent	2/5
Dr. Kiptum Kibet Charles (Member)	Present	Present	Present	Present	Present	5/5
George Okoth (Member)	Present	Present	Present	Present	Present	5/5
Joseph N Mwangi (Member)	Present	Present	Present	Present	Present	5/5
Eng. Wilson K Bett (Member)	Present	Present	Present	Present	Present	5/5
Charles Nyota (TVET Director)	Present	Present	Present	Present	Present	5/5

**NOTE**

- 1) There was 1 inauguration meeting and 4 full board meetings
- 2) No board charter exists at the moment.
- 3) Succession plan is after 3 years.

On Board of Governors appointment and tenure of office, removal, the process starts from:-

- 1) Establishing the expiry of the current Board of office (6 months before its term of office comes to an end.
- 2) Then a committee is constituted to nominate a new BOG. This panel is chaired by the County Director TVET. Other members to the nomination panel are:-
  - (i) Principal
  - (ii) County Commissioner to represent GOK.
  - (iii) Sponsor in case the Institution is sponsor.
  - (iv) The Area M.P or his Representative.

The above committee nominates a maximum of 21 members, 3 per category as prescribed in the areas of specialization and then the list is sent to the Ministry for verification and appointment of a BOG.

The BOG is normally appointed for a term of 3 years, after which to ensure continuity of the Institutional memory 1/3 of the past members are retained.

### **REMOVAL OF BOG MEMBER/MEMBERS**

A Board member may be removed for the following reasons:-

- (1) Failing to attend 3 consecutive meetings without a valid reason.
- (2) Major conflict of Interest
- (3) By tendering his resignation to the appointing authority.
- (4) Failing to take up his position as an appointed BOG.
- (5) Being declared Bankrupt by a Court of law.

### **RULES AND FUNCTION OF BOARD OF GOVERNORS**

The Board of Governors is normally appointed for a term of 3 years after which the Board expires. However, in constituting a new BOG a 1/3 of the members are retained for the sole purpose of Institution memory.

The role and function of the Board of Governors are therefore:-

- 1) Attend to all scheduled BOG meetings.
- 2) Discuss and formulate institutional policies on staff recruitment and promotion.
- 3) Identify in consultation with the Principal the recruitment of all PSC trainers and BOG employees and therefore recruit them.
- 4) Reprimand or recommend for interdiction of non performing PSC & BOG Employees.
- 5) Formulate policies on revenue generation, utility and account for it to the Public through the Auditor General.
- 6) Link with all relevant ministries, agents and stakeholders to promote the importing of relevant and technological skills.
- 7) Link with industries for the purpose of attaching the students.
- 8) Maintaining proper inventory of its property and assets through a Register/inventory.
- 9) Performing supervision role or oversight role on the management of the Institution and advising appropriately.
- 10) Maintaining a motivated workforce as well as a secure environment to work in.

### **INDUCTION OF THE BOARD OF GOVERNORS**

Once a BOG has been appointed, it's the responsibility of the Principal to liaise with the County Director and the Ministry to ensure that the BOG is inaugurated and inducted on its core mandate. In conjunction with the Principal and the Ministry, the Board is supposed to be trained on the current trends in the training, Industry to make it relevant and vibrant.

### **BOARD OF GOVERNORS REMUNERATION**

The Board of Governors are paid some sitting allowances and other allowances depending on the strength or financial ability of the Institution to sustain the payments. It's purely based on realistic and affordable rates.

The payments also vary from Institution to another base on their financial resources.

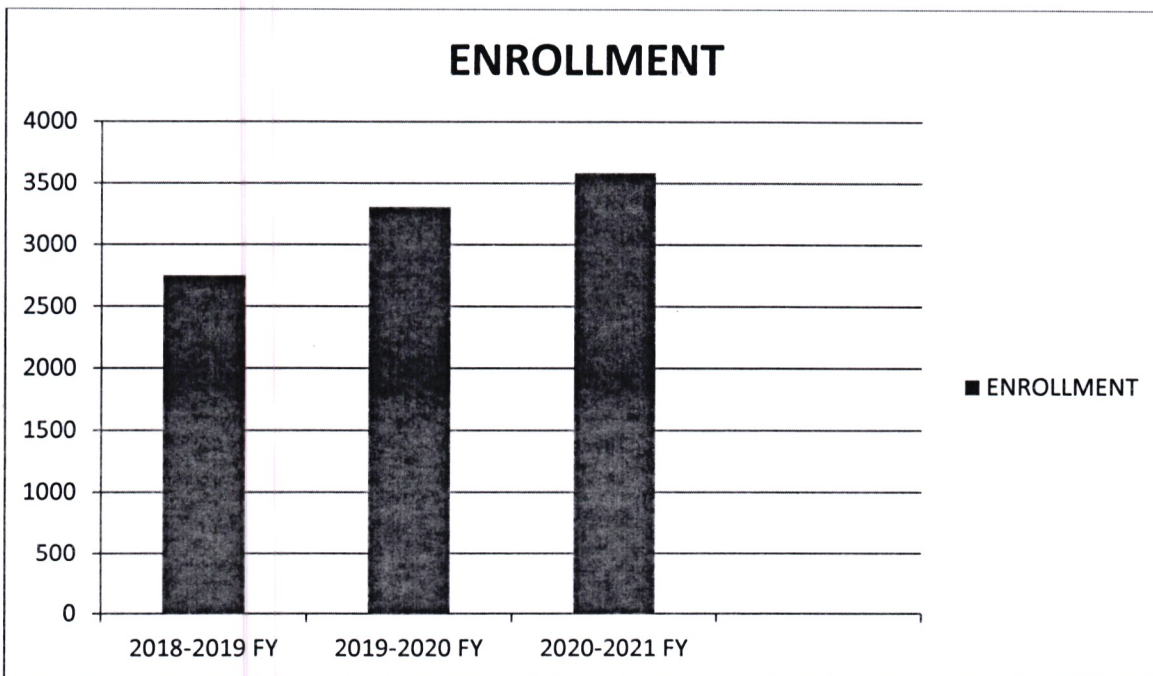
**VIII. MANAGEMENT DISCUSSION AND ANALYSIS**

**Michuki Technical Training Institute operational and financial performance**

As a key driver to the attainment of the BIG 4 agenda Michuki TTI offers the best courses that are streamlined to address the technical needs of the economy; and available business opportunities for global competitiveness. The Institute has developed world class infrastructure and facilities and strives to improve so as to provide quality technical education.

**Operational and financial Performance**

During the year ended June 2021, the Institution had 3585 students compared to 3308 in year 2019/2020. The increased number of students resulted in improved revenue. Enrollment for the institute is as below:-



Michuki TTI is experiencing tremendous growth and the management is vigorously pursuing additional funding and technical support from Government agencies and development partners. In the Institution level, program-based budgeting is effective as financial control. This serves to ensure that the Institution allocates resources based on planned and prioritized activity. This means that the cost of each activity will be traced to the product or service as per the Institution plan. To further enhance service delivery through effective financial management, the Institute will concentrate on eliminating wastages.

In this regard, the Institution will lobby and mobilize financial resources for Technical Training, innovation and creativity.

**i. Government Funding**

During the financial year 2020/2021, the operations of the institution both current and development were done effectively although the fourth quarter was received on 30<sup>th</sup> June 2021.

**ii. Student fees**

The closure of institution on March by the Government due to the COVID Pandemic affected the fees expected from the parents on the first and second quarter since the students were at home.

**Compliance With Statutory Requirements**

Michuki Technical Training Institution has been submitting the monthly statutory deductions on the due date.

They include

- H E L B loan recoveries
- N I T A contributions
- KRA PAYE & Withholding taxes
- N S S F
- N H I F

**Statutory/ Financial Obligations**

*The institute does not have any pending obligations*

**The Entity's Financial Probity and Serious Governance Issues**

*The institute does not have any improbity and governance issues*

**MANAGEMENT DISCUSSION AND ANALYSIS(Continued)**

<b>GENERAL ADMINISTRATION RISKS</b>						
<b>TOP MANAGEMENT</b>						
<b>Risk No.</b>	<b>Name Of The Risk</b>	<b>Likelihood</b>	<b>Consequences</b>	<b>Weight/ Risk Level</b>	<b>Mitigation Control</b>	<b>Responsibility</b>
1. 1	Funding risks	3	4	12	<ul style="list-style-type: none"> <li>➤ Enhance fees collection</li> <li>➤ Income generating project</li> <li>➤ HELB/NGCDF funding</li> </ul>	Principal, Registrar, Dean of Students
2. 2	Loss of funds	4	4	16	<ul style="list-style-type: none"> <li>➤ Use of biometric</li> <li>➤ Exam cards</li> <li>➤ Class attendance register</li> <li>➤ Use of approved budget</li> </ul>	Principal, HoDs, FO, PO
3.	Political risk	3	4	12	<ul style="list-style-type: none"> <li>➤ Consultative meeting</li> <li>➤ Recruitment on regional balance</li> <li>➤ Engage them on projects</li> </ul>	Principal, HR, P O, Building committee
4.	Reputational Risk	4	4	16	<ul style="list-style-type: none"> <li>➤ Quality Assurance (External results)</li> <li>➤ Maintain of discipline</li> <li>➤ Relationship with media</li> </ul>	Principal, HoDs, QA
5.	Litigation Risk	3	4	12	<ul style="list-style-type: none"> <li>➤ Comply to regulatory and statutory rules</li> <li>➤ Use of qualified personnel</li> <li>➤ Use of established mechanism</li> </ul>	Principal, HoDs, Legal experts
<b>INTERNAL AUDIT</b>						
<b>OBJECTIVE: To ensure that organization risk management, governance and internal control processes are operating effectively</b>						
<b>Risk No.</b>	<b>Name of the Risk</b>	<b>Likelihood</b>	<b>Consequences</b>	<b>Weight/ Risk Level</b>	<b>Mitigation Control</b>	<b>Responsibility</b>
6.	Weak organization controls	3	4	12	<ul style="list-style-type: none"> <li>➤ Designing tests to obtain reasonable assurance that controls are operating effectively</li> </ul>	Internal auditor
7.	Failure to detect misstatements	2	2	4	<ul style="list-style-type: none"> <li>➤ Designing tests to obtain more evidence based on risk analysis</li> </ul>	Internal auditor

MICHUKI TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 30<sup>TH</sup> JUNE 2021

8.	Inherent Risk	4	5	20	<ul style="list-style-type: none"> <li>➤ increasing the sample size during audit</li> </ul>	Internal auditor
9.	Noncompliance with statutory and regulatory requirements	5	5	25	<ul style="list-style-type: none"> <li>➤ Continuous Professional Development</li> <li>➤ Aligning &amp; adhering to statutory and regulatory requirements</li> </ul>	Internal auditor
<b>HUMAN RESOURCE RISKS.</b>						
<b>OBJECTIVE: TO PLAN, ORGANISE, CONTROL, CO-ORDINATE AND DIRECT ACTIVITIES AND ACTIONS OF EMPLOYEES.</b>						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
10.	Ineffective recruitment and retention strategies	3	4	12	<ul style="list-style-type: none"> <li>➤ Sound recruitment policy</li> <li>➤ Skills development strategies.</li> <li>➤ Staff reward and motivation incentives</li> </ul>	HR
11.	Inadequate Training and development	3	4	12	<ul style="list-style-type: none"> <li>➤ Engage an external Training Needs Assessment consultant</li> <li>➤ Incorporate skills development into regular performance appraisal process</li> <li>➤ Encourage learning and organize for staff to learn and develop in their skills.</li> <li>➤ Provide opportunities for growth through training and skills development</li> </ul>	HR
	Demotivated workforce leading to Reduced productivity High turnover rate Non achievement of organizational goals	4	4	16	<ul style="list-style-type: none"> <li>➤ Keep compensation and benefits packages as simple and fair.</li> <li>➤ Build employee reward programs.</li> <li>➤ Avoid staff discrimination and ensure compensation is based on performance and contribution to the business goal.</li> </ul>	HR
12.	Noncompliance of Employment statutory regulatory requirements	2	1	2	<ul style="list-style-type: none"> <li>➤ Sound internal and external legal advice</li> <li>➤ HR processes and procedures in place</li> <li>➤ Compliance of the occupational health and safety act</li> <li>➤ Ensure safe workplace area.</li> <li>➤ Ensure proper working procedures</li> </ul>	HR
13.	Data and information insecurity due to: malware, power failure and cyber attack	1	4	4	<ul style="list-style-type: none"> <li>➤ Acquire UPS</li> <li>➤ Regular Backup of payroll &amp; personnel information</li> <li>➤ Use of password</li> <li>➤ Firewall</li> </ul>	HR/SA

14.	Poor Workplace culture	4	3	12	<ul style="list-style-type: none"> <li>➤ Adherence of the HR policies</li> <li>➤ Code of conduct</li> <li>➤ Sensitization of work place culture and diversity</li> </ul>	HR
<b>SECURITY</b>						
<b>OBJECTIVE: To ensure security of Michuki Technical Training Institute is maintained at all times.</b>						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
15.	Theft of properties in the institute	4	4	16	<ul style="list-style-type: none"> <li>➤ CCTV surveillance</li> <li>➤ Perimeter fence</li> <li>➤ Hire and maintain security officers</li> <li>➤ Where necessary put items under lock and key</li> <li>➤ Burglar proof offices</li> </ul>	PRINCIPAL DP.ADMIN HODS
16.	Terrorists attack	3	5	15	<ul style="list-style-type: none"> <li>➤ Screening at the gate</li> <li>➤ Security checks of persons and vehicles</li> <li>➤ Use of biometric system</li> <li>➤ Reporting of suspicious characters for interrogation</li> </ul>	PRINCIPAL DP.ADMIN HODS
17.	Business disruption	4	5	20	<ul style="list-style-type: none"> <li>➤ In case of covid 19, adhere to MOH protocols, closure of institution. In case of fire, we shall install firefighting equipment and fire fighting practices and fire drills.</li> <li>➤ In case of strike, we involve government security personnel, closure of school and create awareness of consequences.</li> <li>➤ In case of an epidemic, we collaborate with MOH</li> </ul>	PRINCIPAL DP.ADMIN HODS
18.	Loss of Information security	4	4	16	<ul style="list-style-type: none"> <li>➤ Use clear screen and desk practice</li> <li>➤ Use password on computers</li> <li>➤ Use lockable cabinets</li> <li>➤ Inculcate personal discipline</li> </ul>	PRINCIPAL DP.ADMIN HODS
19.	Theft of properties in the institute	4	4	16	<ul style="list-style-type: none"> <li>➤ CCTV surveillance</li> <li>➤ Perimeter fence</li> <li>➤ Hire and maintain security officers</li> <li>➤ Where necessary put items under lock and key</li> <li>➤ Burglar proof offices</li> </ul>	PRINCIPAL DP.ADMIN HODS

**TRANSPORT**

**OBJECTIVE:** *To ensure transport management is carried out effectively and efficiently*

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
20.	Accident occurrence	3	4	12	<ul style="list-style-type: none"> <li>➤ Comprehensive insurance for all institute vehicles</li> <li>➤ Capacity building to institute drivers</li> </ul>	Accident occurrence
21.	Non compliance to NTSA rules and regulations	3	2	6	<ul style="list-style-type: none"> <li>➤ Adhere to NTSA rules and regulations</li> <li>➤ Ensure work ticket are filled and signed appropriately</li> </ul>	Non compliance to NTSA rules and regulations
22.	Malicious damage institute vehicles	3	4	12	<ul style="list-style-type: none"> <li>➤ Guard institute vehicles at all times</li> <li>➤ Install CCTV in the institute vehicles vicinity</li> </ul>	Malicious damage institute vehicles
23.	Deterioration of vehicle condition	4	2	8	<ul style="list-style-type: none"> <li>➤ Provide proper housing to all institute vehicles</li> <li>➤ Designate parking for MTTI vehicles</li> <li>➤ Maintain a schedule for vehicle maintenance</li> </ul>	Deterioration of vehicle condition
24.	<b>Vehicle breakdown</b>	3	4	12	<ul style="list-style-type: none"> <li>➤ Maintenance of institute vehicles as per the schedule</li> <li>➤ Collaborate with maintenance suppliers' for spare parts and emergency repairs.</li> </ul>	PRINCIPAL DP.ADMIN

**HIRING OF INSTITUTE FACILITIES**

**OBJECTIVE:** *To provide institute facilities for hire when required by customers*

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
25.	Loss of customers	3	3	9	<ul style="list-style-type: none"> <li>➤ Do proper marketing</li> <li>➤ Use competitive pricing on hired goods</li> <li>➤ Assign personnel any time goods or services are hired to ensure safety and security of items.</li> </ul>	PRINCIPAL DP.ADMIN
26.	Theft of hired goods	3	4	12	<ul style="list-style-type: none"> <li>➤ Make a bidding contract with the customer, who will bear the consequences in case of theft.</li> </ul>	PRINCIPAL DP.ADMIN
27.	Overuse of hired goods	3	2	6	<ul style="list-style-type: none"> <li>➤ Make a bidding contract with the customer on duration of use and stipulate measures to</li> </ul>	PRINCIPAL DP.ADMIN

							recover by surcharging.
<b>FINANCE DEPARTMENT:</b>							
<b>OBJECTIVE: Ensure prudent management of institute's financial resources by 30<sup>th</sup> June 2022</b>							
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility	
28.	Delay in payment of supplies	2	2	4	-Segregation of duties -Ensure invoices are submitted upon delivery of good	P.O F.O	
29.	Delay in payment of salary	2	2	4	-Ensure payment of salary is done before 10 <sup>th</sup> of proceeding month	F.O	
30.	Delay in submission of statutory deduction	1	3	3	-Ensure payment of statutory deduction is done as stipulated	F.O	
31.	Uncollected revenue	3	3	9	-Lobby with government bodies -Use of exam cards -Use of biometric -New admission upon 100%fee payment	F.O	
32.	Intrusion into system	1	5	5	-Creation of user accounts -Use of password	FO System Admn	
<b>Deans office</b>							
<b>Objective: To effectively handle issues of students welfare in Michuki Technical Training institute</b>							
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility	
33.	Students unrest due to poor students' governance	3	3	9	➤ Training of leaders ➤ Free and fair election process(involve IEBC in students' elections)	Dean of students	
34.	Negative reputation on the dean's office due lack of confidentiality	3	2	6	➤ implement access control policy ➤ Sensitize office staff on confidentiality.	Dean of students	
35.	Loss of revenue due to alteration of accommodation documents.	4	3	12	➤ Sensitize office staff on integrity ➤ Implement password policy	Dean of students	
36.	Medical emergency occurring at night	4	5	20	➤ Sensitize the students on health issues ➤ train staff and students on basic first aid. ➤ have stand by driver handle emergencies	Dean of students	

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
37.	Lack of cohesion among students	3	3	9	at night ➤ Sensitization of students on national cohesion ➤ Intensify sporting activities	Dean of students
<b>HOUSE KEEPER</b>						
<b>Objective: To provide clean, safe and comfortable environment effectively and efficiently to the student and staff of M.T.I at all times.</b>						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
38.	Outbreak of Fire in hostels	3	4	12	➤ Regular service of fire-fighting equipment ➤ Conduct fire drills ➤ sensitize students on illegal electricity connections	House keeper/ Security personnel /Principal
39.	Illegal accommodation of students in hostels	2	3	6	➤ proper use of accommodation register to verify hostel occupants	Dean of students/ House keeper
40.	Chemical burns from cleaning agents	2	3	6	➤ Train on proper use and handling of chemicals ➤ proper labelling of chemicals	House keeper
41.	High cleaning staff turn over	3	3	9	➤ Provide good working tools and equipment ➤ Provide good personal protective equipment ➤ conducive /good staff welfare	House keeper HR
42.	Negative image ( due to dirty floor and surfaces)	3	4	12	➤ Duty allocation- ➤ Develop a time plan for cleaners ➤ Have a check list for supervision	House keeper/ Deputy principal Adm.
<b>SPORTS AND RECREATION</b>						
<b>Objective: To identify and nature talented students in sports and games.</b>						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
43.	Loss of sports equipment	2	2	4	➤ Maintaining key registers ➤ Stores office under lock and key always ➤ Lockable boxes	Sports officer

									<ul style="list-style-type: none"> <li>➤ Issuance register</li> <li>➤ Sensitization</li> <li>➤ Sensitization on safety during games</li> </ul>	Sports officer
44.	Injuries during games	2	2	4	2	4			<ul style="list-style-type: none"> <li>➤ Request for alternative playground</li> <li>➤ Hire playgrounds when need arise</li> </ul>	Sports officer
46.	Incompetent coaches	4	4	16	4	16			<ul style="list-style-type: none"> <li>➤ Capacity building of coaches through training</li> <li>➤ Expose the coaches in practical aspects</li> <li>➤ Budget for acquisition of sports equipment</li> <li>➤ Seek for partnership and sponsorship from stakeholders</li> </ul>	Sports officer
47.	In adequate sporting equipment	3	3	9	3	9				
<b>GUIDANCE AND COUNSELLING</b>										
<b>OBJECTIVE:</b> Provision of guidance and counseling services to students.										
<b>Risk No.</b>	<b>Name of the Risk</b>	<b>Likelihood</b>	<b>Consequences</b>	<b>Weight/ Risk Level</b>	<b>Mitigation Control</b>	<b>Responsibility</b>				
48.	Conflict of interest due to Dual relation	4	3	12	<ul style="list-style-type: none"> <li>➤ Segregation of duties</li> <li>➤ Scheduled counseling forum</li> <li>➤ Peer counselors sensitization forum</li> </ul>	G&C Coordinator				
49.	Inadequate G&C skills	2	2	4	<ul style="list-style-type: none"> <li>➤ Capacity building on trainers and peer counselors</li> </ul>	G&C coordinator				
50.	Inadequate funding	3	3	9	<ul style="list-style-type: none"> <li>➤ Adequate budget</li> </ul>	Principal				
51.	Unauthorized access to confidential information	1	4	4	<ul style="list-style-type: none"> <li>➤ Coding of clients</li> <li>➤ Key management</li> </ul>	G&C Coordinator				
52.	Inadequate funding	3	3	9	<ul style="list-style-type: none"> <li>➤ Adequate budget</li> </ul>	Principal				
<b>ICT SUPPORT</b>										
<b>OBJECTIVE:</b> To support effective ICT operations within the institute.										
<b>Risk No.</b>	<b>Name of the Risk</b>	<b>Likelihood</b>	<b>Consequences</b>	<b>Weight/ Risk Level</b>	<b>Mitigation Control</b>	<b>Responsibility</b>				
53.	Attack by malware such as computer viruses, worm	3	3	9	<ul style="list-style-type: none"> <li>➤ Install updated antivirus</li> <li>➤ Limit software installation to ICT personnel only</li> </ul>	HOD ICT Support ICT Technician				

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54.	Loss of departmental data.	4	2	8	<ul style="list-style-type: none"> <li>➤ Backup of critical data</li> <li>➤ Controlled access to server/ main office computers.</li> <li>➤ Use of firewall</li> </ul>	HOD ICT Support ICT Technician
55.	Unauthorized access to the institute systems	4	3	12	<ul style="list-style-type: none"> <li>➤ Use of username and password for all users accounts</li> <li>➤ Train user on how to safe guide critical login data</li> <li>➤ Use of firewall</li> </ul>	HOD ICT Support ICT Technician System end Users
56.	Out-dated software's and hardware's	2	4	8	<ul style="list-style-type: none"> <li>➤ Continues upgrading of software/hardware</li> </ul>	HOD ICT support Principal
57.	Computer damage due to human/ electrical problems.	3	3	9	<ul style="list-style-type: none"> <li>➤ Proper cabling of computing devices</li> <li>➤ Use of power guards and surge protectors</li> <li>➤ Use backup battery for server computer</li> <li>➤ Limit hardware repair to ICT personnel only.</li> <li>➤ Repair and maintenance schedule per term for all computing devices</li> </ul>	HOD ICT Support ICT Technician
<b>PROCUREMENT</b>						
<b>OBJECTIVE: Ensure that procurement of public goods and services is done as per the compliance laws and regulation and also in accordance with a system which is fair, competitive, transparent, equitable and cost effective.</b>						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
58.	Delay in timely provision of essential services due to late approvals and delayed supplies	2	3	6	Timely approval	P.O
59.	Substandard or poor quality services	2	3	6	Inspection and acceptance committee put in place project supervision Supplier reviews	P.O
60.	Compliance risk	2	3	6	Adherence to laws and regulation in procurement	P.O
61.	Overstatement or understatement of the need	3	3	6	Preparation of proper budgeting	H.O.D'S
62.	Lack of procurement plan	1	5	5	Preparation of proper procurement plan	H.O.D'S

<b>ISO</b>						
<b>OBJECTIVE: To ensure that organization risk management, governance and internal control processes are operating effectively</b>						
<b>Risk No.</b>	<b>Name of the Risk</b>	<b>Likelihood</b>	<b>Consequences</b>	<b>Weight/ Risk Level</b>	<b>Mitigation Control</b>	<b>Responsibility</b>
63.	IMS non-compliance due to inadequate understanding of requirements by new staff	4	3	12	QMS as an agenda at departmental meetings Induction of new staff on QMS by HODs.	MR
64.	Non adherence to the audit programme	2	2	4	Circulation of the programme at the beginning of the year Support by the Top management	MR
65.	Failure to maintain ISO certification	3	3	9	Documented processes Monitoring and evaluation Internal audits Management reviews Payments for requisite fees Liaising with certification body	MR
<b>DEPUTY PRINCIPAL ACADEMICS</b>						
<b>Risk No.</b>	<b>Name of the Risk</b>	<b>Likelihood</b>	<b>Consequences</b>	<b>Weight/ Risk Level</b>	<b>Mitigation Control</b>	<b>Responsibility</b>
66.	Poor lecture attendance by trainers	3	4	12	Enhance on trainers' daily attendance register. Enhance use of lecture attendance forms Enhance monitoring through spot checks	DPAA Academic HODS Class Reps
67.	Constant changes in the institutional timetable	4	2	8	Timely replacement & recruitment of trainers Properly prepared and validated workload. Appoint and train adequate timetableers	DPAA HOD'S HR
68.	Delay in recruitment of trainers	4	4	16	Enhance timely requisition of trainers. Enforce early recruitment. Maintain a data base for potential trainers	HOD HR
69.	Unauthorized interference with the institutional timetable	3	4	12	Enhance use of password policy to limit unauthorized access. Have lockable timetable noticeboards.	DPAA

MICHUKI TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 30<sup>TH</sup> JUNE 2021

MATHEMATICS AND SCIENCE DEPARTMENT						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
70.	Failure to achieve the set performance target.	3	4	12	Enhance monitoring Follow up on exam analysis recommendations Conduct regular Academic meetings. Introduction of Departmental Academic Excellence trophy.	DPAA
71.	Failure of maths trainers to attend to their duties on time	3	3	9	Monitoring lecturer attendance register Make-up lessons Sensitizing and addressing concerns in department meetings Make up lessons Escalating the matter if it persists	HOD Maths
72.	Failure/truancy of trainees to attend lectures	3	3	9	Conduct roll calls for every lesson Sensitization on the effects of absenteeism	HOD Maths
73.	Unauthorized access to departmental sensitive printed and electronic data	4	2	8	Lockable cabinets Change password on departmental computer Sensitize the department staff on password policy	HOD Maths System admin
74.	Inadequate training resources e.g. department laptop, backup gadgets	2	4	8	Requisition of the gadgets and teaching materials	HOD Maths
75.	Ineffectiveness of trainers due to teaching overload	3	4	12	Request for adequate trainers	Principal HOD Maths
LIBERAL STUDIES						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
76.	Failure of teaching staff to attend to their duties	3	3	9	Monitoring lecturer attendance Sensitizing and addressing concerns in meetings Make up lessons Escalating the matter if it persists	HOD Liberal

77.	Failure of students to attend classes	3	3	9	Roll calls every lesson effects of absenteeism	HOD Liberal Trainers
78.	Unauthorized access to sensitive unlikely and electronic data	4	2	8	Lockable cabinets Password on departmental computer Sensitize office staff	HOD Liberal System admin
79.	Inadequate resources e.g. laptop when needed.	2	4	8	Using available resources e.g. phone Requisition of the gadgets	Head of Department Trainers
80.	Ineffectiveness of trainers due to burnout	3	4	12	Request for staff	Head of Department
<b>BUSINESS DEPARTMENT</b>						
<b>Risk No.</b>	<b>Name of the Risk</b>	<b>Likelihood</b>	<b>Consequences</b>	<b>Weight/ Risk Level</b>	<b>Mitigation Control</b>	<b>Responsibility</b>
81.	Low enrollment	2	2	4	-Marketing Of departmental courses	-Process owner -Members/ trainers
82.	Poor performance	2	2	4	-Timely Syllabus coverage	-Process owner -Members/ trainers
83.	Drop out Cases	3	3	9	-Counseling -Class attendance register	-Process owner -Class teachers -Members/ trainers
84.	Trainee Indiscipline	2	2	4	-Counseling -Institution's Rules and regulations	-Process owner -Class teachers -Members/ trainers
85.	Absenteeism By trainers	3	3	9	-Class attendance register -Teaching monitoring reports	-Process owner -Dps -Principal
<b>ELECTRICAL DEPARTMENT</b>						

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Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
86.	Electric shock & burns from contact with live wire	5	4	20	Covering of naked wires Earthing all metallic parts	H.O.D
87.	Injury from exposure faulty electrical equipments	5	4	20	Clear, clean gang ways Posters Use of PPEs	H.O.D
88.	Loss of tools and materials	4	4	16	CCTV REGISTERS TAGGING OF TOOLS	H.O.D trainers
89.	Poor performance.	3	4	12	-Syllabus coverage -Sensitizing trainers On attendance -Lobbying for trainers.	HOD trainers
90.	Trainers indispine	3	4	12	-Rules and regulation. Attendance register Counseling.	HOD trainers
<b>INSTITUTIONAL MANAGEMENT DEPARTMENT</b>						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
91.	Poor performance due to trainee absenteeism & truancy	4	4	16	➤ Sensitization ➤ class registers ➤ lesson attendance registers ➤ Disciplinary Actions register.	H.O.D INSTITUTIONA L MGT
92.	Poor performance due to high turnover of B.O.G Staff.	3	3	9	➤ Induction, ➤ Team teaching, ➤ Motivation, ➤ Improved working environment,	H.O.D INSTITUTIONA L MGT
93.	Theft of workshop equipment	4	3	12	➤ Tagging of equipment ➤ Issuance register ➤ Access control ➤ Induction a technicians	H.O.D INSTITUTIONA L MGT
94.	Injury during training	2	2	4	➤ Sensitization meetings, ➤ Workshop safety precautions,	H.O.D INSTITUTIONA

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
95.	Destruction of property due to Fire Outbreaks	4	2	8	<ul style="list-style-type: none"> <li>➤ Provision of first aid kit</li> <li>➤ Sensitization meetings, Install firefighting equipment,</li> <li>➤ Carry out fire drills.</li> </ul>	L MGT H.O.D INSTITUTIONAL L MGT
<b>ICT DEPARTMENT</b>						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
96.	Inadequate teaching staff	3	3	9	-Requisition of additional trainers -Online teaching	-H.O.D
97.	Class Attendance Absenteeism	3	3	9	-Class attendance Register -Sensitization meetings	H.O.D
98.	Assessment Absenteeism	3	3	9	-Awareness --Sensitization meetings	H.O.D
99.	Late preparation/submissions of teaching documents	3	3	9	-Effective communication --Sensitization meetings	H.O.D
100.	Low enrolment	3	3	9	-Marketing -Publicity	H.O.D
<b>BUILDING DEPARTMENT</b>						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
101.	Unattended classes	3	3	9	<ul style="list-style-type: none"> <li>➤ Monitoring lecturer attendance register</li> <li>➤ Close monitoring of lectures attendance</li> </ul>	HOD
102.	Inadequate skills in some trainers	2	2	4	<ul style="list-style-type: none"> <li>➤ Capacity building sessions for trainers</li> </ul>	HOD
103.	Inadequate staff(trainers)	3	3	9	<ul style="list-style-type: none"> <li>➤ Lobbying for more trainers</li> </ul>	HOD System admin
104.	Pilferage in the workshops	3	3	9	<ul style="list-style-type: none"> <li>➤ Install surveillance cameras</li> <li>➤ Additional technician</li> <li>➤ Surcharging the culprits</li> </ul>	HOD
105.	Inadequate learning equipment in the workshop	3	3	9	<ul style="list-style-type: none"> <li>➤ Arranging the learners in groups when in the workshop</li> </ul>	HOD

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								Lobbying for more learning equipment	
<b>ODeL</b>									
<b>OBJECTIVE: Evaluation of the curriculum</b>									
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility			
106.	Unavailability of standard online content	3	3	9	<ul style="list-style-type: none"> <li>➤ Motivation to content developers</li> <li>➤ Ensure adherence to TVET ODeL standard</li> <li>➤ Moderate/approve online content</li> </ul>	-H.O.D -ODeLcommittee			
107.	Low uptake of on online classes	2	2	4	<ul style="list-style-type: none"> <li>➤ Creation of awareness</li> <li>➤ Training</li> </ul>	H.O.D			
108.	Absenteeism for residential sessions	3	3	9	<ul style="list-style-type: none"> <li>➤ Induction of trainees at the start of the programme</li> <li>➤ Effective communication</li> </ul>	H.O.D			
109.	Non adherence to timelines in online submission for assignment	3	3	9	<ul style="list-style-type: none"> <li>➤ Control in the LMS platforms</li> <li>➤ Induction of trainees at the start of the programme</li> <li>➤ Effective communication</li> </ul>	H.O.D			
110.	Plagiarism of content	3	3	9	<ul style="list-style-type: none"> <li>➤ Use of anti-plagiarism software</li> <li>➤ Encourage use of open education resources</li> </ul>	H.O.D			
<b>EXAMINATION OFFICE</b>									
<b>OBJECTIVE: Evaluation of the curriculum</b>									
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility			
111.	Exams malpractice	3	3	9	<ul style="list-style-type: none"> <li>➤ Invigilation</li> <li>➤ Structural Arrangements in the Exams Rooms</li> <li>➤ Punishing the Offenders</li> <li>➤ Enough Revision</li> <li>➤ Adequate Syllabus Coverage</li> <li>➤ Training in Ethics and Integrity</li> <li>➤ Holding Rehearsal Days</li> </ul>	<ul style="list-style-type: none"> <li>• Principal</li> <li>• Examinations Officer</li> <li>• Supervisors</li> <li>• Invigilators</li> </ul>			
112.	Invigilator does not turn-up or lack of invigilator	4	3	12	<ul style="list-style-type: none"> <li>➤ Automate Timetabling of Internal Exams</li> <li>➤ Create Invigilator Timetables</li> <li>➤ Employ Emergency Invigilator(s)</li> </ul>	<ul style="list-style-type: none"> <li>• Principal</li> <li>• Examinations Officer</li> </ul>			

							<ul style="list-style-type: none"> <li>➤ Examinations Office to Cover</li> <li>➤ Discipline the Offenders</li> </ul>	
<b>113.</b>	Wrong registration of candidates for national examinations	2	3	6	<ul style="list-style-type: none"> <li>➤ Candidates Signs the Nominal Roll after Verifying the Correctness of their Registration Details</li> <li>➤ Candidates Write Exams as Under –Protest Write an Official Letter to KNEC informing them of the Wrong Registration</li> <li>➤ Candidates indicate their Course and Module on The KNEC Result Slip Being Used For Registration</li> </ul>	<ul style="list-style-type: none"> <li>• Principal Examination s Officer</li> <li>• Academic HODs</li> </ul>		
<b>114.</b>	Receiving inaccurate entry of information and non-adherence to examinations timelines	4	3	12	<ul style="list-style-type: none"> <li>➤ Subject Teachers/HODS ensure Entry Check-Lists are Correct and are submitted on Time.</li> <li>➤ Discipline The Offenders</li> </ul>	<ul style="list-style-type: none"> <li>• Principal Examination s Officer</li> <li>• Academic HODs</li> </ul>		
<b>115.</b>	Access of exam information by unauthorized users	3	2	6	<ul style="list-style-type: none"> <li>➤ Acquire enough door keys for every Authorized User</li> <li>➤ Create Passwords when Booting Computers</li> <li>➤ Create Passwords on every Folder/File created</li> <li>➤ Create, Fill and File Record Control Sheets as is Appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• Principal Examination s Officer</li> </ul>		
<b>INDUSTRIAL LIAISON OFFICE</b>								
<b>OBJECTIVE: To ensure quality training through industrial attachment.</b>								
<b>Risk No.</b>	<b>Name of the Risk</b>	<b>Likelihood</b>	<b>Consequences</b>	<b>Weight/ Risk Level</b>	<b>Mitigation Control</b>	<b>Responsibility</b>		
<b>116.</b>	Lack of placements for trainees.	3	3	9	<ul style="list-style-type: none"> <li>➤ Collaboration with industries</li> <li>➤ Create awareness</li> <li>➤ Database for industrial contacts</li> </ul>	ILO		
<b>117.</b>	Failure to assess some students on attachment.	3	3	9	<ul style="list-style-type: none"> <li>➤ Sensitization of trainees</li> </ul>	ILO		

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Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
118.	Indiscipline of students on attachment.	3	2	6	<ul style="list-style-type: none"> <li>➤ Sensitization of students</li> <li>➤ Introduce commitment form</li> </ul>	ILO
119.	Accidents on the trainees while on attachment.	2	2	4	<ul style="list-style-type: none"> <li>➤ Awareness on safety precautions</li> <li>➤ Provide insurance covers to trainees</li> </ul>	
120.	Unauthorized access for office files (hard copies of information).	2	2	4	<ul style="list-style-type: none"> <li>➤ Provide lockable door</li> <li>➤ Provide lockable cabinets</li> <li>➤ Clear the desk, clear the screen</li> </ul>	
<b>LIBRARY.</b>						
<b>OBJECTIVE: To ensure access of quality and up-to-date academic course and reference materials in the institute</b>						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
121.	Theft of library materials	4	3	12	<ul style="list-style-type: none"> <li>➤ Installation of CCTV Cameras</li> <li>➤ Installation of security systems</li> <li>➤ User sensitization</li> <li>➤ Stamping</li> </ul>	Librarian FO
122.	Wearing and tearing of library materials	2	2	4	<ul style="list-style-type: none"> <li>➤ Putting book covers</li> <li>➤ Maintain cleanliness</li> <li>➤ Dusting</li> </ul>	Librarian
123.	Obsolete materials	2	2	4	<ul style="list-style-type: none"> <li>➤ Frequent acquiring of materials</li> <li>➤ Use of E-Books</li> </ul>	Librarian HODs
124.	Misplacing/Mis-shelving of library materials	2	2	4	<ul style="list-style-type: none"> <li>➤ Proper shelving</li> <li>➤ Proper marking of shelves</li> </ul>	Librarian
125.	Mutilation of library materials	3	2	6	<ul style="list-style-type: none"> <li>➤ Fine the offenders</li> <li>➤ Replacement of book if badly mutilated</li> </ul>	Librarian

QUALITY ASSURANCE						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
126.	Carrying out audits	4	2	8	<ul style="list-style-type: none"> <li>➤ Control register attendance</li> <li>➤ Copy of audited tool</li> <li>➤ Circulars</li> <li>➤ Memos</li> </ul>	Principal,QA
127.	Lateness of the trainers and support staff on work	4	2	8	<ul style="list-style-type: none"> <li>➤ Clock in register</li> <li>➤ Regular spot checks</li> <li>➤ Biometric entrance</li> </ul>	Principal HR QA
128.	Negligence of duty	5	3	15	<ul style="list-style-type: none"> <li>➤ Warning letter</li> <li>➤ Audit reports</li> </ul>	Principal QA
129.	Capacity building of DIQAR	3	2	6	<ul style="list-style-type: none"> <li>➤ Request from the Principal</li> </ul>	Principal QA
130.	Registration of trainers	5	3	15	<ul style="list-style-type: none"> <li>➤ Register with TVETA</li> <li>➤ HR policy</li> <li>➤ Staff meeting</li> </ul>	Principal QA

## IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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

### a. Sustainability strategy and profile -

The triple Bottom Line concepts analyses the sustainability of an organization based on three concepts: Profits, people (social) and Planet (environment).

**Profit:**The institute has benefited greatly through the financial Support received from national government through NGCDF, NGAAF, HELB, grants and capitation. This has led to improved and expanded infrastructure thus resulting in increased student enrolment.

**Social:**Devolution system of Government has contributed to the increased demand for skills at the county level hence increased student enrolment. This has a direct positive impact to the community around the institution.

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

Category	Issue(s)	Description of effect	Action to mitigate
Political	Favourable Political situation	<ul style="list-style-type: none"> <li>➤ Increased student enrolment</li> <li>➤ Conducive learning environment</li> </ul>	<ul style="list-style-type: none"> <li>➤ Surveillance and intelligence on potential risks</li> </ul>
	Devolution system of Government	<ul style="list-style-type: none"> <li>➤ Demand for skills at the county level hence increased student enrolment</li> </ul>	<ul style="list-style-type: none"> <li>➤ Lobby/ Create linkages with the County Governments.</li> </ul>
	Financial Support from national government through NGCDF, NGAAF, HELB, grants and capitation.	<ul style="list-style-type: none"> <li>➤ Improved and expanded infrastructure</li> <li>➤ Increased students enrolment</li> </ul>	<ul style="list-style-type: none"> <li>➤ Prudent use of government funds</li> <li>➤ Accountability in the use of available resources</li> </ul>

### b.Environmental performance

Category	Issue(s)	Description of effect	Action to mitigate
Environmental/ Ecological	Overcrowded classes and workshops	<ul style="list-style-type: none"> <li>➤ Ineffective imparting of skills</li> <li>➤ Increased waste pollution</li> </ul>	<ul style="list-style-type: none"> <li>➤ Proper waste management system</li> <li>➤ Expansion of physical infrastructure</li> </ul>

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Inadequate / unreliable supply of water	<ul style="list-style-type: none"> <li>➤ Water borne diseases</li> <li>➤ Negatively affecting operations in the Institute</li> </ul>	<ul style="list-style-type: none"> <li>➤ Water harvesting</li> <li>➤ Drilling of borehole</li> </ul>
Environment free from air and noise pollution	<ul style="list-style-type: none"> <li>➤ Favourable working / learning conditions</li> </ul>	<ul style="list-style-type: none"> <li>➤ Continually initiate environmental conservation initiatives</li> </ul>

**c. Employee welfare**

At Michuki Technical Training Institute, we integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviors of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We also seek to minimize our environmental impact and seek to enhance the amenity of residential communities.

We value our employees who are directly or indirectly involved in training of our students and contribute to their potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through community consultation process.

The Institutes Human Resource Manual guides on hiring and appraisal of the staff. Staff training and development has been factored in the annual budget to ensure that our staff are trained and equipped in regard to emerging issues.

**d. Market place practices**

**Responsible Supply Chain and Supplier relations**

As per the government policy and Section 227 of The Constitution of Kenya, the institute has ensured that it complies with procurement regulations.

1. All procurement activities are carried out where Supply Chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure.
2. The Institute has maintained and continuously updated a list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs.

Michuki Technical Training Institute ensures that;

- i) Customers are provided with support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- ii) Proper communication channels e.g. Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- iii) When doing procurement planning, the institute has complied with preference and reservation requirements.
- iv) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.
- vi) The institute participated in the Regional Athletic held at Kagumo Teachers College and emerged position one (1).

#### **e. Corporate Social Responsibility/ Community Engagements**

The Institute carried out various CSR activities during the year under review. These activities include:

- Providing tree seedlings
- Tree planting within the community shopping centres
- Cleaning the environment amongst others
- Provide free dustbins to the community within the county (Kangema and Kiria-ini)
- Under the same financial year 2020/2021, the community around the Institute managed to increase students' accommodation spaces from 4,000 to 4,500.

**X. REPORT OF THE COUNCIL/BOARD OF GOVERNORS**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the *Michuki Technical Training Institute* affairs.

**Principal activities**

The principal activity of the entity to provide Technical, Vocational and Entrepreneurship Training (TVET) using appropriate technology to empower trainees for individual and national development

**Results**

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

**COUNCIL/BOARD OF GOVERNORS**

The members of the Board who served during the year are shown on page v-vii. During the year 2020-2021 one of the Board member Veronicah Maina passed away on 9<sup>th</sup> June 2021.

**Auditors**

The Auditor General is responsible for the statutory audit of the *Michuki Technical Training Institute* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

  
.....  
Institute Secretary

Date: 06/07/2022

**XI. STATEMENT OF BOARD OF GOVERNORS/COUNCIL MEMBERS' RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013) require the Board members to prepare financial statements in respect of that Michuki Technical Training Institute, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the *entity* for that year/period. The Board members are also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The Board members are also responsible for safeguarding the assets of the *entity*.

The Board members are responsible for the preparation and presentation of the *entity* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the *entity* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2021, and of the *entity's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The financial *entity's* statements were approved by the Board on 29<sup>th</sup> September 2021 and signed on its behalf by:

Name.....  
Signature.....

Chairperson of the Board/Council

Name.....  
Signature.....

Accounting Officer/Principal

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON MICHUKI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2021**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Michuki Technical Training Institute set out on pages 1 to 35, which comprise the statement of financial position as at 30 June, 2021, 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 Michuki Technical Training Institute as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

## **Basis for Qualified Opinion**

### **1.0 Inaccuracies in the Financial Statements**

#### **1.1 Statement of Comparison of Budget and Actual Amounts**

The statement of comparison of budget and actual amounts reflects a final budgeted deficit of Kshs.239,492,000. However, the computed deficit is nil.

In the circumstances, the accuracy of the statement of comparison of budget and actual amounts could not be confirmed.

#### **1.2 Government Grants Transferred to Mentored Institutions**

The statement of financial performance reflects Kshs.17,874,165 in respect of Government grants transferred to mentored institutions. However, the corresponding explanatory Note 14 to the financial statements reflects nil transfers.

In the circumstances, the accuracy and completeness of Kshs.17,874,165 reflected as government grants transferred to mentored institutions could not be confirmed.

### **2.0 Revenue from Non-Exchange Transactions**

The statement of financial performance and Note 6 to the financial statements reflect Kshs.139,664,165 in respect of revenue from non-exchange transactions. However, included in the amount is capitation grant of Kshs.6,254,998 relating to a vocational centre whose supporting documents were not provided for audit verification.

In the circumstances, the accuracy and completeness of the revenue of Kshs.6,254,998 from non-exchange transactions could not be confirmed.

### **3.0 Revenue from Exchange Transactions**

The statement of financial performance and Note 7 to the financial statements reflect Kshs.60,363,537 in respect of revenue from exchange transactions. However, supporting documents for the amount were not provided for audit verification.

In the circumstances, the accuracy and completeness of the revenue of Kshs.60,363,537 from exchange transactions could not be confirmed.

#### **4.0 Cash and Cash Equivalents**

The statement of financial position and Note 17 to the financial statements reflect cash and cash equivalents balance of Kshs.160,849,340. However, as previously reported, review of bank reconciliation statements revealed that direct deposits totaling to Kshs.14,975,425 relating to three (3) bank accounts had not been receipted in the cashbook. Further, unpresented cheques totaling to Kshs.7,053,579 for one (1) bank account had not been reversed in the cash book contrary to Regulation 90(3) of the Public Finance Management (National Government) Regulations, 2015, which requires Accounting Officers to ensure any discrepancies noted during bank reconciliation exercise, are investigated immediately and appropriate action taken including updating the relevant cash books.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.160,849,340 could not be confirmed.

#### **5.0 Property, Plant and Equipment**

The statement of financial position and Note 20 to the financial statements reflect a property, plant and equipment balance of Kshs.627,699,033 that includes land with a net book value of Kshs.42,100,000. However, as previously reported, the land ownership documents were not provided. Further, seven (7) vehicles with a net book value of Kshs.20,246,525 were registered in the name of a high school instead of the Institute.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.62,346,525 could not be confirmed.

#### **6.0 Undisclosed Prior Year Audit Matters**

The status of the progress on follow up of some of the prior year auditor's recommendations was not provided in the financial statements as required by the Public Sector Accounting Standards Board (PSASB).

In the circumstances, the Institute's financial statements do not comply with the financial reporting guidelines provided by PSASB pursuant to Section 194 of the Public Finance Management Act, 2012.

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

## **Key Audit Matters**

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

## **Other Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual receipts on a comparable basis of Kshs.239,492,000 and Kshs.200,543,141 respectively, resulting to an underfunding of Kshs.38,948,859 or 16% of the budget.

Similarly, the institution spent Kshs.217,522,631 against approved budget of Kshs.239,492,000 resulting to an under-expenditure of Kshs.21,969,369 or 9% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the stakeholders of the Institute.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **Non-Compliance with Law on Ethnic Composition**

The Institute had one hundred and fifty-eight (158) staff members of whom one hundred and seventeen (117) or 74% were from the dominant ethnic community. Further, the Board of Governors of the Institute comprise of seven (7) board members of whom three (3) or 43% were from the dominant ethnic community. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

# REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

## **Conclusion**

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

## **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, 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 Board of Governors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 control, risk management and governance.

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**31 August, 2022**

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**XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

	Notes	2020-2021	2019/2020
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government–grants	6	139,664,165	98,736,253
<b>Total Revenue from non-exchange transactions</b>		<b>139,664,165</b>	<b>98,736,253</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	60,363,537	49,416,041
Rental revenue from facilities and equipment	8	291,160	317,000
Other income	9	2,379,577	5,009,394
<b>Revenue from exchange transactions</b>		<b>63,034,274</b>	<b>54,742,435</b>
<b>Total revenue</b>		<b>202,698,439</b>	<b>153,478,688</b>
<b>Expenses</b>			
Use of goods and services	10	91,963,083	75,079,536
Employee costs	11	14,446,865	15,866,939
Depreciation and amortization expense	20/33	34,159,638	35,537,143
Repairs and maintenance	13	27,878,064	9,532,635
Government grants transferred to mentored Institutions	14	17,874,165	23,000,000
Other expenses			959,678
Other transfers to mentored Institutions	15		5,099,847
Impairment loss	16		33,210,012
BOG Emoluments	32	3,312,300	
<b>Total expenses</b>		<b>189,634,115</b>	<b>198,285,790</b>
<b>Net (deficit)/surplus for the year</b>		<b>13,064,324</b>	<b>(44,807,102)</b>

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**XIV. STATEMENT OF FINANCIAL POSITIONAS AT 30<sup>TH</sup> JUNE 2021**

	Notes	2020/2021	*Restated 2019/2020
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	160,849,340	82,323,794
Receivables from exchange transactions	18	14,650,658	107,097,823**
<b>Total Current Assets</b>		<b>175,499,998</b>	<b>189,421,617</b>
<b>Non-current assets</b>			
Property, plant and equipment	20	627,699,033	584,016,974
Intangible Assets	33	2,787,930	
Biological assets	19	650,000	650,000
		<b>631,136,963</b>	<b>584,666,974</b>
<b>Total assets</b>		<b>806,636,961</b>	<b>774,088,591</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	21	18,062,835	1,323,789
Payable to mentored institution		2,745,000	
<b>Total Current Liabilities</b>		<b>20,807,835</b>	
<b>Total liabilities</b>		<b>20,807,835</b>	<b>1,323,789</b>
<b>Reserves</b>			
Capital reserve		566,714,000	566,714,000
Accumulated surplus		137,067,597	124,003,273**
Valuation reserve		81,597,529	81,597,529
Fair value adjustment		450,000	450,000
<b>Total Capital and Reserves</b>		<b>785,829,126</b>	<b>772,764,802</b>
<b>Total Liabilities and Capital &amp; Reserves</b>		<b>806,636,961</b>	<b>774,088,591</b>

The Financial Statements set out on pages 1-5 were signed on behalf of the Institute Council/ Board of Governors by:

Note: \*\*Restated for FY 2019/2020



**Chairman of Council/Board of Governors**

Date... 06/07/2022



**Finance Officer**  
ICPAK No22979

Date... 06/07/2022



**Principal**

Date... 06/07/2022

**XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

	Notes	Revaluation reserve	Accumulated surplus	Capital reserves	Fair adjustment r
Balance c/d as at June 30, 2019		-	75,969,875	524,614,000	
<b>Balances as at 1<sup>st</sup> July, 2019</b>		-	75,969,875	524,614,000	
Additional capital reserve (land at market price)				42,100,000	
Revaluation reserve		81,597,529	-		
Fair value gain					4.
Surplus for the year		-	(44,807,102)	-	
<b>Balance c/d as at June 30, 2020 as previously stated</b>		81,597,529	31,162,773	566,714,000	4.
<b>Prior year adjustment</b>					
<b>NYS receivables</b>			92,840,500		
<b>Balance c/d as at June 30, 2020 asrestated</b>		81,597,529	124,003,273	566,714,000	4.
<b>Surplus for the year</b>		-	13,064,324		
<b>Balance c/d as at June 30, 2021</b>		81,597,529	137,067,597	566,714,000	4.

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**XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

		2020/2021	2019/2020
	Note	Kshs	Kshs
<b>Cashflows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants	6	139,664,165	98,736,253
Rendering of services- Fees from students	7	60,363,537	40,376,641
Rental revenue from facilities and equipment	8	291,160	317,000
Other income	9	2,379,577	5,009,394
Exam accounts:NITA			1,148,595
Exam accounts:KASNEB			749,000
Exam accounts:KNEC			25,552,720
Examinations	21	15,718,867	
Prepaid fees		1,636,659	1,896,245
Debts recovered during the year		92,840,500	71,951,173
<b>Total Receipts</b>		<b>312,894,465</b>	<b>245,737,021</b>
<b>Payments</b>			
Use of goods and services	10	91,963,083	15,866,939
Employee costs	11	14,446,865	75,079,536
Repair and maintenance	13	27,878,064	9,532,635
Grants transferred to other institution	14	15,129,165	23,000,000
BOG Emoluments	32	3,312,300	
General expenses			959,678
Exam:NITA			1,148,595
Exam accounts:KASNEB			749,000
Exam accounts:KNEC			25,552,720
Examination	21	1,903,381	
Transferred to Tetu Tvc			3,102,368
Transferred to Kandara Tvc			2,419,783
Other prior year liabilities paid during the year			2,228,561
Prepaid fees refund	31	2,250,567.00	749,051
Advance to staff			85,000
<b>Total Payments</b>		<b>156,883,425</b>	<b>160,473,866</b>
<b>Net cashflows from operating activities</b>		<b>156,011,040</b>	<b>85,263,155</b>

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<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		<b>77,485,494</b>	31,610,149
Proceeds from sale of property, plant and Equipment			
Decrease in non-current receivables			
Increase in investments			
<b>Net cash flows used in investing activities</b>		<b>77,485,494</b>	<b>31,610,149</b>
<b>Cashflows from financing activities</b>			
Proceeds from borrowings			
Repayment of borrowings			
Increase in deposits			
<b>Net cash flows used in financing activities</b>			-
<b>Net(decrease)in cash and cash equivalents</b>		<b>78,525,546</b>	<b>53,653,006</b>
Cash and cash equivalents at 1 July 2020		82,323,794.00	28,670,788
<b>Cash and cash equivalents at 30 June 2021</b>		<b>160,849,340.00</b>	<b>82,323,794</b>

**XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

	Original budget	Adjustments	Final budget	Actual	Performance difference	Explanation of variance
	2020-2021 Kshs	2020-2021 Kshs	2020-2021 Kshs	2020-2021 Kshs	2020-2021 Kshs	
<b>Revenue</b>						
Transfers from other Govt entities Govt grants	130,000,000		130,000,000	121,790,000	8,210,000	a
Rending of services- Fees from students	80,240,000		80,240,000	76,082,404	4,157,596	b
Rental revenue	312,000		312,000	291,160	20,840	c
Other income	5,840,000		5,840,000	2,379,577	3,460,423	d
Exams	23,100,000		23,100,000	15,718,867	7,381,133	i
<b>Total income</b>	<b>239,492,000</b>		<b>239,492,000</b>	<b>200,543,141</b>	<b>38,948,859</b>	
<b>Expenses</b>						
Employee cost	22,841,162		22,841,162	14,446,865	8,394,297	e
Use of Goods and services	131,250,838	(16,000,000)	118,650,838	96,117,031	35,133,807	f
Repair and maintenance	14,000,000	16,000,000	30,000,000	51,381,063	(21,381,063)	g
Other expenses						
Development & project	68,000,000		68,000,000	52,265,372	15,734,628	h
BOG Emoluments	3,400,000		3,400,000	3,312,300	87,700	
<b>Total expenditure</b>	<b>239,492,000</b>		<b>239,492,000</b>	<b>217,522,631</b>	<b>21,969,369</b>	
<b>Deficit for the period</b>				<b>16,979,490</b>	<b>16,979,490</b>	

**Notes to the statement of comparison of budget and actual amounts**

**a. Transfers from other Government entities & Government grants (6%)**

In the financial year 2020-2021 the institute received Funding from the Ministry for capitation but did not receive funds for development.

**b. Rendering of services (5%)**

The year under review the institute received fees from students

**c. Rental revenue (7%)**

The year under review some of the house( Kitchen ) had no occupants because there were no student on the institute and there was approval for non payment for several months

**d. Other income (59%)**

During the year under review there was no income from other services rendered by the institution due to COVID 19

**e. Employee cost (37%)**

The employee cost was unfavourable because trainers employed by the Board were terminated due to COVID 19

**f. Use of Good(16%)**

During the year there were no much expenses for training and learning materials since student were affected due COVID 19

**g. Repair and maintenance (-71%)**

Due to COVID 19 which lead to closure of institution which in turn led the Minister of Education to carry out inspection of readiness to resume learning .The Minister inspected the institution and directed that the institution blocks to be tiled , the management responded and in return there was maintenance that took place within the period under review

**h. Development and project (23%)**

The development and the projects are work in progress.

**i. Exams Fees**

The numbers of the candidates sitting for the exams were few than expected due to disruption of COVID 19 and change of exams calendar.

**XVIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Michuki Technical Training Institute is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide Technical Vocational and entrepreneurship Training (TVET).

**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 areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes.

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.

Standard	Impact
Other Improvements to IPSAS	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

MICHUKI TECHNICAL TRAINING INSTITUTE ANNUAL REPORT AND FINANCIAL  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.**

<b>IPSAS 41:</b> Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>•Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>•Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>•Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<b>IPSAS 42:</b> Social Benefits	<p><b>Applicable: 1<sup>st</sup> January 2023</b> The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ul>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>

**iii. Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2021.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a) Revenue recognition

##### i) Revenue from non-exchange transactions

###### **Transfers from other government entities**

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

##### ii) Revenue from exchange transactions

###### **Rendering of services**

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

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

###### **Sale of goods**

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

###### **Interest income**

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

###### **Dividends**

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Revenue recognition (Continued)**

**ii) Revenue from exchange transactions (continued)**

**Rental income**

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

**b) Budget information**

The original budget for FY 2020/2021 was approved by the Council or Board on 30<sup>th</sup> June 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity did not record additional appropriations on the FY 2020/2021 budget following the Council/ Board's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 5 of these financial statements.

**c) Taxes**

***Current income tax***

The entity is exempt from paying taxes as per first schedule of the Income Tax Act.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Taxes (continued)**

*Sales tax/ Value Added Tax*

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

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

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

**d) Investment property**

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 50 years.

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

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

**e) Property, plant and equipment**

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

Freehold land is not depreciated as it is deemed to have an infinite life

The annual depreciation rates of assets in use are as follows:-

<u>Assets</u>	<u>Rate (p.a)</u>
Buildings	2%
Furniture, plant and equipment	12.5%
Motor vehicles	25 %
Computers	33.3 %
Software	20%

Fixed assets are stated at cost or valuation, less accumulated depreciation. Depreciation is on reducing balance basis.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

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

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

**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

**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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### i) Financial instruments

##### *Financial assets*

##### *Initial recognition and measurement*

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

##### *Loans and receivables*

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

##### *Held-to-maturity*

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

##### *Impairment of financial assets*

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Financial instruments (Continued)**

*Financial assets (Continued)*

*Impairment of financial assets (Continued)*

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

*Financial liabilities*

*Initial recognition and measurement*

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

*Loans and borrowing*

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

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

**i) Inventories**

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### i) Inventories (Continued)

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

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

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

#### j) Provisions

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

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

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

#### *Contingent liabilities*

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

#### *Contingent assets*

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Nature and purpose of reserves**

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

**l) Changes in accounting policies and estimates**

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

**m) Employee benefits**

**Retirement benefit plans**

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

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

**n) Foreign currency transactions**

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

**o) Borrowing costs**

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

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**p) Related parties**

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

**q) Service concession arrangements**

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

**r) Cash and cash equivalents**

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

**s) Comparative figures**

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

**t) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

## 5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

### **Estimates and assumptions**

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

### **Useful lives and residual values**

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

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

### **Provisions**

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

During the year under review the institution received funds from the Ministry of Education as tabulated below; capitation grants was distributed to the students and the other grants were transferred to the relevant institutions

Description	2020-2021	2019-2020
	KShs	KShs
<b>Unconditional grants</b>		
Capitation grants	121,790,000	71,895,000
Operational grant -Tetu	1,500,000	2,000,000
Capitation grant –Tetu	4,025,000	
Operational grant -Kandara	1,000,000	1,000,000
Capitation grant –Kandara	6,254,998	-
Capitation grant Mathioya	1,627,500	
<b>Conditional grants</b>		
Library grant		-
Hostels grant		-
Administration block grant		-
Laboratory grant		-
Learning facilities grant –(Kigumo TVC)	3,466,667	20,000,000
Other organizational grants		3,841,253
<b>Total government grants and subsidies</b>	<b>139,664,165</b>	<b>98,736,253</b>

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognized in capital fund KShs	Total grant income during the year KShs	2020-2021 KShs
Ministry/State Department	139,853,265	-	-	139,853,265	139,853,265
Ministry					
<b>Total</b>	<b>139,853,265</b>			<b>139,853,265</b>	<b>139,853,265</b>

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry. The details of the reconciliation have been included under appendix iii)

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7. RENDERING OF SERVICES**

Description	2020-2021	2019-2020
Tuition fees	56,074,353	8,199,048
Activity fees	11,756,422	3,356,765
Industrial attachment fees	9,993,115	1,168,870
Administration	22,102,153	5,895,326
Practical	15,796,373	1,277,619
Capacity Building	997,851	410,064
P/Emolument non -teaching staff	11,460,941	2,922,828
Gratuity	1,538,760	628,132
Local transport & travel	9,797,562	3,210,710
Repair and maintenance	5,422,500	1,513,148
Electricity Water & Conservation	10,744,038	3,732,414
Student Welfare	3,074,655	1,263,427
Computer Maintenance	0	780
School fund	0	1,173
Boarding fee	00	734
Development fee	0	31,573
Insurance	1,017,002	424,508
Medical	0	1,127
P/Emolument teaching staff	19,555,467	4,331,626
P/Emolument Casual	2,822,345	1,990,003
P/Emolument	0	16,766
Sub-Total	182,153,537	40,376,641
Receivable from National Youth Service		9,039,400
Less :Capitation	(121,790,000)	
<b>Total revenue from the rendering of services</b>	<b>60,363,537</b>	<b>49,416,041</b>

This is the revenue from student's fees which has been guided by student fee structure to various vote heads.

**8. HIRE OF FACILITIES AND EQUIPMENT**

Description	2020-2021	2019-2020
House Rent	291,160	317,000
<b>Total</b>	<b>291,160</b>	<b>317,000</b>

Nb :The institute has rental houses and also receive rent from hire of kitchen

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9. OTHER INCOME**

Description	2020-2021	2019-2020
College ID cards	15,250	500
Hostel fee	811,220	3,974,880
Computer packages	115,205	117,112
Driving Course	1,058,298	557,509

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Driving Truck	-	1,667
T-Shirts	1,463	228
Caution	-	139
Farm Account	50,527	781
Bus hire	126,850	169,190
Library card	1,234	1,040
Miscellaneous(photocopy ,printing &sale of absolute assets)	199,530	186,348
<b>Total other income</b>	<b>2,379,577</b>	<b>5,009,394</b>

**10. USE OF GOODS AND SERVICES**

Description	2020-2021	2019-2020
	KSh	KSh
Teaching and learning materials	7,975,281	11,942,062
Industrial attachment costs	302,400	879,300
Electricity, Water & conservation	9,268,430	5,367,236
Hostel Expenses	165,995	4,500
Pay as you Eat Expenses	13,712,807	7,161,120
Activity & sport	1,119,491	3,015,586
Caution Expenses	58,400	57,000
Student Welfare	1,780,700	276,300
Bursary Expense	-	10,000
Nita Expenses	23,550	39,750
Practical materials	20,477,504	12,812,143
Administration cost	31,191,786	29,358,613
Capacity Building expense	1,511,380	508,404
Transport and travelling	655,025	1,725,390
Fuel & gas	1,988,370	1,922,132
Insurance expense	1,112,268	
Bank charges	54,362	
<b>Sub-Total</b>		<b>75,079,536</b>
<b>Other</b>		
Driving course expense	367,531	265,423
Farm expense	165,403	143,755
Computer package expenses	32,400	120,050
T-shirts expenses	-	430,450
<b>Sub-Total</b>		<b>959,678</b>
<b>Total use of goods and services</b>	<b>91,963,083</b>	<b>76,039,214</b>

**11. EMPLOYEE COSTS**

Description	2020-2021	2019-2020
	KSh	KSh
P/E teaching staff	6,058,285	8,829,526
P/E Non- teaching staff	5,174,486	5,104,520
Gratuity	1,494,494	92,593
Casual	1,719,600	1,840,300
<b>Employee costs</b>	<b>14,446,865</b>	<b>15,866,939</b>

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**12. DEPRECIATION AND AMORTIZATION EXPENSE**

Description	2020-2021	2019-2020
Property, plant and equipment	<b>34,159,638</b>	35,537,143
<b>Total depreciation and amortization</b>	<b>34,159,638</b>	<b>35,537,143</b>

**13. REPAIRS AND MAINTENANCE**

Description	2020-2021	2019-2020
Repair and maintenance	27,878,064	9,532,635
<b>Total repairs and maintenance</b>	<b>27,878,064</b>	<b>9,532,635</b>

**14. Government grants transferred to mentored institution**

Description	2020-2021	2019-2020
Government grant transfer to Kigumo	3,466,667	20,000,000
Government grant transfer to Tetu	5,525,000	2,000,000
Government grant transfer to Kandara	7,254,998	1,000,000
Government grant transfer to Mathioya	1,627,500	
<b>Total</b>	<b>17,874,165</b>	<b>23,000,000</b>

**15. Other transfers to mentored institution**

Description	2020-2021	2019-2020
Opening bank balance transferred		5,099,847
<b>Total grants and subsidies</b>	-	<b>5,099,847</b>

**16. IMPAIRMENT LOSS**

Description	2020-2021	2019-2020
<b>Equipment and machinery</b>		
Cost of Equipment		157,000,000
Less value after valuation		(104,164,988)
Reversal of Depreciation		(19,625,000)
Impairment loss		33,210,012
<b>Total impairment loss</b>	-	<b>33,210,012</b>

**17. CASH AND CASH EQUIVALENTS**

Description	2020-2021	2019-2020
Amica saving&credit	2,155,197	27,274

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Equity Bank		50,569,741	1,741,276
KCB Current Account		95,686,307	68,113,600
KCB Saving Account		12,437,579	12,440,774
Cash at Hand		516	870
<b>Total cashand cash equivalents</b>		<b>160,849,340</b>	<b>82,323,794</b>

17(a).DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Description	Account number	2020-2021	2019-2020
		KShs	KShs
<b>Current account</b>			
Amica saving &credit	005109000000030	2,155,197	27,274
Equity Bank	0030298366348	50,569,741	1,741,276
KCB Current Account	1107220416	95,686,307	68,113,600
KCB Saving Account	1106617541	12,437,579	12,440,774
Cash at Hand		516	870
<b>Grand total</b>		<b>160,849,340</b>	<b>82,323,794</b>

18. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
<b>Current receivables</b>		
Student debtors	2,971,894	73,776
Receivable from National Youth Service	9,039,400	101,879,900
Receivable from TetuTvc	2,639,364	2,639,364
Receivable from KandaraTvc	-	2,419,783
Salary Advance	-	85,000
<b>Total current receivables</b>	<b>14,650,658</b>	<b>107,097,823</b>

18. a.National Youth Service Receivable movement

Description	2020-2021	2019-2020
	KShs	KShs
<b>At the start of year</b>	101,879,900	71,568,544
Additions during the year: April 2020	-	46,890,100
:June 2020		40,901,600
<b>Total</b>		159,360,244
Payment during the year:	(51,938,900)	(10,839,654)
:	(40,901,600)	(46,640,700)
<b>At the end of the year</b>	<b>9,039,400</b>	<b>101,879,900</b>

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**19. BIOLOGICAL ASSETS**

Description	2020-2021	2019-2020
	₹	₹
<b>At the start of year</b>		200,000
<b>Addition</b>		-
Fair Value gain		450,000
<b>At the end of year</b>	<b>650,000</b>	<b>650,000</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION											
	LAND	BUILDINGS	MACHINERY	MOTOR VEHICLES	COMP EQUIP	FURNITURE & FITTINGS	Library books	Work in progress	TOTAL		
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	
Cost											
	2%	12.50%	25.00%	33.30%	12.50%						
At 30 <sup>th</sup> June 2018	313,000,000	157,000,000	15,000,000	9,350,000	15,064,000	15,000,000	-	-	524,414,000		
Additions	7,002,042	-	-	-	928,000	-	-	-	7,930,042		
At 30 <sup>th</sup> June 2019	320,002,042	157,000,000	15,000,000	9,350,000	15,992,000	15,000,000	-	-	532,344,042		
Additions	2,420,215	-	14,803,120	2,484,950	2,409,500	-	9,492,364	-	31,610,149		
Valuation	42,100,000	57,887,958	(52,835,012)	150,000	7,606,180	-	-	-	55,599,926		
At 30 <sup>th</sup> June 2020	380,310,215	104,164,988	29,953,120	12,525,750	26,007,680	15,000,000	9,492,364	-	619,554,117		
Depreciation and impairment											
At 30 June 2019	-	6,400,041	19,625,000	3,750,000	3,113,550	1,999,000	-	-	34,887,591		
Reversal upon valuation	-	(6,400,041)	(19,625,000)	(3,750,000)	(3,113,550)	(1,999,000)	-	-	(34,887,591)		
Depreciation	-	7,606,204	13,020,624	7,488,280	4,171,075	3,250,960	-	-	35,537,143		
At 30 <sup>th</sup> June 2020	-	7,606,204	13,020,624	7,488,280	4,171,075	3,250,960	-	-	35,537,143		
Net book values											
At 30 <sup>th</sup> June 2020	42,100,000	372,704,011	91,144,364	22,464,840	8,354,675	22,756,720	15,000,000	9,492,364	584,016,974		

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At 30 <sup>th</sup> June 2019	-	313,602,001	137,375,000	11,250,000	6,236,450	13,993,000	15,000,000	-	497,456,451
At 30 <sup>th</sup> June 2020	42,100,000	372,704,011	91,144,364	22,464,840	8,354,675	22,756,720	15,000,000		584,016,974
Transfer from work in progress		9,492,364						(9,492,364)	-
Additions		27,425,891	827,810	4,530,526	1,625,947	2,563,494		15,291,704	52,265,372
Amendments		24,510,905				368,436			24,879,341
At 30 <sup>th</sup> June 2021	42,100,000	434,133,171	91,972,174	26,995,366	9,980,622	25,688,650	15,000,000	15,291,704	664,646,600
Depreciation		8,682,663	11,496,522	6,748,842	3,323,547	3,165,027			33,462,955
Net book value as at 30 <sup>th</sup> June 2021	42,100,000	425,450,508	80,475,652	20,246,525	6,657,075	22,523,623	15,000,000	15,291,704	627,699,033

**NOTE :** The parcel of land approximately 2.02 has no title deed and a letter of no objection has been obtained for the county government of Muranga and attached below.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Valuation**

Land and buildings were valued by ICON Valuers an independent valuer on 22<sup>nd</sup> June 2020 on market Value basis of valuation. These amounts were adopted on 30<sup>th</sup> June 2020.

**20 (b) Property, Plant and Equipment at Cost**

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

	Cost	Accumulated Depreciation	Net
	Kshs	Kshs	Kshs
Land			
Buildings	359,340,512	15,798,649	343,541,863
Plant and machinery	157,827,810	24,517,146	133,310,664
Motor vehicles, including motorcycles	34,333,646	14,237,122	20,096,525
Computers and related equipment	13,460,897	5,797,022	7,663,875
Office equipment, furniture, and fittings	20,964,994	6,415,987	14,549,007
<b>Total</b>	<b>585,927,859</b>	<b>66,765,926</b>	<b>519,161,934</b>

**21. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description	2020	2019
	Kshs	Kshs
Trade payables		-
Fees paid in advance	1,636,659	1,147,194
Prepaid NITA exam fee		176,595
Payable to Examination bodies	13,815,486	
Payable to contractors	2,610,690	
<b>Payable to mentees</b>		
Payable to Tetu Tvc	1,117,500	
Payable to Mathioya Tvc	1,627,500	
<b>Total trade and other payables</b>	<b>20,807,835</b>	<b>1,323,789</b>

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**21 b Examination**

KNEC exam fees	13,582,957	
KASNEB exam fees	611,826	
NITA exam fees	1,524,084	
	<b>15,718,867</b>	
KNEC exams Expense	929,520	
KASNEB exam Expense	502,800	
NITA Exam Expense	471,061	
	1,903,381	
<b>Total</b>	<b>13,815,486</b>	

**22. PRIOR YEAR ADJUSTMENTS**

Prior year adjustments related to the following:

- i. Understatement of brought forward NYS debtors by KES. 21,271,956
- ii. Reversal of the wrong entry that was meant to clear brought forward NYS debtors amounting to 71,568,544. The entry that was supposed to be passed is credit NYS debtors and debit cashbook for the bank account where the funds were transferred, but instead, the wrong entry passed was Debiting tuition income and crediting NYS debtors. Since the amount paid by NYS were recognised in the books in Year 2020/2021, then the total NYS debt was supposed to form part of the Institute receivables as at 30<sup>th</sup> June 2020.

**Analysis of the entries**

<b>i. Understated prior year NYS debtors</b>	
Total NYS receivables per the invoices as at 30 <sup>th</sup> June 2020	<b>101,879,900</b>
<b>Less: Amount recorded as NYS debtors in the books as at 30<sup>th</sup> June 2020 (9,039,400 +71,568,544)</b>	<b>(80,607,944)</b>
<b>Total understatement</b>	<b>21,271,956</b>
<b>Prior year adjustment passed:</b> Dr. 2019/2020 Debtors by 21,271,956 Cr. Accumulated surpluses as at 30 June 2020	
<b>ii. Wrong entry to 2019/2020 income</b>	
<b>Income for the year ended 2019/2020 was understated by</b>	<b>71,568,544</b>
<b>Prior year adjustment passed:</b> Dr. 2019/2020 Debtors by 71,568,544 Cr. Accumulated surpluses as at 30 June 2020 by 71,568,544	

Therefore, the total funds received from NYS amounting to KES 92,840,500 were recognised in the cashbook in the year 2020/2021 and the entries are as follows: DR. cash book and CR NYS debtors.

**Effects to accumulated surpluses**

Accumulated surpluses for year 2019/2020 as per the audited accounts		31,162,773
<b>Prior year adjustments:</b>		
Add: NYS income not booked	21,271,956	
Add: Prior year income understatement	71,568,544	
Total adjustments	<b>92,840,500</b>	<b>92,840,500</b>
Restated accumulated surpluses as at 30 <sup>th</sup> June 2020		<b>124,003,273</b>

### 23. OPERATING ACTIVITIES

#### Cash generated from operations

	2019/2020 KSh	2018/2019 KSh
<b>Surplus for the year</b>	2,359,500	(44,807,102)
<b>Prior year adjustment to income Adjustedfor:</b>		92,840,500
Depreciation	32,926,382	35,537,143
Impairment loss	-	33,210,012
<b>Working Capital adjustments</b>		
(Increase) in receivables	92,447,166	(26924081)
Decrease in payables	3,057,870	(4593317)
<b>Net cash flow from operating activities</b>	<b>130,790,918</b>	<b>85,263,155</b>

### 24. 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:

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At 30 June 2021	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
Receivables from exchange transactions	107,097,823	107,097,823		
Receivables from non exchange transactions	-	-		
Bank balances	82,322,924	82,322,924		
<b>Total</b>	<b>189,421,617</b>	<b>189,421,617</b>		
<b>At 30 June 2021</b>				
Receivables from exchange transactions	14,650,658	14,650,658		
Receivables from non exchange transactions	-	-		
Bank balances	160,849,340	160,849,340		
<b>Total</b>	<b>175,499,998</b>	<b>175,499,998</b>		

#### 24. FINANCIAL RISK MANAGEMENT (Continued)

##### (i) Credit risk (continued)

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

The entity has no significant concentration of credit risk on amounts

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

##### (ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the 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.

	Less than 1 month	Between 1-3 months	Over 3 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2020</b>				
Trade payables	-	-	-	-
Prepaid fee	-	57,652	1,266,137	1,323,789
<b>Total</b>	-	<b>57,652</b>	<b>1,266,137</b>	<b>1,323,789</b>
<b>At 30 June 2021</b>				
Payables to Tetu&Mathioya	2,745,000	-	-	2,745,000
Prepaid fee	-	1,636,659	-	1,636,659
<b>Total</b>	<b>2,745,000</b>	<b>1,636,659</b>	-	<b>4,381,659</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 24. FINANCIAL RISK MANAGEMENT (Continued)

#### (iii) Market risk

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

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

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

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

### 25. 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.

#### Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Students
- iv) Parents/Guardians/ Sponsors
- v) Community

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- vi) Government
- vii) Staff
- viii) External Providers (Suppliers)
- ix) Key management;
- x) Board of Governors ;

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

a) Grants /Transfers from the Government		
Capitation	139,853,265	98,736,253
	<b>139,853,265</b>	<b>98,736,253</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**26. SEGMENT INFORMATION**

The institution operates only in one geographical regions or in departments, and thus IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments does not apply.

**27. CAPITAL COMMITMENTS**

Capital commitments	2020-2021	2019-2020
		(Kshs)
Authorised for construction of hostel	91,210	-
3 <sup>rd</sup> floor Library block	4,250,916	
Staff quarter	31,712,410	
<b>Total</b>	<b>36,054,536</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**28. EVENTS AFTER THE REPORTING PERIOD**

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

**29. ULTIMATE AND HOLDING ENTITY**

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

**30. CURRENCY**

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

**31. Prepaid Fees refund**

Prepaid fees refund	<b>2,250,567</b>

**32. REMUNERATION OF DIRECTORS**

Description	2020/2021 KSh
BOG Emoluments	3,312,300
<b>Total director emoluments</b>	<b>3,312,300</b>

**33. Intangible Assets**

Description	2020/2021
ERP	3,484,913
<b>Depreciation</b>	<b>696,683</b>
<b>Net Amount</b>	<b>2,787,930</b>

NB: Depreciation has been based on 20%

**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR 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)
	Lack of audit committee and internal audit	The management recruited the internal auditor to enable the audit committee became functional	Resolved	-
	Lack of ownership documents for one parcel of land.	LOC12/4/138 is held in trust by Muranga county government and the management have initiated the process of acquiring title deed	Not Resolved	June 2022

Accounting Officer

Name John G Ndirangu

Michuki Technical Training Institute

Signature.....

Date.....06/07/2022

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**APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY**

**Projects**

Projects implemented by the institute Funded by A-A

**Status of Projects completion**

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1 CONSTRUCTION OF PERIMETER WALL PHASE 2	4,502,540	4,949,528	100%	4,000,000	4,949,528	A-A
2 CONSTRUCTION OF STAFF QUARTERS	5,423,675	5,332,465	80%	8,000,000	5,423,675	A-A
3 CONSTRUCTION OF 3 <sup>RD</sup> FLOOR TO THE LIBRARY BLOCK	11,028,630	6,777,714	100%	20,000,000	11,028,630	A-A
4 COMPLETION OF ELECTRICAL AND ELECTRONIC BLOCK	10,875,700	11,223,615	100%	10,000,000	11,223,615	A-A
5 PROPOSED CONSTRUCTION OF HOSTEL BLOCK	36,436,610	4,724,200	50%	40,000,000	36,436,610	A-A
6 PURCHASE OF STAFF UTILITY VEHICLE	4,570,000	4,530,526.21	100%	5,000,000	4,530,526.21	A-A
7 DRILLING & EQUIPPING OF BOREHOLE	4,050,300	3,980,466	100%	4,000,000	3,980,466	A-A

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**APPENDIX III: INTER-ENTITY TRANSFERS**

MICHUKI TECHNICAL TRAINING INSTITUTE				
<b>Break down of Transfers from the State Department of Michuki Technical Training Institute</b>				
<b>FY 2020-2021</b>				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	KandaraTvc	9/11/2020	500,000	2020-2021 FY
	TetuTvc	2/12/2020	500,000	2020-2021 FY
	TetuTvc	19/02/2021	500,000	2020-2021 FY
	KandaraTvc	30/3/2021	500,000	2020-2021 FY
	TetuTvc	7/4/2021	500,000	2020-2021 FY
		<b>Total</b>	<b>2,500,000</b>	
		<b>Transferred</b>	<b>(2,500,000)</b>	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Kigumo TVC	09/09/2020	3,466,667	2020-2021 FY
		<b>Total</b>	<b>3,466,667</b>	
		<b>Transferred</b>	<b>(3,466,667)</b>	
c.	Capitation Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Michuki TTI	03/07/2020	22,942,500	2019-2020 FY
	Michuki TTI	6/11/2020	22,747,500	2020-2021 FY
	TetuTvc	9/11/2020	810,000	2020-2021 FY
	Michuki TTI	16/02/2021	22,747,500	2020-2021 FY
	TetuTvc	16/02/2021	810,000	2020-2021 FY
	Michuki TTI	17/02/2021	810,000	2020-2021 FY
	Michuki TTI	25/2/2021	500,000	2020-2021 FY
	TetuTvc	7/4/2021	705,000	2020-2021 FY
	Michuki TTI	7/4/2021	23,385,000	2020-2021 FY
	MathioyaTvc	30/6/2021	1,627,500	2020-2021 FY
	Michuki TTI	30/6/2021	28,657,500	2020-2021 FY
	TetuTvc	30/6/2021	1,117,500	2020-2021 FY
		<b>Sub-Total</b>	<b>126,860,000</b>	
		<b>Transferred</b>	<b>(5,070,000)</b>	
		<b>Total</b>	<b>121,790,000</b>	

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

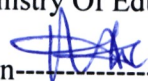
Finance Manager  
Michuki TTI

Sign



Head of Accounting Unit  
Ministry Of Education

Sign



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